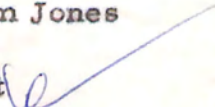


April 28, 1969

MEMORANDUM

To: Col. Malcolm Jones

From: Dan Sweat 

Attached is a copy of a draft position paper establishing the National Urban Coalition's role in housing.

I would appreciate any comments you may have.

DS:fy

April 28, 1969

Mr. Duane Beck
Executive Director
Community Council of the
Atlanta Area, Inc.
1000 Glenn Building
120 Marietta Street, N. W.
Atlanta, Georgia 30303

Dear Duane:

Attached is a copy of a draft position paper establishing the
National Urban Coalition's role in health.

I would appreciate any comments you or your colleagues may
have.

Sincerely yours,

Dan Sweat

DS:fy

The Urban Coalition

1815 H Street, N.W.
Washington, D.C. 20006
Telephone: 347-9630

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

April 17, 1969

The Honorable Ivan Allen, Jr.
Mayor of the City of Atlanta
City Hall
Atlanta, Georgia 30303

Dear Ivan:

At the request of the Executive Committee the staff has undertaken preparation of position papers in each of the major substantive areas which concern the Urban Coalition. I am enclosing for your information papers on housing and on health which have been approved by the Executive Committee.

As a general rule these papers are reviewed by representative task forces or ad hoc committees and then submitted to the Executive Committee for final approval. Other papers are in the process of preparation.

Sincerely,

Peter Libassi
Executive Vice President

cc: Mr. Dan Sweat

5/6/69

Dan —

Ray Levine put
this together after
looking at the
material

Duane

duane w beck

**Community
Council of the
Atlanta
Area inc.**

EUGENE T. BRANCH, *Chairman of the Board of Directors*
CECIL ALEXANDER, *Vice Chairman*
JOHN IZARD, *Vice Chairman*
MRS. THOMAS H. GIBSON, *Secretary*
DONALD H. GAREIS, *Treasurer*

DUANE W. BECK, *Executive Director*

ONE THOUSAND GLENN BUILDING, 120 MARIETTA ST., N. W. ATLANTA, GEORGIA 30303 TELEPHONE 577-2250

May 6, 1969

Mr. Dan E. Sweat, Jr.
Director of Governmental Liaison
Office of the Mayor
City Hall
Atlanta, Georgia 30303

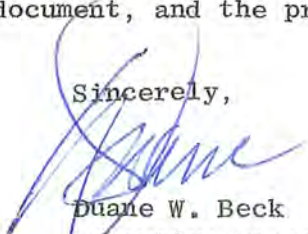
Dear Dan:

The draft position paper on health by the National Urban Coalition is, in general, excellently put together. The statistics, insofar as we are specifically familiar with them, are accurate. The listing of problems affecting the poor in different ways or in different degrees as compared to the non-poor, is essentially the listing our Comprehensive Health Planning Project has been gathering together. The listing of possible solutions or ameliorations is quite comprehensive. However, several such solutions are presented as though their efficacy had already been established, such as the use of neighborhood health centers, the extension of group practice, etc. These must be, in fact, the objects of careful study, in which both objective and subjective factors need to be included.

A small quibble would seem in order for the first few pages which seem to equate being black with being poor. I realize this is because statistics are more readily available comparing the health conditions of Negroes and whites than comparing the poor and non-poor, but this could be remedied in the final edition of the paper. In the concluding sections, the emphasis is clearly on the poor in general, as is most proper and effective.

The authors of this paper obviously know how to marshal their evidence and how to present it effectively to make points. There is little doubt that this is a valuable resource document, and the promised "Ex for Action" should be even more useful.

Sincerely,


Duane W. Beck
Executive Director

DWB:j

Revised Draft: 3/26/69

POSITION PAPER - HEALTH
Urban Coalition Roles in the Health Field

BACKGROUND

While no one wants to be sick, among the desperate needs of the urban poor and disadvantaged, seeking good health, including practicing preventive medicine, will not be perceived as a very high priority. They find as more compelling needs, jobs, the opportunity to own a business, more educational opportunity and better housing. Since without good health, daily functioning in holding jobs, running households, attending school and the like, is difficult, if not impossible, various kinds of health services are a necessary condition for the poor to function with any adequacy at work, at home and in their communities.

There is much evidence of the deplorable health status of the urban poor. "Poor" refers to all those families, including about 25 million individuals whose income falls below the commonly accepted government standard that would provide adequate food, clothing, and shelter and medical care.* The disproportionate

*Of an estimated 45 million poor people, half live in large metropolitan areas. Another 25% of this total live in concentrations of population but non-metropolitan areas. Our primary concern is with the improvement of the health services in the cities that serve at least 25 million Americans.

prevalence of ill-health among the poor, minority and disadvantaged groups is shown in many ways:

--Death comes earlier to the poor. Life expectancy for the non-white is 7 years less than for the white.

--Death is a more frequent visitor to poor mothers and infants. Non-white mothers die in childbirth 4 times as frequently as white mothers. Infant mortality is twice as high among the non-white as among the white.

--Illness is twice as frequent among families with annual incomes of \$2000 or less. There is 4 times as much chronic illness among these families, twice the number of days of restricted activity, a third longer hospitalization.

--Tuberculosis and cancer of the cervix is found twice as often among non-white urban residents as among the white.

--Visits to doctors and dentists, despite the obvious greater need, are less frequent among the urban poor. Children under age 15 average half the doctor visits in families with incomes under \$2000 compared with children of the same age in more affluent families.

--Preventive services are not received by the same proportion of poor children as they are by the more affluent. Only 8.6% of white children have no immunizations compared with 22.5% of non-white children.

Existing health services delivery systems do not reach all of the urban poor. Medical care is generally provided in clinics

where available, generally over-crowded, at inconvenient hours, understaffed, and run as categorical units: i.e., diabetes clinic, heart clinic, arthritis clinic. Care is episodic, focused on emergencies rather than continuous and comprehensive, with little if any attention to preventive services, or health education. There is little or no effort to reach those who need care, but lack motivation. There is little if any follow-up, coordinated control intake, or referral procedures.

Where private doctors' offices are the source of care, high costs deny needed services to many. While Title XIX (Medicaid) has been in effect for a number of years, not every State has yet participated, and even where the States have, legislative ceilings both Federal and State have imposed stern limitations. Less than 9 million people altogether in the country are covered and able to take advantage of the program. This means that for the other millions of the poor, the doctor's bill may strongly deter their seeking care.

In addition, the clinics and doctors offices are not available to all. Many inner city neighborhoods are far from where hospital clinics were set up a generation or more ago; doctors have moved to the more affluent suburbs; public transportation from many of the inner city neighborhoods is lacking, insufficient or expensive. The shortage of health manpower generally is well-known, and the shortages of physicians and nurses, and other health personnel have been well publicized.

The problem of accessibility of health care facilities is compounded in those instances where governmental and private agencies and institutions have failed to reorganize to meet the personal health needs of the poor. In addition to the fact that facilities are often absent, obsolete, or obsolescent, inadequate in scope of service or availability temporally or geographically, emergency services are difficult to obtain, inadequately staffed, qualitatively inadequate.

Environmental health needs are only minimally met. The problems of air and water pollution are largely ignored. More personal environmental needs such as damp, cold crowded housing are widespread among the poor. Garbage and waste disposal is inadequately supplied. Rats abound, as do other pests. Most of such conditions result from failures of local policing and supervision.

Federal aid does not serve local health agencies effectively. In the past five years, a spate of Federal legislation has been enacted and the amounts spent by the Federal government in the health field have been tripled. At the same time, because of the multiplicity of funding sources and the complexity of approach, including the proliferation of planning bodies, local units were and are unable to take full or even partial advantage of the resources available. Furthermore, the new legislation looked to modification of the local organization and new methods for the delivery of health services that existing service agencies were completely unprepared to undertake.

Hunger and malnutrition can be both a concomitant to illness or a direct cause of it. Malnutrition is known to interfere with proper growth of the fetus in the mother during pregnancy, with the health of the pregnant woman, and is responsible in some degree for the higher maternal and infant death rates among the poor. Malnutrition is known to be associated with improper development of the growing child physically and mentally, and is responsible in part for the increased illness among the children of the poor, their learning difficulties in school, their later failure to find adequate employment and in adult life, their increased chronic illness.

Some 25 million people must be counted among the poor and the near poor, yet nowhere near that number qualifies for, or lives in communities that operate, Food Assistance Programs. Only about 8 million actually receive food assistance, through commodities distribution or food stamp programs. Commodity distribution has been attacked as nutritionally inadequate, culturally unsuitable, and logistically impractical. Food stamp programs are hedged about with requirements of time and place and quantity of purchase reducing their coverage. School lunches are not free to millions of children who cannot purchase them even where they are available. Some districts specifically exclude families on welfare from free school lunches for their children. Hundreds of counties where desperately poor people live have no food programs at all. A study of welfare food cash allowance in a report last year from HEW demonstrated its inadequacy even for the poorest of the poor who

qualify for welfare aid: the food prices are based on 10-year old costs, or else the State or local welfare payment is only 18% or 50% of the State's own admitted level of need.

KEY ISSUES

The health of residents of the inner cities cannot be served by health programs alone. Education, including health education and nutritional education, improved housing, more and better skill training, finding and retaining jobs, are integrally related needs. However, as already stated, significant and substantial progress must be made toward meeting each of these needs, but those ends will not be achieved unless simultaneously progress is made toward providing more adequate health services.

To achieve the progress that will better conditions in the cities and will reduce tensions in urban centers requires reassessment of responsibilities to be borne by the various elements involved in delivering medical care services:

What responsibilities can the private practitioners of medicine assume for improving the health of the urban poor.

a) For locating offices accessible to the poor, and using non-professional aides from among the poor to serve the poor in their offices?

b) For limiting the charges which deny medical care to many?

c) For reaching out to the needy, rather than passively waiting to serve?

d) For looking toward group and team services as a pattern of practice?

What responsibilities must government assume for improving the health of the urban poor?

a) For expanding the supply of trained health manpower and stimulating the use of new and more imaginative combinations of health workers to increase physician productivity?

b) For providing needed health facilities, emphasizing interrelated institutional needs?

c) For assisting individuals to meet the costs of essential medical care?

d) For establishing goals and priorities in health services?

What responsibilities must hospitals and medical teaching centers assume for improving the health of the urban poor?

a) For developing a full spectrum of institutional services?

b) For modernizing educational opportunities to increase their productivity, and recruitment policies more applicable to the poor?

c) For outreach services and programs beyond their walls?

d) For continuing education?

What responsibilities should business assume for improving the health of the urban poor?

a) For eliminating air and water pollution?

b) For improving existing housing conditions?

c) For using their influence in Board membership of voluntary and public agencies to facilitate needed change?

It has become increasingly clear that the absence of representatives of the community in the councils and committees that decide on policies, devise plans and programs and carry them out, is a serious flaw and probably contributes heavily to the failure or inadequacy of existing health programs. Priorities and allocation of resources cannot be appropriately assessed if not related to the community of discourse, as well as professional considerations. This is true of the poor, of all minority groups, and even more so where profound cultural and language differences exist. The involvement of poor whites and poor blacks is essential in decision making on health planning and programs, the involvement of Spanish speaking people in Mexican-American and Puerto Rican communities, the involvement of Indians in their areas of residence.

POSITIONS

The existence of the Urban Coalition is based on the belief that concerned citizens wish to contribute to the process of changing institutions where the evidence of their inadequacy in dealing fairly and justly with all citizens is demonstrable. The failures of the health service system to deal fairly and justly with the poor is demonstrable. Change in this system will require painful readjustment, but is long overdue. It will not be enough

to recognize the defects in someone else's operation. Sacrifice of traditional modes of thought and behavior will be expected in one's own part of the whole. Recognition on the part of each element involved, of his own deficiency is basic to change. Professions will be asked to re-examine their patterns of practice, reimbursement, recruitment into training, and the training itself. Institutions will be asked to review the services rendered, the staffing relationships, the interaction with other institutions, independence and responsiveness to community need. Governments will be asked to investigate their allocation of funds, evaluation procedures, program decision making and coordination with non-public bodies. In every instance the expert must expect to be questioned by the "beneficiary", or his advocate, in this case the sufferer from the deficiencies of the system, and reply as to whether his action or position is to benefit his narrow interest or the larger goal.

Aware of prevailing health conditions in this country's metropolitan centers, and the drastic effect of these conditions on the quality of life in the inner cities, the Urban Coalition believes that:

1. Efforts must be redoubled in each city to make it possible for all citizens to have access to modern medical care. This will require that:

a) Each community, with the aid of Federal assistance for "comprehensive health planning", should diagnose available health

resources and identify the areas and the groups for whom medical care services are most needed and least available;

b) Coordinate existing services so as to eliminate duplication and make more efficient use of resources;

c) Initiate programs where now lacking, or introduce transportation where required to offer access to health services;

d) Extend existing services, particularly making clinic services available at opportune times;

e) Involve community residents in planning and delivery of, and outreach services, particularly use of the poor in reaching the non-users of care.

While no single method or plan will fit all communities, no potential opportunity must be overlooked. More convenient clinic hours, better transportation, more facilities nationally inter-related, more efficient use of Federal and other public funds, more realistic use of staff available and production of necessary manpower locally should all be explored.

2. Concentration on improvement of special programs with particular relevance to the needs of poor people. Here action is needed on the part of all related health agencies to extend and improve prenatal care and infant care services, school health services, case-finding of handicapping conditions and coordination of health service to treat orthopedic handicaps, provide glasses and other appliances. Major emphasis must be to improve mental

health services and community programs for care and rehabilitation of the mentally retarded and emotionally disabled, returning them to homes and jobs as quickly as possible. More home health care is urgently needed. Family planning efforts must be intensified.

For all health services related to children, for example, the school can be used as a center for identification of cases, provision of care, and community involvement in health care. This will require a new focus on the part of granting agencies, planning groups and health service agencies. However, the school is where the children are, and where mothers can be reached. While the present turmoil in education might be prejudicial to adding this concern to the already complex discourse, it may also offer a ready-made vehicle for change in health services. It deserves serious consideration.

3. No child should go hungry. No adult should be without needed food. To ensure these ends will require:

a) Consolidation of local resources to eliminate hunger. Every community must have a supplemental food program, and a case-finding program to identify all families and individuals whose resources are insufficient to provide them with the minimum required basic standard nutriment.

b) Existing Federal aid should be utilized to the fullest. That will necessitate the sharing by governments, in the administrative cost of stamps, commodities or free lunches and breakfasts, and nutrition education.

c) Private resources, in addition, should be sought and used where needed.

4. Environmental hazards and disease-producing agents must be eliminated. This requires that large scale air pollution and waste disposal problems must be more vigorously attacked by public agencies. This attack should include the establishment of more rigorous nationwide legislative standards and aiding and requiring private business to eliminate their pollution of the atmosphere. Much of the clean up, rat control, garbage disposal and elimination of pests and nuisances that make the surroundings of life in poverty unpleasant and prone to added illness, can be dealt with through added specialized manpower: housing aides for inspection, sanitation aides for education and clean-up.

5. Expand the essential supply of health manpower through interaction with local educational institutions and health service bodies. A great deal of the community work that needs to be done in taking care of the non-professional aspects of personal health care, such as home health aides, interpreters, new kinds of technicians, the elimination of environmental hazards and the case-finding aspects of nutrition and handicapping conditions, the educational aspects of health, and nutrition can be carried on by specially trained local people. In addition, through community conferences with medical school leaders and schools of public health, the opportunities can be developed for increasing the supply of physicians, nurses and public health workers. This should apply particularly to the possibility of recruiting local poor and disadvantaged into these health careers.

6. Modification of Federal policies for health facility construction and modernization. In order to provide the health facility base from which the improved and expanded health services are to be delivered, the present Federal health facility policy as exemplified in Hill-Burton legislation must be modified. Facilities grants must be less restrictive, more applicable to the needs of the inner cities, offering a larger Federal share and directed toward comprehensive services, particularly ambulatory care components. Loans and loan guarantees will not benefit public hospitals sufficiently because of the problem of tax exempt bond issues. Loan and interest repayment inflate per diem costs. For large city hospitals serving the poor, grants of up to 100% will be needed. Grants will have to be available directly to cities, or priorities in the Federal legislation or administration changed to favor big city hospital modernization and ambulatory care service construction.

7. Expansion of Federal health programs is essential to meeting the health needs of urban dwellers. There is special need for:

a) Increased insurance and Federal funds through Titles XVIII and XIX and other programs for the money required to pay for added needed services to the poor;

b) Improving the organization of health services for all, but especially the poor through neighborhood health centers, and

continuity of care especially in the stimulation of group practice, particularly with prepayment.

c) The modification of medical education to hasten the increase in enrollment of waiting applicants to medicine.

d) Improving the wage and employment conditions of health workers so as to attract more young people and particularly the disadvantaged, into health careers.

e) Correspondingly improving the junior college and college opportunities for training in the health careers.

f) Expanding food programs that are geared to established scientific standards and not arbitrary means tests.

g) Eliminating air and water pollution.

h) Improving the total environment.

In brief, the Coalition will strive to:

--Aid local communities to make the best possible use of existing resources;

--Bring about expansion of health services for mothers and children;

--Intensify Federal efforts to assist local communities in improving their health facilities and services;

--Obtain additional appropriation to finance medical care for the residents of the inner cities;

--Eliminate barriers to access to adequate supplies of food;

--Strengthen Federal programs designed to add health manpower to the pool available for service to residents in the inner cities;

--Press for greater citizen participation in community health service decision making and operation.

Short-term, immediate objectives should include all local efforts to improve clinic services keeping in view the long-term objective of comprehensive group practice, prepaid, possibly through neighborhood health centers; developing realistically defined entry level job opportunities coupled with health career development opportunities; improved food distribution programs combined with emphasis on long-term objectives of pay or public assistance programs of whatever kind that provide enough money to buy enough of the right kind of food.

To achieve these goals, the Urban Coalition is developing and will shortly publish, a "Rx for Action", offering local coalitions a wide range of choices in various areas of action to improve health services; technical assistance through publications that will aid in accomplishing the ends prescribed in the manual; and consultant services to stimulate and support local coalition health activities.

THE URBAN COALITION ACTION COUNCIL

1819 H Street, N.W. • Washington, D. C. 20006

(202) 293-1530

JOHN W. GARDNER
Chairman

ANDREW HEISKELL
A. PHILIP RANDOLPH
Co-chairmen

LOWELL R. BECK
Executive Director

April 25, 1969

Mr. Dan Swert
Office of the Mayor of Atlanta
City Hall
Atlanta, Georgia 30303

Dear Mr. Swert:

Mr. John Gardner and Mr. J. Irwin Miller testified yesterday before the Senate Subcommittee on Employment, Manpower and Poverty. At the request of the subcommittee chairman, they were the lead-off witnesses.

They stressed the importance of significantly expanding antipoverty efforts in both urban and rural communities. We believe you will be interested in their prepared statements.

Sincerely,



Lowell R. Beck

Statement by

JOHN W. GARDNER, Chairman
The Urban Coalition Action Council

before the

Subcommittee on Employment, Manpower and Poverty
Committee on Labor and Public Welfare

United States Senate

April 23, 1969

Mr. Chairman, we are pleased to be here on behalf of the Urban Coalition Action Council. The Action Council brings together various leaders from segments that do not normally collaborate for the purpose of reaching agreement or solutions to our nation's domestic problems. We are here today to discuss poverty in the United States.

By current Social Security Administration criteria there are 22 million poor people in the United States. The number has declined from 39 million in 1959. To lift 17 million people out of poverty in 10 years is a considerable achievement, worth bearing in mind in these days of discouragement. It should give us courage and confidence to tackle the remaining task.

To let the achievement lead to a slackening of effort would be the worst kind of folly. Twenty-two million poor people represent a tremendous amount of human misery and deprivation.

In his excellent paper entitled "Who are the Urban Poor?" Anthony Downs offers some highly relevant data. Of the urban poor,

- the majority are white
- almost half are in households that cannot be expected to be self-supporting: the aged, the disabled, the mother with infant children
- forty-one per cent are children under 18
- nearly one-third are in households headed by employed men whose earnings are below the poverty level.

It is worth reminding ourselves that the poverty remaining after decades of unprecedented affluence is not like the poverty that was once widespread in this country. It is the hard-core that remains. It is not the genteel, threadbare but benign poverty of the 19th Century clergyman or teacher. It is poverty at its most stubborn, poverty rooted in the social disintegration of urban and rural slums, poverty linked to severe cultural deprivation, poverty complicated by illiteracy, physical handicap, advanced age, or mental retardation. In such poverty, hunger and malnutrition warp the normal course of child development; physical ailments go untreated and turn into lifelong handicaps; children are never exposed to the stimulation that would ensure their intellectual development; the environment breeds hopelessness and lawlessness. It is a world of victims and it breeds victims.

An individual born into such an environment does not--cannot-- enjoy the opportunity we regard as the birthright of every American child. If our commitment to the values we so proudly

profess doesn't move us to right that wrong, our self-interest should. Out of all proportion to their numbers in the population, the children of poverty become, in later life, economic burdens on the rest of the community. If we are unwilling to spend the money to cure the problem at its source, we spend the money later anyway--in the social cost of crime, narcotics addiction, social unrest, mental illness, lifelong physical handicap and so on.

The attack on poverty must be far broader and more varied than is generally recognized.

We have to begin with management of the economy and with attention to economic growth and full employment. Back of everything we seek to accomplish is the economic strength of the nation. That strength makes our social programs possible. It provides the jobs and pay checks that enable most Americans to eat well, keep their children healthy and function as independent citizens living their lives as they please.

We often fall into the habit of talking about our economy as one thing and our social programs as a completely different subject. They are the same subject. Economic growth is our main social program. The freest and best money a man receives is the money in his pay envelope. The best program for creating independent and confident citizens is a vital, full-employment economy.

Therefore we must expect the Administration and the Congress to use the tools of monetary and fiscal policy to avoid inflation or recession, to facilitate capital growth

where possible, to expand job opportunities and job training, to seek wage-price stability, to encourage the development of new products and services and the advancement of science and technology, to foster increased productivity, and to protect natural resources.

The attack on poverty also calls for adequate programs of income maintenance--unemployment insurance, social security, public assistance, and probably new forms to come. These programs have not been surrounded with the glamour that has touched some other aspects of the attack on poverty; indeed the public assistance programs have been the subject of widespread hostility. But it is a plain fact that most of the poor are too old or too young or too sick or disabled to enter the job market. No matter how brilliantly we pursue remedial programs, there will always remain a large number who can only be aided by providing cash income.

A comprehensive attack on poverty also requires that we rehabilitate the victims of poverty and eliminate the urban and rural slums where poverty is bred. To help the individual we must have adequately funded programs of education, job training, health care and social services. To change the environment involves massive urban efforts, such as the programs called for in the Housing Act of 1968; as well as regional and rural development activities such as the Appalachian Program.

In short, the total effort to deal with poverty reaches into every domestic department of government. As you know, the Office of Economic Opportunity has controlled something less than

8% of all federal antipoverty funds expended during its life. Agencies with far more resources at their disposal are concerned with housing, manpower, health and other needs of the poor. If we do not adequately fund those broader programs, the attack on poverty will be crippled.

I would place particular emphasis on

- modernization of the existing welfare program, including Federal support of national welfare standards, and hopefully, early consideration of a more thoroughgoing revision of the national income maintenance system
- a stepped-up training program with built-in incentives, better tailored to the needs of the several categories of poor, e.g., the welfare mothers, the unskilled teenager, the employed low earning family head
- Job creation--an expanded JOBS program to increase private employment, and a public service employment program
- education, health and nutritional programs to counter the effects of poverty on the considerable number of children growing up in poor families.

We must begin to think in terms of much higher levels of funding in areas affecting the poor. Actual appropriations generally are significantly below authorized appropriations. We often hear that poverty programs are failures; that they do not work. And yet, they seldom are given the necessary funds or

the long-range commitment to insure their success.

Some examples will show the glaring disparities between authorizations and appropriations. The Model Cities program--intended as a coordinated attack on blight and treating social as well as physical problems--was given \$625 million last year although more than \$1 billion was authorized. This year only \$675 million has been requested, with an authorized amount of \$1.3 billion.

The home ownership and rental assistance provisions of the Housing and Urban Development Act called for \$150 million the first year, and only \$50 million was appropriated. These funds have been fully committed for several months, and many are beginning to question seriously the government's commitment under the Housing Act. The Nixon Administration is requesting full funding for these programs and Congress must act on this request if the Housing Act is to meet its promise.

The Office of Economic Opportunity has consistently failed to secure full appropriations. And in education and health, there has been a noticeable failure to spend the amounts necessary to have an impact on poverty. Title I of the Elementary and Secondary Education Act, which provides federal funds to school districts that have special projects for disadvantaged children, received an authorization of \$2.726 billion yet it was allowed only \$1.123 billion in appropriated funds.

And so the story goes. It is unrealistic to believe we can solve our nation's problems if we do not provide even the authorized funds after long and studied debate over proposed solutions.

And now let me turn specifically to extension of the Economic Opportunity Act and the Office of Economic Opportunity.

Mr. Chairman, in preparation for this testimony, I reviewed the history of the Office of Economic Opportunity since 1964, and I must say that I am impressed with the role that this Committee has played. The Committee has shown concern and insight. It has worked hard to educate itself and to serve as an advocate for the poor.

It is easy to criticize the hectic early years of the OEO. But when the smoke clears away, I believe that history will record significant achievements. The OEO's vigorous efforts stirred a concern for the victims of poverty that made possible a mobilization of resources reaching far beyond the agency itself. Programs in behalf of the poor in every other domestic department benefitted by the generative force of this new effort. Beyond that, the OEO has injected an element of innovation into a number of programs addressed to the problems of the poor; it has identified and fostered community leadership among the poor and among minorities; and it has enabled many of us to gain valuable insights into the impact of institutional inadequacies on the lives of the poor.

Looking to the future, I want to speak very briefly of three themes which were prominent in the early conception of OEO's function: innovation, community participation and coordination.

The innovative approach must continue to characterize the OEO. The infusion of "research and development" techniques

into social program areas should be firmly supported and expanded.

The innovative approach is well illustrated in the delivery of services to the poor. Breaking out of the mold of traditional agency patterns, the best poverty programs have shown that legal and health services, pre-school education, multi-service program integration in neighborhood centers and other techniques could in fact reach persons long considered unreachable.

It is not generally recognized that the innovative activities of OEO had a far-reaching impact on the old-line departments. The latter would be loath to admit it, but many programs undertaken by the old-line departments between 1965 and 1968 were influenced by the philosophy of the OEO.

At the heart of the controversy surrounding the OEO has been the question of public power for the poor. The "War on Poverty" provided the first major tools with which the poor could seriously affect some policies and programs at both the national and the local levels. It is true that in a typically American burst of enthusiasm, the OEO went at this task with a maximum of energy and a minimum of reflection. But perhaps such things can only be accomplished in a burst of enthusiasm.

I am thoroughly familiar with the problems, inconsistencies, tensions and mistakes that have arisen from application of the requirement for "maximum feasible participation." But we are more skillful in handling those problems today than we were two years ago, and we are still learning. It was wise to seek

to give a voice to the poor, particularly wise in the case of minority groups (because of their systematic prior exclusion). I believe that we will move toward increasingly sound and effective forms of citizen participation.

Even today, as my own staff moves about the country helping to organize local urban coalitions and seeking the cooperation of leaders from the black community, we find that many of the ablest local leaders we can recruit for our purposes are men and women who had their first taste of leadership in the Community Action Programs.

I have emphasized that the attack on poverty, broadly conceived, reaches into every domestic department. Such multifarious activity cries out for coordination, and of course the OEO was placed in the Executive Office of the President to accomplish just that. As we all know, it never did, partly because its energies went into operating new programs, and partly because coordinating Cabinet members is a difficult task at best.

OEO's achievements in coordination have not been altogether negligible. It has worked out checkpoint procedures through which federal agencies, grantees, state agencies and local communities engage in mutual consultation before grants are made. And it has developed joint projects such as those involving displaced farm workers in the Mississippi Delta, Indians, and migrant workers.

But much, much more is needed. I believe that my views on the coordination of domestic programs are fairly well known.

I do not accept the widely shared notion that Cabinet members cannot be coordinated. They can be. The first requirement is unflinching determination on the part of the President to bring about that result. The second is a suitable instrumentality (and I may say parenthetically that the Economic Opportunity Council, properly used, would have been quite adequate to the purpose). The third requirement is that the instrumentality must be headed by a man of stature, implicitly trusted by the President.

There is a serious question as to whether OEO can ever fill this coordinating function so long as it is an operating agency -- and therefore, in a sense, a competitor of the departments it hopes to coordinate. So we may have to look to President Nixon's new Urban Affairs Council to accomplish the desired result. It will do so only if the President himself takes an active interest in it, and only if a strong and substantial professional staff is provided to plan, evaluate, sift priorities, develop alternative courses of action and make recommendations to the President.

While we're on this subject I want to say a word about rural poverty, because it involves the question of coordination. We will not solve our most pressing urban problems as long as widespread rural poverty exists. The heavy migration from rural America to the blighted areas of our major cities clearly shows how bad economic and social conditions are in rural areas; despite the privations felt by the urban poor, dehumanizing urban conditions continue to represent a substantial improvement

over life for the poor in rural communities.

With improving agricultural technology, ever more persons will have to find employment outside agriculture. Already the great majority of the rural poor are not in any way involved in farming. Industrial development in rural areas should be vastly expanded wherever sufficient potential exists.

States are uniquely situated to combat rural poverty. Programs of economic and community development in rural areas frequently require multi-county planning and coordination. Federal funds, including CAP funds, should encourage the development of state-coordinated demonstrations in rural areas -- perhaps several in each state -- with special emphasis on economic development and on training of administrative and program personnel for all phases of community development, from public administration to staff for social welfare agencies. Such demonstrations should extend to education, health, industrial development, transportation and all other relevant fields.

Obviously, programs of that scope are not the appropriate primary function of the Department of Agriculture alone; rather, there should be a coordinated attack by the Departments of Agriculture, Labor, Housing and Urban Development, Transportation, Health, Education and Welfare, and the Economic Development Administration. The OEO might conceivably be the instrument for accomplishing such coordination although -- as indicated earlier -- its capacity to operate and coordinate at the same time remains in doubt.

In the final analysis, substantial economic development is the key to ending rural poverty. There is at present no federal policy guiding the application of the nation's considerable potential in this area. Resources of the Economic Development Administration can be brought to bear only where the most severe conditions already exist, and even then there is virtually no coordination between the Economic Development Administration and major federal agency procurement and contracting functions.

There has been much discussion of whether the various OEO programs should be moved to the regular departments. I believe that some definitely should be transferred under carefully drawn conditions. I confess that I am equally impatient with those who are totally hostile to the OEO and those who want to preserve it under glass, utterly unchanged.

I need not remind this Committee that about 40% of the funds appropriated under the Economic Opportunity Act have always gone into programs delegated among various federal agencies. The great bulk of these funds has gone into a series of work and training programs, and they have been the basis for much innovation within the receiving agencies.

I am keenly conscious of the problems involved in transfer. For example, federal departments presently function heavily through state agencies; they do not, in the main, have strong relationships to local leadership and organization. If the departments receive programs from OEO they must continue to foster the new constituencies developed around the programs

at the local level, and Congress must encourage them to do so. Similarly, they must protect the innovative values of the transferred programs.

If these programs cannot survive in the regular agencies as the latter are presently organized, then there is something gravely wrong with the regular agencies, something that should be corrected forthwith.

To insure an appropriate outcome, it seems advisable that, at least initially, delegation should be favored over outright transfer. Transfer should occur only as the regular agencies prove their capacity to nurture the delegated programs.

I have been asked my views on how many years the present legislation should be extended. I do not have fixed views on that subject, provided that two principles are observed. The first is that every program should be open to periodic revision as experience is gained. The second is that the nation should exhibit an unwavering commitment to fight the poverty battle continuously, this year and next and the year after, never relenting until the job is done. It is not an off-again-on-again kind of problem and it doesn't merit that kind of answer.

In closing, gentlemen, let me revert again to the totality of the government's effort in combatting poverty. I am firmly convinced that more billions must be poured immediately into the broad spectrum of housing, education, health, manpower development, and other federal programs which make up the broader anti-poverty package. Millions are still hungry, or live in inadequate housing; the majority of poor heads of households work fulltime; health services are still inaccessible to millions; school systems and entire cities across the country are facing bankruptcy while providing minimal services to needy citizens. We can and must deal with those problems at once.

Statement by J. Irwin Miller, President, Cummins Engine Company
and Member, Policy Council, Urban Coalition Action Council
before the Subcommittee on Employment, Manpower and Poverty
Committee on Labor and Public Welfare

U.S. Senate
April 23, 1969

Mr. Chairman:

I appreciate the opportunity to appear with Mr. Gardner on behalf of the Urban Coalition Action Council in support of extension and adequate funding of the Economic Opportunity Act. I endorse Mr. Gardner's statement, particularly his conclusions and proposed Congressional action.

There are two points made by Mr. Gardner to which I wish to call special attention. The first concerns the fact that we -- business, labor, mayors, religion, minority and civic groups -- represent a broad-based national coalition of normally divergent interests. The Urban Coalition Action Council was formed because of our concern with the future of this increasingly urbanized society, and the legislation needed to meet the challenges of such a society. The Economic Opportunity Act is one of the legislative tools meeting those challenges. Notwithstanding our diversity of views on many issues we recognize the role the Economic Opportunity Act has played not only in materially improving, but in giving substance to the lives of many of the poor and disadvantaged citizens in our society. There should be no thought given to cutting back, retrenching or limiting the assistance the Federal government can provide through legislation such as this. Instead, the Federal government should be genuinely concerned to make certain the funding is enough to do the job within reasonable time.

The second point I wish to make, and again one Mr. Gardner developed in his testimony, concerns the role of community action in the overall antipoverty effort. It seems to me essential that the Congress give full support in this problem to local community involvement. The poor and disadvantaged are more concerned today than ever before in gaining an effective role in determining their own destiny. They no longer see themselves as helpless and powerless before the unyielding and unchanging institutional forces of our society. They now have a direct and significant impact on these institutions. Although not all view this impact in the same way, I personally believe that greater involvement by the disadvantaged in social action programs is necessary, and that results to date have been favorable. Expansion of this concept should be encouraged. There is also no question in my mind but that community action programs, fostered and nurtured by community action agencies, will turn out to have been the forerunners of a much wider range of community involvement by the poor. For this we have the Economic Opportunity Act largely to thank.

I join Mr. Gardner in urging Congress to continue its support of this legislation by giving it not only the extended life it deserves, but the funds, in the form of appropriations, it needs to prosper.

AN ADVERTISING COUNCIL CAMPAIGN
IN SUPPORT OF THE URBAN COALITION

Summary: The Urban Coalition proposes a national advertising campaign to promote better understanding of the problems of the cities and the people who live there, and also to go the next step toward causes and the possible solutions. The campaign would seek to maintain the momentum of the Advertising Council's massive "Crisis In Our Cities" campaign of 1968. (The Advertising Council estimates total space and time donated to this campaign was worth approximately \$12,000,000.) Importantly, however, the proposed 1969 campaign would indicate the potential for meaningful action by a concerned and informed citizenry. The campaign would stress the many resources, federal, state and local, available to a community. However, on the presumption that an effective grass roots attack on local problems is not possible unless the important leadership elements in the community are together, the campaign would cite the potential of an Urban Coalition to help achieve coherent dialogue and to help set goals and priorities.

The campaign would be timed to begin in the Summer of 1969 and would run one year. The Advertising Council would donate agency services and media time space. The Urban Coalition requests \$128,000 for production costs and \$22,000 for support material.

AN ADVERTISING CAMPAIGN

As the year 1969 opened, discussion of the "urban crisis" had reached an almost unprecedented scale. Magazines, newspapers, radio and television devoted columns of editorial space and hours of prime time to the problems of the cities.

Now, however, it is the position of the Urban Coalition that the time has come to lead the discussion to a new plateau and to begin the process of education toward a larger citizen involvement, or at least understanding of the solutions of that crisis. A national advertising campaign must be a major part of this educational effort.

Progress has been made in some areas. In almost no areas is that progress enough or has it come fast enough to lead any informed person to believe that the crisis is anything but heightening. The crisis must be met at all levels--federal, state, and local, and it must be met both nationally and locally increasingly by the private sector as well as the public sector.

It is the mobilization of the private sector, particularly at the local level, that is the special concern of the Urban Coalition and urban coalitions already established in 42 U. S. cities.

The Urban Coalition, at this point in our nation's history, seems to be the single organization or movement dedicated to assisting in the re-establishment of coherent local communities.

Today the typical American community is split into a variety of different worlds that are often wholly out of touch with one another.

The suburbs are out of touch with the central city. Business, labor, and the universities are three wholly separate worlds. City Hall is usually out of touch with the ghetto and often out of touch with the ablest and most influential people in the city.

The most ominous rifts, of course, are the rifts involving various minority communities, most commonly the black community, but in some parts of the country the American Indians or Mexican-American community.

Nothing is more clear than that no major city can or will solve its problems without first repairing some of those devastating gaps in communication. Obviously, no single advertising campaign can accomplish this kind of repair. The reconstruction must be forged slowly and carefully by citizens working together to understand and solve their problems. But this proposed advertising campaign, we think, can increase public understanding of an important resource to help make a beginning.

AN ADVERTISING CAMPAIGN

The Urban Coalition was formed to re-establish communication. But to fulfill its potential, it must be used. And before it will be used, it must be understood. It is important to emphasize the importance of the coalition principle. Some people think of the Coalition as just another organization tackling the rough urban problems of the day. But it is unique. The distinction is that it brings together segments of American life that do not normally collaborate in the solution of public problems.

Because of the need for such collaboration at the local level, the national organization has helped to form local coalitions. There are now local coalitions in 42 cities and organizational efforts are underway in approximately 30 others. As in the case of the national, each local organization includes representatives from a variety of leadership segments in the community--the mayor, business, labor, minority groups and religion. The participation of other relevant elements is encouraged--the universities, the schools, the press, the professions.

There are many substantive problems of the cities--fiscal and governmental problems, housing, jobs, education, health services, economic development and so on. The Urban Coalition is interested in all those problems, but it is not free to choose the particular problems to which it must give its attention. There are priorities which are thrust upon us all. There are issues so explosive that if they are ignored, we shall be overtaken by events--and then every problem on the list will be infinitely harder to solve.

The goal that takes precedence over all others is to begin to heal those rifts that are now making many American cities quite incapable of any kind of healthy problem solving. Those rifts can be healed.

We can heal them through the process of coalition, if the most influential citizens in the community will lend their strength and their presence, if all significant elements in the community are fairly represented and if all concerned are unsparingly honest in facing the toughest issues.

In a number of American cities today those conditions are being met in local urban coalitions--the most influential citizens have stepped forward, all significant elements in the community are represented and the toughest issues are being faced.

* * * *

The Proposed 1969-70 Urban Coalition Advertising Campaign

The foregoing has been an attempt to demonstrate the need and the potential of the Urban Coalition. What follows is a description of a specific multi-media advertising campaign designed to make the Coalition known and understood by a significant segment of the American public so that it will be used.

AN ADVERTISING CAMPAIGN

OBJECTIVES

The first and foremost objective of the 1969-70 campaign is to establish the Urban Coalition as the focal point of effort by local business and community groups in solving the crisis in the cities.

The main thrust of the campaign will be to tell in detail the Urban Coalition story: the coalition principle of collaboration of all concerned groups in tackling specific problems; its stress on local initiative and effort; its record of success.

A second, and equally important, objective is to convince both business and community leaders--as well as the general public--that the problems don't stop just because the riots are dispersed or contained; that is, we must counter any idea that the crisis has passed, or any let-City-Hall-do-it attitude.

The third objective is to create the advertising materials in such a way that, in addition to their use by the Advertising Council in national media, they can also be used by Urban Coalition groups in local media to assist with the national campaign, for organization and support of new or existing Urban Coalitions.

AUDIENCE

The primary target audience includes the broad spectrum of opinion leaders--from corporation presidents to black student militants to garden club members--from whose ranks the Urban Coalition draws active participants.

The second audience includes those among the general public whose understanding and support can assist the efforts of the Urban Coalition groups.

MEDIA

- . Major mass audience magazines
- . Major market newspapers
- . Pacesetter publications (i.e., HARPERS, THE ATLANTIC, SATURDAY REVIEW, etc.)
- . Business press
- . Network TV and radio

The Urban Coalition

1819 H Street, N.W.
Washington, D. C. 20006
Telephone: (202) 223-9500

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

April 9, 1969

The Honorable Ivan Allen, Jr.
Mayor of the City of Atlanta
City Hall
Atlanta, Georgia 30303

Dear Ivan:

I am enclosing for your information the First Annual Report of the Urban Coalition. If you would like additional copies please do not hesitate to ask.

I also am enclosing the proposed design of a major advertising campaign which we are now discussing with the Advertising Council. The campaign's purpose is to sustain the momentum of last year's campaign on "Crisis in our Cities" and would result in over \$20 million of contributed advertising space. Before proceeding further with detailed discussions, we wish to alert you to our intentions. We would appreciate receiving any comments and suggestions you may have on the matter.

Sincerely,

Peter Libassi
Executive Vice President

cc: Mr. Dan Sweat

House Will Act Soon on Bill Continuing Urban School Aid

A bill extending for five years the most important federal program for urban schools -- the Elementary and Secondary Education Act -- is ready for debate in the House. The Education and Labor Committee of the House approved the bill (HR 514) March 18.

The cities look to Title I of the Act for money to support compensatory programs for their disadvantaged children. Title I distributes federal appropriations directly to school districts that have large numbers of children from low-income families, urban and rural.

In reporting the bill to the House the Education Committee overrode the request of HEW Secretary Robert H. Finch for only a two-year extension of the Act. He said the Nixon Administration needed time to study proposed changes in the Act and in the meantime, a two-year extension through June 1972 would provide adequate continuity for present programs. Most committee Republicans supported Finch's request and promised to fight the five-year extension when the bill is debated in the House.

Two changes affecting urban schools were recommended by the committee. One would make about \$300 million more a year available to school districts in which there is considerable public housing. The other amendment calls for participation by parents and community groups in the planning of Title I school projects.

Inadequate Funding

Throughout the committee hearings on HR 514, the bill's sponsor, Committee Chairman Carl D. Perkins (D Ky.), pointed out the need for larger appropriations for Title I of the Act. His com-

Continued on Page 2

ACTION COUNCIL LETTER

LEGISLATIVE BULLETIN OF THE
URBAN COALITION ACTION COUNCIL

March 25, 1969 -- Vol. I, No. 3

States Hold Back Anti-Crime Funds from Cities, Report Says

Where are crime problems the most serious? Under the Omnibus Crime Control Act of 1968, American Samoa gets \$3.54 per capita and Vermont 31¢ per capita, while New York and California receive 7¢ per citizen. Similarly, a rural Georgia county gets 14¢ per capita while the metropolitan Atlanta region receives less than 3¢.

These are figures produced in a study of the Crime Control Act in operation, released by the National League of Cities March 18.

When Congress passed the Act last year, it directed that most of the funds go to the states in block grants, to be distributed according to plans drawn up by a state agency. Urban groups urged in vain that most of the money go directly to the 370 cities with population over 50,000, where crime is the most prevalent.

The League of Cities report says that instead of focusing dollars on the problems of crime in the streets, planning funds are thinly spread among rural and urban areas and "dissipated" among three levels of bureaucracy.

Continued from Page 1

committee is responsible for authorizing the education programs, but the amount of money that actually goes out to the schools is determined primarily by the separate Appropriations Committees of the House and Senate.

Under the present law about \$2.5 billion a year is authorized for Title I grants but Congress has appropriated only \$1.1 billion. In fact, last year's appropriation was \$68 million less than the previous year's, while the number of children eligible for the programs was increasing, and so were education costs.

Rep. Perkins has pointed out that in the first three years of Title I, the appropriations per child have decreased from \$210 to \$170. Some school superintendents told the House committee that an effective, comprehensive program for disadvantaged children would need \$600 per child.

A new federal program to help local school districts prevent teenagers from dropping out of school has proved popular. In fact, 356 proposals have been submitted to the Office of Education, of which only 5 can be funded.

There is \$30 million authorized for drop-out prevention programs, but Congress has appropriated only \$5 million. The funds will be granted for innovative plans that show unusual promise of success in preventing drop-outs.

The budget submitted by President Johnson before leaving office proposes \$24 million for the program in the next fiscal year. The 356 proposals submitted to the Office of Education would cost \$68 million.

HEW estimates that of children who entered 9th grade in 1967, 23%, or 900,000, will drop out before graduating from high school.



Rep. Carl D. Perkins (D Ky.) and his Education and Labor Committee are moving ahead with elementary education, school lunch and poverty legislation.

Bill to Improve School Lunch Program Is Passed by House

For the second year in a row, the House is trying to increase the number of needy children who get free or reduced-price lunches through the school lunch program. As it did last year, the House passed without opposition March 20 a bill (HR 515) to require all states to put some of their tax money into school lunches. Presently, some states contribute nothing to the program, requiring the children and local schools to put up all of the money needed to match federal funds on a 3 to 1 basis.

Last year, spurred by publication of a report by the private Committee on School Lunch Participation showing that less than 2 million of some 6 million needy school children got reduced-price lunches (see chart), the House

Free School Lunches

	Free lunches ¹ (daily average)	Needy children ² not receiving free lunch
Alabama	77,000	165,522
Alaska	7,000	976
Arizona	25,423	39,348
Arkansas	70,213	146,219
California	0	0
Colorado	13,533	51,833
Connecticut	4,914	34,129
Delaware	2,180	4,368
District of Columbia	16,759	0
Florida	117,550	105,249
Georgia	107,847	230,273
Hawaii	4,752	9,583
Idaho	1,880	12,764
Illinois	29,285	230,757
Indiana	15,939	134,061
Iowa	8,656	113,650
Kansas	8,564	85,640
Kentucky	80,000	201,945
Louisiana	69,260	131,830
Maine	6,480	38,520
Maryland	10,294	44,711
Massachusetts	24,911	52,581
Michigan	60,000	129,900
Minnesota	10,000	124,111
Mississippi	34,671	220,232
Missouri	30,000	95,159
Montana ³	(3)	(3)
Nebraska	8,180	54,456
Nevada	1,750	4,750
New Hampshire	3,245	4,969
New Jersey	7,010	52,835
New Mexico	32,432	30,281
New York	400,000	200,000
North Carolina	163,607	324,068
North Dakota	3,185	22,901
Ohio	33,486	91,571
Oklahoma	25,000	72,779
Oregon	3,614	42,714
Pennsylvania	8,781	247,491
Rhode Island	3,488	16,886
South Carolina	117,382	179,174
South Dakota	7,200	25,656
Tennessee	71,100	154,129
Texas	88,000	315,216
Utah	14,641	3,559
Vermont	2,600	12,696
Virginia	6,787	182,213
Washington	10,000	40,000
West Virginia	30,525	72,547
Wisconsin	11,000	114,922
Wyoming	752	5,317
Total	1,890,876	4,674,491

¹ Number of free or reduced-price lunches.

² Needy children were those of ages 5 to 17, from homes with less than \$3,000 annual income.

³ No figures were available from state school lunch authorities, who supplied information for the survey. However, a citizens Committee on School Lunch Participation April 16 reported that Montana had 16,978 school-age children from families earning \$2,000 a year or receiving welfare aid. Only 6,160 received free or reduced-price lunches.

SOURCE: House Education and Labor Committee survey (H Rept 1590), June 26, 1968.



passed a bill similar to HR 515.

More importantly, the House also passed a bill to add \$100 million a year for meals for needy children. The Senate passed neither bill, but it did agree to appropriate an extra \$45 million for free lunches.

This year, the House Education and Labor Committee, which sent HR 515 to the House floor, also expects to approve again the \$100 million free-lunch bill (HR 516). What will be done by the Senate Agriculture Committee, which has jurisdiction over the school lunch program, remains to be seen.

Congressional Hearings

Poverty -- The House Education and Labor Committee has begun hearings on the Office of Economic Opportunity and its anti-poverty programs. Chairman Carl D. Perkins (D Ky.) has introduced HR 513, to extend the programs for five years and authorize \$2,180,000,000 for them in the fiscal year that begins July 1. For the current year Congress appropriated \$1,948,000,000.

Hospitals -- Hearings on the Hill-Burton Act, held by the Public Health Subcommittee of the House Interstate and Foreign Commerce Committee, are beginning. Two main bills are before the Subcommittee. HR 6797, introduced by Committee Chairman Harley O. Staggers (D W.Va.), proposes major increases in funds for hospital con-

struction and modernization, with priority to be given, in part, to outpatient facilities in low-income metropolitan areas. The other bill, HR 7059, sponsored by high-ranking members of the Health Subcommittee, authorizes less money than Staggers' bill and does not single out urban medical needs.

Medicaid, WIN Regulations -- Chairman Russell B. Long (D La.) of the Senate Finance Committee has said his committee intends to take "a good hard look" at regulations issued in January concerning Medicaid, welfare eligibility, the work incentive program (WIN) and others. Some of these, Long said, "run counter to Congressional intent."

No plans for hearings have been announced. The regulations were issued by the Administrator of HEW's Social and Rehabilitation Service, Mary E. Switzer. Long made his statement in introducing a bill to make the next Administrator's appointment subject to confirmation by the Senate. The Senate passed the bill (S 1022) March 4 and sent it to the House Ways and Means Committee.

Hearings Available

Congressional hearings on two subjects of growing importance in the urban field -- income maintenance and the role of financial institutions -- were held late in the last session of Congress. Summaries of these hearings, as well as the Action Council's pamphlet briefly reviewing Urban Affairs Legislation in the 90th Congress, are available without charge to anyone who wishes to write for them to the Action Council.

The summarized hearings are: Financial Institutions and the Urban Crisis. Hearings by the Senate Banking and Currency Committee.

Income Maintenance. Hearings by the Joint Economic Committee.

Minority Business Enterprise Coordination Is Established

President Nixon signed an executive order March 5 that established an Office of Minority Business Enterprise in the Department of Commerce.

The office is to stimulate business ownership by minority groups and coordinate -- but not take over -- existing government programs. Secretary of Commerce Maurice H. Stans estimated there were 116 programs in 20 government agencies concerned in one way or another with helping minority enterprise.

Directors of the new office were named March 13. The director is Thomas F. Roeser, who has been director of public affairs for the Quaker Oats Co. and before that, press secretary for Rep. Albert H. Quie (R Minn.). The deputy director is Abraham S. Venable, a graduate of Howard University and formerly a conciliation specialist in black-white relations for the Community Relations Service, which was a Commerce Department agency until moved to the Justice Department.

In announcing the new office, President Nixon said: "Black, Mexican-American, Puerto Ricans, Indians and others must be increasingly encouraged to enter the field of business, both in the areas where they now live and in the larger commercial community -- and not only as workers but also as managers and owners."

The Urban Coalition Action Council
1819 H St., N.W.
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Tel: 202 293-1530

Chairman: John W. Gardner
Co-Chairmen: Andrew Heiskell
A. Philip Randolph
Executive Director: Lowell R. Beck
Legislative Associates: John P. Lagomarcino
Ronald J. James
Assistant for Legislative Information:
Georgianna F. Rathbun

The Urban Coalition

1815 H Street, N.W.
Washington, D.C. 20006
Telephone: 347-9630

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

March 18, 1969

The Honorable Ivan Allen, Jr.
Mayor of the City of Atlanta
City Hall
Atlanta, Georgia 30303

Dear Ivan:

During the last year the Urban Coalition has grown rapidly in both numbers of staff and the programs and activities we are currently carrying out. The time when I could singlehandedly manage both the external and internal affairs of the Coalition has long since passed. For this reason, I have instituted several internal changes which I believe will significantly improve our capacity to carry out our responsibilities during the forthcoming year. These changes include the following:

1. I have appointed Peter Libassi, formerly Vice President for Local Coalitions, to be the Executive Vice President of the Urban Coalition.

2. I have revised the internal procedures by which policies and programs were developed by establishing a Policy Committee which I will chair. The other members of the Policy Committee will be Carl Holman, Vice President for Policy and Program Development, and Peter Libassi.

Sincerely,

John W. Gardner
Chairman

cc: Mr. Dan Sweat

Executive Systems, Inc.

ADMINISTRATIVE OFFICES

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*Management, Actuarial and
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March 17, -1969

Honorable Ivan Allen, Jr.
Mayor of Atlanta
City Hall
Atlanta, Georgia

*To Dear Sweet
Information only*

Mr. Mayor,

I would like to call your personal attention to the seminar described in the enclosed brochure.

In view of your involvement with THE URBAN COALITION, I believe you will want to attend or send someone to report to you on the conference.

I'm tired of going to conferences on Negroes and youth where all we have is white adult speakers and a couple of name Negroes. I want to hear about youth from youth . . . and about Negroes from Negroes.

The rules for this conference were that it had to provide direct interaction between adults and white youth and black youth. It is the youth that make the program good.

For the first time, business and educators and students will be in one program on this subject.

J. Patrick Rooney
President

ES:mt
Enc.

Re: Turmoil on the College Campus
-- Seminar

What we are seeing develop on the college campuses is at least as significant to business as the American labor union development.

In fact, the development is in many respects similar to the development of American labor unions in the 1920's and 30's. Both have their communist radicals. Both have been commonly described as an anarchistic conspiracy. In both cases the rest of society initially wanted to believe "only a small minority" was involved.

Already, a union or caucus of Negro business executives has been formed in New York, the Council of Concerned Black Business Executives. At this conference, one of its organizers will tell us why, and their objectives.

Young white moderates -- elected leaders, not self-appointed radicals -- will tell you how they intend to change the business community. These are men that most of us would want to hire.

As with the labor union movement, the clergy are playing an important role in the new development of youth attitudes. On the whole, the clergy that are involved with the youth are very much in support of the new student attitudes. That's not to say that the clergy always support all of the student tactics. The clergy are included in this seminar because of their special role in advising students on the subject of "right and wrong."

The object of the seminar is to examine the turmoil the "easy" way -- by learning from troubled educational institutions before we inherit (i.e., hire) the problems.

Business has given much thought to the hard core unemployed. The impact of the current crop of activist youth will be even more significant to us.

TURMOIL on the ~~College Campus~~ Corporation?

A National Conference Dedicated to Understanding Student Unrest

... AND ITS IMPLICATIONS FOR BUSINESS

cut yourself in for a piece of the action

... help ^{your firm} bridge the

GAP between **YOUTH** and **BUSINESS**

ENROLL NOW TO TAKE PART IN THE SEMINAR

A National Conference Dedicated to Understanding

STUDENT UNREST

and its IMPLICATIONS for Business

Here is a conference to stimulate a candid discussion between business, college administrators, faculty and students. It will attempt to clarify the issues now confronting university officials--soon to confront corporate officials--as a result of changing attitudes.

This will not be a seminar of adults meeting to discuss the problems and challenges of youth. Rather, an outstanding and diverse group of speakers representing all points of view, students included, will examine the uprisings now occurring on college campuses throughout the country. Following these discussions, panelists including students, college administrators, and corporate executives will discuss the implications for the business community.

For business executives this conference will be invaluable in providing:

- *discussion of how the corporation can attract and retain the top college graduates.*
- *communication with students, black and white, moderate and activist, on how and why they are changing the university -- how and why their impact will be felt in the corporation.*
- *an understanding of the issues at stake on the university scene, and their implications for business.*
- *suggestions as to ways the business community can use its organizational abilities and financial strength to effect social changes.*

"Ethically Sensitive"

By the fact of sheer numbers alone, your firm will hire many of the college seniors. Their attitudes on their right to govern society are totally different from the graduates hired only 2 or 3 years ago. In most cases, job interviews will not reveal this, since students frequently guard their remarks in recruiting interviews.

The current "ethically sensitive" students demand a right to a part in the management of all institutions in which they participate. Students want a "piece of the action" in college administration; graduates are already demanding a similar participation in corporate affairs.

April 14-16, 1969

Sheraton-Jefferson Hotel, St. Louis, Mo.

MONDAY, APRIL 14 —

Analysis of Campus Turmoil—Commentary in Depth

There are 22,800,000 Americans ages 18-24.

An understanding of the campus situation is crucial in comprehending the changes which are already occurring in business. Monday morning commentary will be presented by:

- acknowledged authorities on the subject, including college administration and faculty.
- white student leaders.
- black student leaders.
- the Student "New Left."

Monday afternoon panelists of students, college administrators, and faculty will look at business in light of demands made upon the university. Why and how will the corporate community inherit the turmoil? Separate workshops will be held with speakers to allow closer communication between audience and panel.

Luncheon Speakers

SEN. CHARLES J. GOODSELL

U. S. Senator (New York) recently appointed to Robert Kennedy vacancy. 2nd youngest Republican in Senate.

JULIAN BOND

Young Negro leader of Georgia Challenge at Democratic National Convention. Georgia Legislator

HERE'S A PARTIAL LIST OF PROMINENT LEADERS PARTICIPATING IN THE SEMINAR

THOMAS A. MARTIN President
Channing Investment Mgt. Group
New York

FREDERIC M. PEIRCE President
General American Life Insurance
Company, St. Louis, Mo.

KENNETH M. WASHINGTON
Formerly co-chairman of Black Students
Stanford University, California
now in business

C. VIRGIL MARTIN President
Carson, Pirie, Scott & Co.
Chicago, Illinois

PATRICK O'MALLEY President
Canteen Corporation
Chicago, Illinois

THOMAS A. BOURELLY Chairman
Black Caucus of M. B. A. students
University of Chicago

SAM BROWN, JR. National Organizer
Students for McCarthy
Harvard University, Cambridge, Mass.

FRANK FERNANDEZ Chairman
N. Y. Puerto Rican Student Alliance
Brooklyn College, New York

HAROLD WILLENS President
Factory Equipment Supply Corp.
Los Angeles, Calif. Formerly National
Co-Chairman Bus. Exec. Move for
Vietnam Peace

NORMAN NICHOLSON Vice President
Kaiser Industries
Oakland, California

DONALD A. DEUTSCH
Director of Civic Affairs
Sears, Roebuck & Company

GARRY VALK
Vice President of Time, Inc. and
Publisher of Sports Illustrated
New York, N. Y.

GORDON SHERMAN President
Midas International
Chicago, Illinois

EUGENE M. LANG Chairman
National Businessmen's Council & Pres.,
Resources & Facilities Corp. (N. Y.)

PHILIP TAUBMAN
Editor, Student Newspaper
Stanford University, California

JOHN B. GAGE
All-American Swimmer, 1963-64
Leader in Robt. Kennedy campaign, Calif.
M.B.A. Student, Harvard Business School

BERNARD H. GUSTIN
M. B. A. Student, University of Chicago

THOMAS J. KLUTZNICK Exec. Vice-Pres.
Urban Investment & Development Co.
Chicago. Exec. Com., Anti-Defamation League

TUESDAY, APRIL 15 —

"Young college graduates are very much in demand, and they are pressing their advantage. In response, good corporations are finding ways to accommodate them, rather than resisting." FORTUNE magazine

SESSION A, MORNING (Concurrent with session B) Student Role in College/University Government

New student freedom and student participation in institutional government indicates that corporations will face similar challenges. Students hired today will soon demand a new role in corporate policymaking. An understanding of their demands can be enhanced by examining present changes being made in university government.

- A. Joint statement on student rights and freedoms presented by the American Association of University Professors.
- B. Statement of the American Civil Liberties Union.
- C. Student comments on the adequacy of the two preceding statements.
- D. The role students desire in institutional government.

SESSION B, MORNING (Concurrent with session A) After Graduation, What?

- A. The "socially conscious" corporation's attraction to students.
- B. Lessening antagonism between "ethically sensitive" students and the business community.
- C. Alleviating what white students feel is the principal symptom of failure in business and university -- the underprivileged position of blacks.
- D. New methods of management development. Lengthy training programs vs. immediate responsibility.

SESSION C, AFTERNOON (Concurrent with session D) Minority Group Students and the Business Community

There are now 400,000 Black students in college - as well as many Mexican-American, Puerto Rican and other minority groups. As they enter business, what changes will take place?

- A. Employment recruiting of minority group students.
- B. Reaction of minority group students to placement in community relations jobs, regardless of their college training.
- C. Business use of its economic power to assure adequate housing for graduates it hires.
- D. "Black Student Caucuses" have wrought major changes on the college campus. The Council of Concerned Black Executives has been formed in New York City. As blacks in business unite to help their own people, what changes will take place?

SESSION D, AFTERNOON (Concurrent with session C) Financing Higher Education—A Possible Solution to Student Unrest

- A. Use of financial grants to students rather than to schools.
- B. The fate of private colleges under a new financing system.
- C. Student freedom of choice in where and how to purchase education

FR. RAWLIN B. ENETTE, SSI
Chaplain, Southern University
Baton Rouge, La.
Exec. Committee, Black Clergy Caucus

REV. JAMES SESSIONS
University Chaplain
Massachusetts Institute of Technology
Chaplain to SDS members

RABBI OSCAR GRONER
Hillel Foundation
B'nai B'rith

REV. CHARLES W. DOAK
University Pastor, U.C.L.A.
Member, Commission for study of
Higher Education & Urban Society

WEDNESDAY, APRIL 16 —

SESSION E, MORNING (Concurrent with session F) Public Relations and the New Youth Attitudes

- A. Communication to alumni. Role of student newspaper.
- B. Effect of radio and television on student revolts.
- C. Effect of student confrontations on alumni contributions.
- D. Should business provide moral support to the university in time of rebellion?

SESSION F, MORNING (Concurrent with session E) Campus Clergymen on Student Protests

Religious leaders are playing a significant role in the social changes in our country. Clergymen played a major role in the development of the labor union movement in the U. S. They have been key figures on the campus. They will express their attitudes on:

- A. University obligation to the blacks.
- B. Rights and freedoms of students.
- C. Student sit-ins and occupation of buildings.
- D. Protests over military recruiting, CIA, Dow Chemical.
- E. Draft protests.

Attend this National Conference in St. Louis
... you will pick up helpful understanding
of the Youth Action of today.

ALLAN SILVER
Prominent Faculty Negotiator
Columbia University
Author of "The University Rebellion"

ROBERT S. POWELL, JR. President
National Student Association
Washington, D. C.

JAMES TURNER
Black Student Leader
Northwestern University

RICHARD ROSSIE
Student Body President
Notre Dame University

HAROLD E. EMERSON Vice President
Development and Alumni Relations
Columbia University
New York

WILLIAM E. PERRY, JR. Dept. Chief
Western Electric, N. Y.
Council of Concerned
Black Executives

PHILIP DES MARAIS
Deputy Secretary
Department of Health, Education & Welfare
Washington, D. C.

DR. BEATRICE KONHEIM
Member, ACLU Committee on Student Rights
Academic Dean at
Hunter College, New York

ROBERT VAN WAES
American Association of University Professors
Washington, D. C.

REV. BEVERLY A. ASBURY
Chaplain Vanderbilt University
Nashville, Tennessee

JOHN R. SEELEY Dean
Center for the Study of Democratic
Institutions
Santa Barbara, California

HERBERT L. PACKER
Vice President for Academic Planning
Stanford University

TOM HAYDEN
Prominent leader in Students for
Democratic Society

JACQUELINE COX
Black student leader
Cornell University, Ithaca, N. Y.

JOE C. SUTTON
Editor, Alumni News
University of Illinois
Urbana, Illinois

RICHARD R. SULLIVAN President
Association of American Colleges
Washington, D. C.

ROSALIO MUNOZ
Student Body President
UCLA

JAMES M. GRAHAM Vice President
National Student Association
Washington, D. C.

CHARLES PALMER
Student Body President
University of California - Berkeley

SIDNEY A. TRUNDLE Senior Vice-Pres.
Manufacturers Hanover Trust Co.
New York, N. Y.

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Three or more registrations -- \$150 per person

Biographies of a Few Student Participants

SAM BROWN, JR., age 25. Presently Fellow in the Institute of Politics, Harvard University. Student Body President, University of Redlands (Calif.) 1964-65. Chairman of National Supervisory Board, National Student Association 1966-67. Master's degree in Political Science, Rutgers University 1966 (Eagleton Fellow). Chairman of Alternative Candidate Task Force, 1967 (the effort to replace President Johnson). New York Times "Man-in-the-News" March, 1968. National organizer of the Youth for Senator McCarthy. Presently member of the board and executive committee, Robert F. Kennedy Memorial Foundation. Member, Steering Committee of the New Democratic Coalition.

THOMAS A. BOURELLY, age 28. Negro. Presently candidate for degree of Master of Business Administration, University of Chicago. B.S. degree from Illinois Institute of Technology, in Chemistry and Biological Science. Research chemist for Sherwin-Williams Paint Company since 1962. Presently Chairman of the Black Student Caucus in the Graduate School of Business, University of Chicago.

PHILIP TAUBMAN, age 20. History major at Stanford University. Editor (elected) of the STANFORD DAILY, the Stanford student newspaper. 1967-68, Chairman of the Orientation Program for Entering Students (approximately 1700 students). Member of Joint Student-Faculty-Administration Study Committee to Re-evaluate the University. Last summer was employed as a student intern in business by Hewlett-Packard Company in a program designed to see what roles in business are attractive to the student activist.

JOHN GAGE, age 26. Presently candidate for degree of Master of Business Administration, Harvard School of Business. All-American Swimmer 1963-64. Director of Community Projects Office, University of California, Berkeley, 1966-68. Bachelors degree from Berkeley in economics. Co-chairman of Robert F. Kennedy Campaign, Alameda County, California (California's second largest county). Delegate to the Democratic National Convention.

CHARLES PALMER, age 24. Student Body President -- University of California, Berkeley. Honors student in Political Science. Member of Mexican-American Student Federation. Member, Steering Committee of Student West Oakland Project (a tutorial program in Oakland city schools). Deeply involved in development of student-owned and controlled economic projects, "In which," he says, "students learn about business by being in business."

BERNARD H. GUSTIN, age 21, son of a French-Canadian industrialist. Gustin plans to spend his career in the U.S. Presently candidate for Master of Business Administration, University of Chicago, and for doctorate in Sociology. 1966-67 Chairman, Student Committee on University Development, Wesleyan University (Connecticut). Was a non-partisan observer on the Columbia University rebellion, and at the Paris student revolution, May, 1968. Has just been designated Assistant Dean of Students (eff. June, 1969), University of Chicago Graduate School of Business.

seminar
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and Its Implications for Business
Sheraton-Jefferson Hotel
St. Louis, April 14-16

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The Urban Coalition

1819 H Street, N.W.
Washington, D. C. 20006
Telephone: (202) 223-9500

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

March 11, 1969

Honorable Ivan Allen, Jr.
Mayor
City Hall
Atlanta, Georgia 30303

Dear Ivan:

On behalf of Joseph Keenan, Walter Reuther, and David Rockefeller, I wish to thank you for sending your representative to the February 26 meeting of community development officials called by the Urban Coalition Task Force on Housing, Reconstruction and Investment.

The meeting explored the potential for increasing the volume of construction of low- and moderate-income housing through the pooling of a portion of low-income housing starts by several cities -- the pooled market to be supplied by large-scale, efficient developers and builders.

The discussion was very productive, and the consensus of the meeting was that the Housing Task Force should move rapidly in concert with mayors, governors, and the Department of Housing and Urban Development to refine the concept into a specific working proposal.

We are now proceeding with this task and Messrs. Keenan, Reuther, and Rockefeller will be taking an opportunity to present the proposal to you in the near future.

Sincerely,



John W. Gardner
Chairman

JWG:bc

Gardner Describes Priority Programs for Federal Action

Action Council Chairman John W. Gardner has described "jobs, housing and education" as top priority items for federal action. He was interviewed on the CBS "Face the Nation" program Jan. 26.

Legislative and administrative actions urged by Gardner included:

--Adequate funding of the Housing Act of 1968, the elementary education program for children from low-income families and manpower programs.

--Vigorous enforcement of school desegregation guidelines.

--Economic development of the black community.

--Extension of the tax surcharge.

--Support for private enterprise activities in the inner city as a supplement to federal programs.

Gardner said his task as head of the Action Council is to make vivid to people throughout the nation the problems that confront the cities and the steps leading to solutions. This in turn will bring the Congressional action that is needed, he said.

ACTION COUNCIL LETTER

LEGISLATIVE BULLETIN OF THE
URBAN COALITION ACTION COUNCIL

February 25, 1969

Senate Hunger Committee Is Extended With Full Funding

The special Senate committee studying hunger in the United States has been extended through this year and given \$250,000 for its investigations. Meanwhile, Administration officials have responded to the committee hearings by initiating actions to combat malnutrition problems.

The impact of the committee's hearings, which have been going on since December, was clear when Senators on February 18 took the

URBAN COALITION ACTION COUNCIL WORKS ON LEGISLATION

The Urban Coalition Action Council was formed, and incorporated separately from the Urban Coalition, in the spring of 1968 to mobilize public support for needed urban legislation. The Action Council is a nonprofit tax exempt organization. Gifts are generally not tax deductible to the donor.

The Action Council works closely with many other interested organizations and individuals in pressing for Congressional action to meet the urgent needs of the cities. Legislation it has supported includes the Housing and Urban Development Act, fair housing, the tax surcharge, and a public service job program as well as private enterprise's efforts to hire and train the hard-core unemployed.

It has sought, and continues to seek, more adequate funding of education, housing, manpower and antipoverty legislation.

This is the first issue of the Action Council Letter. It will be published on a timely basis to report legislative developments in the urban field.

rare step of rejecting the recommendations of the Senate Rules Committee. It had cut the hunger committee's fund request to \$150,000.

Sen. George McGovern (D--S.D.), chairman of the hunger committee -- officially, the Select Committee on Nutrition and Human Needs -- said the Rules Committee cut would nullify his plans to collect full statistics showing "the inadequacies of our present food programs." Without a roll-call vote, the Senate agreed to the full \$250,000 McGovern had asked for the study.

So far, the highlight of committee testimony has been a preliminary report by a government survey group on the prevalence of hunger in four states studied for a National Nutrition Survey. Dr. Arnold E. Schaefer, chief of the nutrition program of the Public Health Service, testified January 22 that investigations had uncovered widespread malnutrition in low-income areas. He said that 16 to 17 percent of the persons examined were in need of medical attention for problems associated with starvation.

Earlier, the outgoing Secretary of Agriculture, Orville L. Freeman, testified that the government would have to spend \$1 billion more than the \$1.1 billion now being spent if hunger is to be wiped out. Freeman said a crucial problem is "to get the food to where it is needed."

Administrative Actions

Describing federal programs for the poor as "woefully inadequate," HEW Secretary Robert H. Finch announced February 17 that he had ordered a Department-wide review of possible preventive and remedial actions to deal with malnutrition and its consequences.

Finch also asked for full data on the relationship between mental retardation and improper

nutrition in children's early years.

The first free food stamps for the poorest of the poor were authorized by Secretary of Agriculture Clifford M. Hardin February 19. The pilot project in two South Carolina counties, if approved by local officials, will provide free stamps for persons who cannot pay the \$3 required in those counties for stamps that can buy \$45 of food in local stores.

The action had been urged on Hardin by McGovern and Sen. Ernest F. Hollings (D S.C.), who had made his own investigation of hunger in his state.

CONGRESSIONAL HEARINGS

ESEA -- The House Education and Labor Committee has been holding hearings since January 15 on a bill (HR 514) to extend the Elementary and Secondary Education Act for five years. Committee Chairman Carl D. Perkins (D Ky.) reportedly plans to have the full Committee consider the bill as soon as hearings end, with the hope that the House will pass the bill before Easter.

HUD Appropriations -- The first appropriation hearings of the year have begun before the House Subcommittee on Independent Offices and the Department of Housing and Urban Development. The supplemental appropriations requested for these agencies by President Johnson before he left office are the subject of the closed-door hearings being held by the Appropriations subcommittee.

Subcommittee hearings on the proposed fiscal 1970 budget for these agencies, covering the fiscal year that begins July 1, will start in late March.

Relocation and Land Acquisition -- Sen. Muskie's Subcommittee on Intergovernmental Relations has begun hearings on his Uniform Relocation Assistance and Land Acquisition bill (S 1).

Urban Affairs Council Meets With Action Council Leaders

Chairman John Gardner and a group of Action Council leaders met February 17 with President Nixon and his Urban Affairs Council to discuss a number of proposals. The list was not made public, but Gardner told newsmen that among the proposals were federal standards for welfare payments, expansion of pre-school and early education programs and revitalization of the attack on poverty. Full funding of the 1968 Housing Act and manpower programs also were urged, Gardner said.

While the President made no commitments, "the reaction was favorable, I believe," Gardner added.

A statement by the President was released by the White House. It described the meeting as "most

productive," warmly praised the Urban Coalition's efforts, and called on business leaders "to lend active support to the Urban Coalition."

Council Studies -- The first product of studies by the Urban Affairs Council was made public February 19 when President Nixon sent Congress a message asking for a one-year extension of the present anti-poverty agency. That would allow time for a comprehensive study of the future of the Office of Economic Opportunity, Mr. Nixon said.

As a first step, however, he has ordered the transfer of several activities from OEO to regular departments. The Head Start program for pre-school children, neighborhood health centers and the foster grandparents plan will be delegated to the HEW Department by July 1. The Job Corps will be administered by the Labor Department.



The President's Council for Urban Affairs: standing from left to right, Secretary Shultz, Budget Bureau Director Mayo, Counsellor Burns, Attorney General Mitchell, Secretaries Volpe and, hidden, Finch, Vice President Agnew, Secretaries Hardin and Romney, Executive Secretary Moynihan, Secretary Stans.

Among other issues now under study by the President's Council on Urban Affairs is whether to extend the Model Cities program to more than the 150 cities now participating in it. They have received funds to prepare plans for a concerted attack on all aspects of blight in selected inner city areas and will receive additional federal aid when their plans are completed. The 1968 Housing and Urban Development Act authorized inclusion of additional cities in the program, but the fiscal 1970 budget submitted by President Johnson before leaving office recommended funds only for the 150 programs now under development. Mr. Johnson proposed \$750 million for supplementary grants in fiscal 1970 and an advance appropriation of \$1.25 billion for the next year, to aid the cities' long-term planning.



John Gunther of the U.S. Conference of Mayors talks with Wayne Smithey of the Ford Motor Co. while, in the back, Mark Keane of the International City Managers Association and Tom Hannigan of the Brotherhood of Electrical Workers talk together.

Action Council Discusses New 91st Congress

Members of the Action Council staff met January 8 with Washington representatives of Policy Council members to discuss the outlook for urban legislation in the new Congress. With little change in membership from the previous Congress, the 91st Congress is not expected to make radical changes in existing programs but will need considerable encouragement to move forward fast enough on current problems, it was generally agreed

at the meeting.

The most urgent need is for full appropriations to carry out major programs for the cities that previous Congresses have authorized, many participants said.

Among those participating in the meeting was a good cross section of the Action Council's constituents. Included were representatives of municipal groups, business, labor unions and spokesmen for civil rights and religious organizations.

The Urban Coalition Action Council
1819 H St., N.W.
Washington, D.C. 20006
Tel: 202 293-1530

Chairman: John W. Gardner
Co-Chairmen: Andrew Heiskell
A. Philip Randolph
Executive Director: Lowell R. Beck
Legislative Associates: John P. Lagomarcino
Ronald J. James
Assistant for Legislative Information:
Georgianna F. Rathbun



Ronald J. James, an attorney in Waterloo, Iowa, and former executive director of that city's Commission on Human Rights, joined the staff of the Urban Coalition Action Council Feb. 17. A graduate of the University of Missouri, James worked for Congressmen Rumsfeld (R Ill.) and Bromwell (R Iowa) while studying for his law degree at American University.

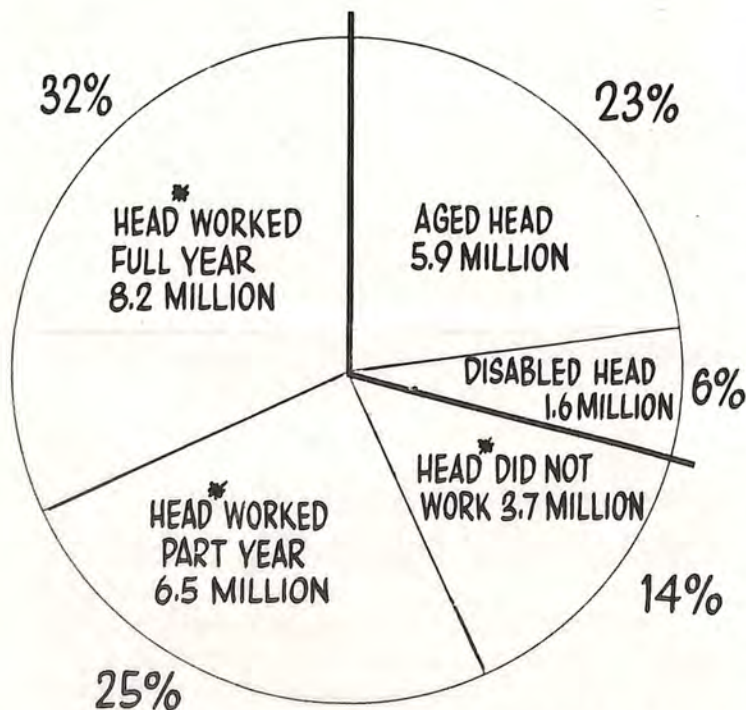
House Hearings on Poverty Forecast Floor Fight on OEO

Hearings on legislation to extend the antipoverty programs of the Office of Economic Opportunity (OEO) for five years began in the House Education and Labor Committee March 24. Comments at the opening hearing made clear that committee members will be sharply divided over a one-year or five-year extension of OEO.

President Nixon has asked for a one-year extension, saying that would allow time for his Administration to conduct a comprehensive review of antipoverty programs. However, the House chairman, Rep. Carl D. Perkins (D Ky.), favors a five-year extension and has introduced HR 513 to accomplish that.

Continued on Page 2

ESTIMATED DISTRIBUTION OF THE 25.9 MILLION POOR PERSONS IN 1967 BY STATUS OF HOUSEHOLD HEAD



* Employment status of non-disabled, non-aged household heads

ACTION COUNCIL LETTER

LEGISLATIVE BULLETIN OF THE
URBAN COALITION ACTION COUNCIL

April 11, 1969 -- Vol. I, No. 4

HEW Proposes Increased Funds For Community Health Centers

Much larger federal grants for outpatient clinics, neighborhood health centers and skilled nursing homes have been proposed to Congress by the Department of Health, Education and Welfare.

HEW Secretary Robert H. Finch asked the House Subcommittee on Public Health and Welfare March 25 to rewrite the Hill-Burton Hospital Construction law to put increased emphasis on outpatient health care.

"The distances traveled and hours spent in waiting for such services by millions of our people testify to the critical nature of this need in almost every community," Finch said.

Sen. Jacob K. Javits (R. NY) has introduced a bill (S 1733) that carries out the HEW proposals. It authorizes \$150 million this year for allocation by the states to the facilities Finch suggested. However, the present federal program of grants for acute-care hospital beds would be changed to a federally guaranteed loan program, without interest subsidy to the hospitals.



Continued from Page 1

In opening the hearings, Rep. Perkins said a one-year extension would be "demoralizing" to the poor who have found hope in the government's antipoverty efforts. He said that OEO programs needed the "stability" that a long extension provides. He also criticized the President's plans to transfer four OEO programs, including Head Start and the Job Corps, to long-established Departments.

GAO Report

A lengthy and generally favorable report on the OEO was issued March 18 by the General Accounting Office. The GAO, which is often referred to as Congress' "watchdog" over the executive departments, was directed by Congress in 1967 to determine the efficiency of OEO programs and the extent to which they achieve the objectives of the Economic Opportunity Act, the basic antipoverty law of 1964.

The major recommendation of the GAO was that the President establish in his Executive Office a well-staffed office responsible for broad planning, coordination and evaluation of all the government's antipoverty efforts. The OEO would continue as an independent agency to operate the Communi-

ty Action Program and closely related activities, such as VISTA. Other programs should be transferred to established Departments, the GAO report said.

Comments by Sen. Nelson

The report was dismissed by Rep. Perkins as "not worth the paper it is written on," but more favorable comments came from his Senate counterpart, Gaylord Nelson (D Wis.). Sen. Nelson is chairman of the poverty subcommittee of the Senate Labor and Public Welfare Committee.

In a statement March 19 Nelson said: "Some enemies of the war on poverty apparently had hoped that this report would justify a surrender of this under-financed, late-starting effort to help millions of Americans escape from poverty. It does no such thing.

"It simply tells the White House that fighting poverty is such a big task that it must be supervised by the President and that the fight must be coordinated throughout the vast federal bureaucracy. It tells the Congress that programs cannot function if appropriations are withheld or seriously delayed. It tells both OEO and the many agencies -- federal, state and local -- with which it works that meticulous recordkeeping and evaluation are vital if the poverty program is to achieve its objectives."

Nelson said the GAO's recommendations on the whole were "constructive and forward-looking."

Discrimination Study Cites Obstacles in Upgrading Jobs

The need to upgrade employment opportunities for members of minority groups is getting increased attention. It is buttressed by statistics in a recent government report showing that racial discrimination, rather than lack of skills or education, holds back the ad-

vancement of Negroes, Spanish-speaking Americans and Indians.

The president of the National Alliance of Businessmen, Donald M. Kendall, told an April 1 meeting of businessmen participating in the JOBS program for the hard-core unemployed that the major need is to provide jobs with marketable skills, not just menial jobs. As evidence of discrimination in upper-level positions, Kendall said that of some 50,000 corporate officers in this country, only two dozen are blacks.

The statistical report on discrimination was issued in March by the Equal Employment Opportunity Commission. Among industries

where discrimination is most prevalent, the report said, are those with a large proportion of well-paid employees with better-than-average educational backgrounds. The EEOC found that minority group employees who succeed in getting jobs in such companies "can expect few promotions."

Proposals for developing marketable skills in lower-level jobs were made in the General Accounting Office's review of antipoverty programs. It found that "intensive classroom and work-experience programs" are essential to develop skills needed to rise above the helper and laborer categories for workers.

Congressional Liaison Men Named for HEW, HUD, Labor

The Departments of Health, Education and Welfare, Housing and Urban Development, and Labor have new appointees in charge of carrying their legislative programs to Congress.

The Urban Coalition Action Council has had meetings with these officials and plans to keep in close touch with the legislative programs they develop.

HEW liaison with Congress is in charge of Creed C. Black, Assistant Secretary for Legislation. A newspaperman and editor, with an M.A. in political science from the University of Chicago, Black was executive editor of the Chicago Daily News until he joined HEW.

His principal deputy, with responsibility for education legislation, is Charles B. Saunders Jr. Saunders has been assistant to the president of Brookings Institution since 1961, and before that was an assistant to former HEW Secretary Arthur S. Flemming.

The Assistant for Congressional Affairs for the HUD Secretary, George Romney, is Jack Woolley, former director of government relations for the TRW Systems Group, a Redondo Beach, Calif., space and defense contractor. A graduate of



Two Departmental Congressional Liaison Officers
Creed C. Black, HEW



Jack Woolley, HUD

the U.S. Merchant Marine Academy, Woolley gained Washington experience as legislative affairs assistant to the Secretary of the Navy and to the Secretary of Defense in the Eisenhower Administration.

The Labor Department's new Special Assistant for Legislative Affairs is William L. Gifford, a former student of the law and political reporter. From 1959 to 1968 he was the administrative assistant to then-Representative Charles E. Goodell, now a U.S. Senator from New York. Gifford is a graduate of Fordham University.

Democratic, GOP Urban Plans Issued by Economic Committee

Recommendations for action in the urban field were made in an April 1 report by the joint Congressional Economic Committee.

Democratic Recommendations

Employment, manpower and training programs should be expanded and improved by:

- providing comprehensive coordinated assistance;
- meeting critical skill shortages such as medical services and housing;
- adding to the JOBS Program, conducted by private business, a public sector program to hire the disadvantaged for public service jobs.

Income maintenance (welfare) programs for those unable to work are underfunded and uncoordinated. They must be improved by:

- provision for equal treatment of every needy citizen regardless of location;
- establishment of a single local office or representative to whom the needy can turn with assurance for assistance.

The highest priority must be given to developing programs for a massive environmental reconstruction of urban and rural America, including:

- allocation of the necessary resources, both public and private, to economic development of maximum social impact;
- achievement of the goal of a decent home and a suitable living environment for every American family, as provided for by the Housing and Urban Development Act of 1968;
- increased funding for antipoverty programs, especially on the neighborhood level, and for the model cities program.

Republican Views

Employment, manpower and training programs benefit the in-

dividual and the economy and should be expanded and improved:

- consolidate various approaches into single comprehensive program;
 - insure that MDTA programs train people for skills in demand;
 - stimulate job training through Federal tax credits;
 - improve job information and worker mobility;
 - recognize that overly rapid increases in the Federal minimum wage may reduce employment opportunities;
 - intensify efforts to reduce discrimination in employment.
- Welfare and poverty:
- recommend guaranteeing employment opportunity rather than guaranteeing income as best approach to alleviating poverty;
 - study national minimum level of welfare assistance with increased Federal support;
 - expand efforts to stimulate welfare recipients to become more self-sufficient.
- Improving the urban community:
- expand resources available to State and local governments;
 - revenue sharing should be seriously considered;
 - enlist the help of the private sector in community development through approaches such as the Community Self-Determination Act;
 - improve the quality of housing through activation of the National Corporation of Housing Partnerships and fair housing, zoning and tax reforms.

The Urban Coalition Action Council
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Washington, D.C. 20006
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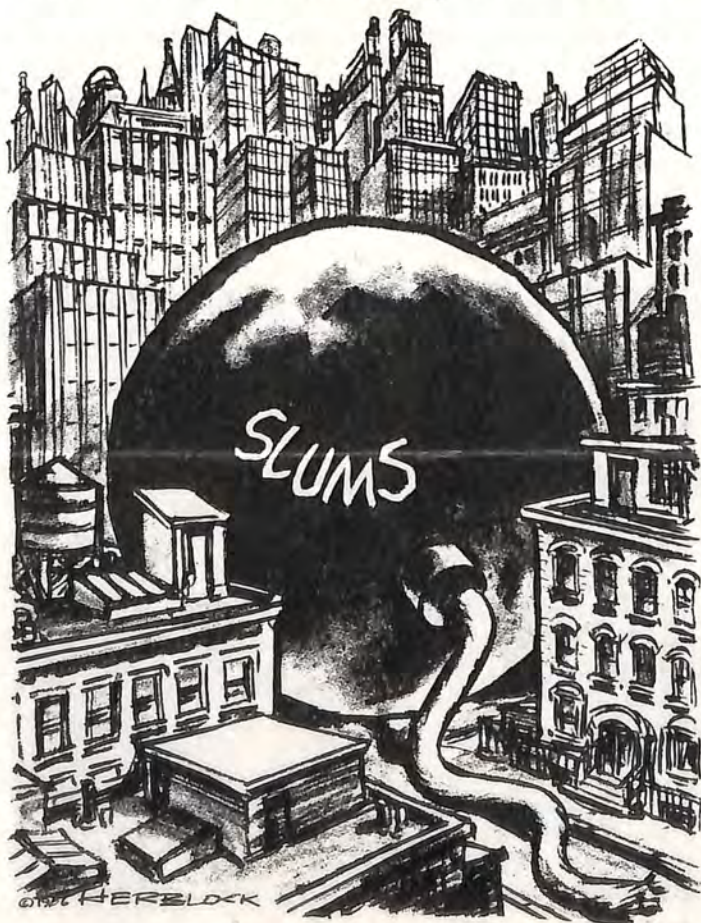
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Georgianna F. Rathbun

Kerner Commission Findings After One Year Reviewed

"One Year Later," a review of what has been done, and not done, to meet the urban crisis since the Kerner Commission report of March, 1968, has been issued. The sponsors are two private, nonprofit organizations, the Urban Coalition and Urban America Inc.

After presenting up-to-date data on social and environmental problems in the nation's inner cities, the review concludes that "we are a year closer to being two societies, black and white, increasingly separate and scarcely less unequal."

Copies of "One Year Later" may be ordered, for a small charge, from the Communications Division of the Urban Coalition, 1819 H St., N.W., Washington, D.C. 20006.



THE BUILT-IN BOMB

Reprinted from "The Herb Block Gallery," Simon and Schuster, 1968.

ACTION COUNCIL LETTER

LEGISLATIVE BULLETIN OF THE
URBAN COALITION ACTION COUNCIL

March 7, 1969 -- Vol. I, No. 2

Funds for Low Income Housing Head Action Council Agenda

Supplemental appropriations for the low-income homeownership and rental programs of the 1968 Housing Act, and for administration of the fair housing law, are a priority goal of the Action Council. The two laws were enacted by Congress last summer but received only partial funding -- far less than was needed for a good start.

The new programs for low-income families are known, in housing law jargon, as Section 235 and Section 236.

Private financing, buttressed by federal interest subsidies, is the key to both the homeownership program, Section 235, and the rental program, Section 236. Low and moderate-income families will be able to buy houses for up to \$15,000, spend 20% of their monthly income on mortgage payments, and the FHA will pay the remaining mortgage costs. Similarly on Section 236 rental units, the Government will pay to the nonprofit sponsors the difference between the interest cost of a conventional mortgage and an interest rate of 1%.

The first homeownership in-

terest contracts were made in October. On the average, they were for houses costing \$12,152. The average interest subsidy was \$33.88 a month, for owners with monthly income of \$430.

The Housing Act authorized FHA to sign contracts for \$75 million under Section 235 this year. Congress, however, allowed only \$25 million. The same figures also were set for the Section 236 rental program.

A House Appropriations Subcommittee is now considering budget proposals submitted by former President Johnson requesting an additional \$50 million contract authority for each of the two programs. His request for the next fiscal year, starting July 1, was \$100 million for each program.

The fair housing law received an appropriation of only \$2 million from Congress. The Johnson budget proposes a supplemental \$2 million for administration of the law plus \$14.5 million for the next year.

Sen. Ralph Yarborough Becomes Chairman of Labor Committee

The Senate Labor and Public Welfare Committee, which handles manpower, antipoverty, education and health legislation, is under new leadership this year. Retirements and election defeats have produced new chairmen for the full committee and for its eight subcommittees. Democrats remain in the majority on the committee but the Republicans have one additional seat this year.

Sen. Ralph Yarborough of Texas is the new committee chairman. He also has taken over as head of the Subcommittee on Health.

Other key subcommittee chairmen include: Claiborne Pell (D -- R.I.), Education; Gaylord Nelson (D Wis.), Subcommittee on Employment, Manpower and Poverty; Harrison A. Williams (D N.J.), Labor;



Senator Ralph Yarborough

and Walter F. Mondale (D Minn.), Migratory Labor.

Sen. Jacob K. Javits (R N.Y.) remains the top-ranking Republican on the committee. The new GOP members, all freshmen, are William B. Saxbe (Ohio), Richard S. Schweiker (Pa.) and Henry Bellmon (Okla.).

The new Democrats are freshmen Thomas F. Eagleton (Mo.), Alan Cranston (Calif.) and Harold E. Hughes (Iowa).

CONGRESSIONAL HEARINGS

Relocation and Land Acquisition -- Senate subcommittee hearings have been completed on the Uniform Relocation Assistance and Land Acquisition bill (S 1).

The Action Council supports the bill, which would provide relocation payments and other assistance to persons displaced by any federal program or any federally aided state or local program. The last Congress approved this kind of aid on federal highway and housing projects and the new bill would extend this to other programs on a uniform basis. Post offices and other federal buildings and federally aided projects such as hospitals and college

Continued on Page 4

Congressmen Take City Tours To Learn of Urban Programs

Small groups of Congressmen are making two-day trips to major cities to learn at first hand of urban problems and programs. The tours are sponsored by the U.S. Conference of Mayors for the benefit of Congressmen from rural areas and small cities. Members of the Urban Coalition Action Council staff are participating in the tours.

Visiting Atlanta, Ga., Jan. 31 and Feb. 1 were five Representatives -- Wendell Wyatt (R) of Astoria, Ore., James F. Hastings (R) of Allegany, N.Y., W. S. Stuckey (D) of Eastman, Ga., James R. Mann (D) of Greenville, S.C., and Paul McCloskey (R) of San Mateo, Calif.

The five were given an introduction to Atlanta's problems by Mayor Ivan Allen, who is on the Action Council's board. Allen told the group that the city's progress in urban development was due in large part to funds appropriated by Congress.

After hearing other city of-

officials discuss their programs the Congressmen toured the Model Cities and urban renewal areas and visited antipoverty agencies. Afterwards, Rep. Wyatt commented that there is no domestic problem "more urgent than that of the American city."

A similar trip was made to Dayton, Ohio, Feb. 21-22. The city's Congressman, Charles W. Whalen (R), was host to the group, which included Rep. Mann and three others -- Rep. Bill Alexander (D) of Osceola, Ark., Robert C. McEwen (R) of Ogdensburg, N.Y., and William L. Hungate (D) of Troy, Mo.

Among the programs the Congressmen studied was the coordinated manpower programs operated by the federally funded local CEP office. CEP stands for Concentrated Employment Plan. It tries to concentrate available job resources within areas of high unemployment and poverty.

In both cities the Congressmen got a glimpse of crime problems by riding in police cars for a night-time tour of potential trouble spots.

Later trips are planned for New York and Boston.



In Atlanta City Hall, Rep. McCloskey takes notes as Rep. Hastings, on the far left, listens. Clockwise, facing the camera, are Rep. Wyatt, Vice Mayor Sam Massell, Reps. Mann and Stuckey, Action Council executive director Lowell Beck and Janet Kohn of the Conference of Mayors.

Continued from Page 2
buildings are examples of programs that often displace inner city residents and businesses who badly need help in relocating.

Provisions similar to those in S 1 were passed by the Senate, but not by the House, in the last Congress. The House Public Works Committee held hearings late last year on similar relocation bills but took no action on them.

As yet, the House committee has not scheduled further hearings for this session. Senate passage probably will come first.

Urban Coalition Action Council Adds 21 New Members to Board

An expanded Policy Council, the policy body for the Urban Coalition Action Council, met for the first time February 26. Twenty-one new members joined the Council, bringing the total membership to 59. John W. Gardner is the chairman.

Of the new members, six are women -- the first to serve on the Council. They are Mrs. Bruce B. Benson, president of the League of Women Voters of the U.S.; Mrs. Amalia V. Betanzos, executive director of the Puerto Rican Community Development Project in New York City; Mrs. Fred R. Harris, chairman of the Women's Council on Poverty, OEO; Mrs. Patricia R. Harris, Howard University School of Law; Miss Dorothy I. Height, president of the National Council of Negro Women; and Mrs. Aileen C. Hernandez of San Francisco, former

The Urban Coalition Action Council
1819 H St., N.W.
Washington, D.C. 20006
Tel: 202 293-1530

Chairman: John W. Gardner
Co-Chairmen: Andrew Heiskell
A. Philip Randolph
Executive Director: Lowell R. Beck
Legislative Associates: John P. Lagomarcino
Ronald J. James
Assistant for Legislative Information:
Georgianna F. Rathbun

member of the Equal Employment Opportunity Commission.

The 15 other new members are Julian Bond, Georgia state legislator; Paul W. Briggs, superintendent of schools for Cleveland, Ohio; Daniel J. Evans, Governor of the State of Washington; Herman E. Gallegos, executive director of the Southwest Council of LaRaza; Ernest Green, director of the Joint Apprenticeship Program in Brooklyn, N.Y.; Richard G. Hatcher, Mayor of Gary, Indiana; Dr. Vivian W. Henderson, president of Clark College, Atlanta, Georgia.

Also, Richard J. Hughes, Governor of the State of New Jersey; Roy Innis, national director of CORE; Dr. Howard Johnson, president of MIT; Edgar J. Kaiser, chairman of the board of Kaiser Industries; Robert S. Powell Jr., president of the National Student Association; Carl B. Stokes, Mayor of Cleveland, Ohio; Rev. Andrew J. Young Jr., executive director of SCLC; and Dr. Mark Shedd, superintendent of schools for Philadelphia.

Before adding the new members the policy group consisted of 13 businessmen, 6 union officials, and 19 mayors, civil rights and religious leaders.



On the left, new Policy Council members Mrs. Benson of the League of Women Voters and Mrs. Betanzos of the Puerto Rican Community Development Project, with Mayor Cavanagh of Detroit. On the right, Rev. Andrew Young of the Southern Christian Leadership Conference, also a new Council member.

CLASS OF SERVICE

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DAN SWEAT

CITY HALL ATLA

THE URBAN COALITION WOULD LIKE YOU TO ATTEND A SMALL CONFERENCE OF KNOWLEDGEABLE PERSONS TO DISCUSS "ANTI-POVERTY PROGRAMS; OPTIONS FOR THE FUTURE" TO BE HELD AT AIRLIE HOUSE WARRENTON, VIRGINIA, JANUARY 9TH THROUGH 11TH. COORDINATOR FOR THE CONFERENCE WILL BE LISLE CARTER HE WILL WRITE FURTHER DETAILS. PLEASE INDICATE YOUR ACCEPTANCE TO LEDA ROTHMAN AREA CODE 202 223 9500

JOHN W GARDNER CHAIRMAN

9 11 202 223 9500.

Sid Gardner
Shirley
Carl Holman
Paul
gg

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WESTERN UNION

Telefax



455P EST FEB 4 65 AE278 CTC350
CT TX002 TXZ2 TXZ2 MI PDE TX WASHINGTON DC 4 NPT
HON VAN ALLEN JR
MAYOR ATLA

AT THE DECEMBER 13 URBAN COALITION MEETING WITH PRESIDENT
ELECT NIXON IT WAS AGREED THAT A MEETING WOULD BE ARRANGED
WITH THE PRESIDENT AND THE URBAN AFFAIRS COUNCIL SOON AFTER
JANUARY 20. SUCH A MEETING IS NOW BEING PLANNED AND THE PRESIDENTS
AIDES AGAIN ASKED THAT WE SEND A SMALL DELEGATION. ACCORDINGLY,
I SHALL TRY TO PUT TOGETHER A REPRESENTATIVE TEN MAN DELEGATION.
I HOPE THIS MEETS WITH YOUR APPROVAL.

JWG.

8252

THE URBAN COALITION ACTION COUNCIL

JOHN W. GARDNER
CHAIRMAN
1819 H STREET, N. W.
WASHINGTON, D. C. 20006

Community Self-Determination Act of 1968

Senate Democratic Version
S. 3875

Senate Republican Version
S. 3876

House Democratic Version
H. R. 18976

House Republican Version
H. R. 18460

Title I (All Title references are to S. 3875)

Title I creates a National Community Corporation Certification Board (NCCCB) and outlines the procedure and purpose of individual Community Development Corporations (CDC's). The NCCCB acts much like the National Labor Relations Board in its union certification procedure. It will be composed of five members, and its primary functions will be the issuance of corporation charters, conducting and supervising referenda, service as counsel to the CDC's and as an information center for parties interested in forming CDC's. A National Advisory Commission advises the NCCCB but does not have direct impact on the latter's specific activities.

Section B of Title I states the structural outline of a local CDC. This is the heart of the Act. It would have a broad social improvement purpose as well as the promotion of business activity. CDC's operate in areas in which the 16-year and up population ranges from 5,000 to 300,000. The geographic area within which a CDC would operate is designated by the applicants for a CDC charter. Any resident within the designated area may be a shareholder of the corporation, but the Act requires that a minimum of 10 per cent of the 16-year-old and up population residing within the area hold stock in the CDC. The shares would have a par value of \$5, and each shareholder would have one vote in corporate matters, notwithstanding the number of shares the shareholder actually holds.

The functions of a CDC fall into six categories. First, neighborhood services and community improvement, including but not limited to public welfare programs, day care centers,

consumer education, job placement, legal aid, etc. Second, it would own stock in businesses in the CDC area. Third, it would sponsor, own, or manage housing facilities within the CDC area. Fourth, it would be an advocate planner for neighborhood and community renewal projects. Fifth, it would serve as a representative of various community interests in other areas of public policy and concern. Sixth, it would encourage various other elements of the community such as business, labor, religion, and so forth, to become active in voluntary community self-help efforts.

A CDC would be financed by earnings from affiliated businesses, grants from community development funds, foundations, trusts, etc., and from contracts with privately owned businesses, government agencies, and other entities for specified services or products.

The CDC would have nine directors and two additional directors for each 10,000 shareholders of the corporation in excess of 25,000. The directors of the corporation would select the executive officers as well as the Business Management Board. The latter's primary function is to provide overall management expertise and assistance to those affiliated businesses owned by the CDC. The full area of responsibility of the members of the BMB would be spelled out in the CDC charter but would be phrased primarily to afford the BMB maximum latitude to manage CDC owned businesses and allow for the purchase of other enterprises.

CDC's can be organized by any five or more residents of a specific area covering a population range from 5,000 to 300,000, 16 years and older. For any designated area to be eligible for a CDC, however, the rate of unemployment must be higher than the national average or the median family income be proportionately lower than the national average. After application is made for a CDC charter, a 60-day period must elapse so as to allow any other interested group within the same area, or an overlapping area, the opportunity to organize its own CDC. Before the NCCCB will grant a final charter to a group of applicants, the applicants must have received pledge cards for the purchase of stock from a minimum of 5 per cent of those eligible to purchase stock within the designated area of operation. This insures a minimum level of community support. If the applicants cannot obtain pledge cards from the minimum 5 per cent, the charter application is rejected. Once the pledge cards are received from 5 per cent of the population, a conditional charter is issued. At that point, the CDC has 45 days in which to obtain additional pledge cards covering 10 per cent of the area's population. Five hundred people must have paid in at least \$5,000 for CDC stock. During the

45-day period the pledge money is kept in escrow pending further action toward issuance of a final charter.

During the period in which a CDC attempts to raise the minimum level of funds, an additional determination is being made which indicates the relative economic need of the area in question. A Development Index is figured for the area. The Index is the lesser of two ratios: First, the ratio of the national rate of unemployment to the area's unemployment rate x 100, or second, the ratio of the nation's median family income to the area's median family income x 100. If the Development Index of a conditional chartered CDC is found to be 90 or above, the charter is dissolved because the CDC is considered too close to the national average of 100. A special bonus is afforded those rural areas from which outmigration is contributing directly to specific urban tensions. If only one conditional CDC is left within a given area, a vote is then held in which a majority of those voting must approve the applicants. If a majority of those voting do approve, the final charter is granted; if a majority disapprove, the charter is dissolved.

In the case of competing CDC's within a given area, referenda are held for each competitor, starting with those representing the geographic area encompassing the highest level of population. If none of the competitors within the largest given area are accepted, a vote is held for those CDC's competing in the next smallest geographic area, etc., until such time as one CDC is approved by the requisite majority of those voting. At least 10 per cent of the eligible voters must actually cast a ballot for any referendum to be valid.

Once a CDC is established, a one-time seed money grant is made to the corporation in an amount equal to its current paid-in capital.

Title II

Title II provides for the establishment of Community Development Banks (CDB's), which are organized by CDC's. CDB's operate in an area of 25,000 or more people, 16 years and up, and concentrate on financial services to the area in question. They provide both business financing and consumer credit to individual CDC shareholders.

Equity capital is obtained through the sale of stock to

- 1) the Secretary of the Treasury (Class A),
- 2) any groups or individuals other than the Federal Government and CDC's (Class B), and
- 3) stock sold only to CDC's (Class C).

Class A stock would be nonvoting and repaid by a franchise tax on the CDB's net earnings. Class B stock would be non-voting but receive dividends. Class C stock would not receive dividends. The latter point is made so that the CDB becomes a necessary financial mechanism for the establishment and proliferation of CDC activities but does not become a source of income.

Income bonds would be issued to the public to provide additional equity and debt capitalization.

CDB net earnings would be first applied to make up any bad debts and restore any impaired capital. The payment of stock dividends is a lesser priority.

Loans are made to the following individuals and businesses:

- 1) CDC shareholders for normal consumer credit;
- 2) a small business, 75 per cent of which is owned by resident CDC shareholders;
- 3) a small business, less than 75 per cent of which is owned by CDC shareholders, so long as the CDC in whose area the business is located is given the right of first refusal when the business is sold;
- 4) a subsidiary of a CDC, 51 per cent of which is owned by CDC shareholders;
- 5) outside corporations with turnkey contracts with a CDC;
- 6) cooperatives, 75 per cent of whose members are CDC shareholders; and
- 7) nonprofit housing sponsors operating within the community serviced by the CDB.

An applicant for a business loan must have a minimum level of business experience and expertise, or have contracted with a company or service to obtain the necessary business training. Loans of up to 90 per cent of the required capital may be made on terms of up to 20 years for repayment. Housing sponsors can receive money for "front-money" or construction loans. Unorthodox and high risk ventures are encouraged as long as they would yield significant community benefits. Participation loans are encouraged.

The primary purpose of a CDB is to channel capital to business ventures. Its secondary purpose is to provide normal banking services to people in impoverished areas.

Title III

Title III creates a United States Community Development Bank, which would serve as a secondary financial institution and as a source of technical, financial, and managerial expertise to CDB's. It would serve also to promote economic development in those poverty-stricken areas where no CDB's exist. The USCDB would have the same relationship to CDB's as a federal intermediate credit bank has to local commercial banks. The USCDB would have the same relationship to those areas not serviced by CDB's as the World Bank has to underdeveloped countries. Although not an instrumentality of the Federal Government, the President would initially appoint the incorporators and first directors of the USCDB. Eventually CDB's holding stock in the USCDB would name some of the directors.

Capitalization would be provided through stock sales. The Secretary of the Treasury would hold nonvoting, non-paying, Class A stock purchased through funds provided by a Congressional appropriation. Class B stock would be held by anyone other than the Federal Government, CDB's being eligible to purchase such stock. The USCDB is authorized to issue bonds, debentures, and other certificates of debt up to 5 times its paid-in capital and surplus. Its primary functions are to provide secondary banking services to CDB's through discounts, loans, notes, advances, and so forth, and to make loans for business and community facilities or public development facilities in low-income "investment areas," designated by the Secretary of Labor. It provides interim construction financing for facilities which it may also plan, initiate, own, and manage until such time as the facilities are purchased. It provides management assistance to CDB's as well as other borrowers and generally creates new investment opportunities by bringing together facilities, capital, and management.

A CDB may establish branches.

USCDB earnings are to be applied in the following order:

- 1) restoration of any capital impairment,
- 2) creation and maintenance of a surplus account,
- 3) payment of a franchise tax with reference to the amount of Class A stock held by the Secretary of the Treasury,
- 4) establishment of contingency reserves,

- 5) dividends on Class B stock up to 6 per cent of earnings, and
- 6) retirement of Class A stock held by the Treasury.

Title IV

Title IV authorizes certain Federal tax advantages for CDC and turnkey corporations. All tax advantages granted to CDC's are applicable until the Development Index for the designated CDC area reaches the national average for five years. Title IV would amend the Internal Revenue Code to permit each corporation in a group of CDC subsidiary corporations to retain its individual surtax exemption and pay its regular corporate tax on anything over the \$25,000 at a 22 per cent rate rather than 28 per cent. Tax rates and surtax exemptions are liberalized depending upon the area's Development Index, with provisions for greater tax advantages to those CDC's operating in areas with the lowest Development Index.

In addition, the Internal Revenue Code is amended to attract turnkey companies into the CDC area. Turnkey companies can take advantage of rapid amortization schedules for its facilities. Again, the rate of amortization depends on the rate of the Development Index with the shorter periods of amortization being made available to those companies which invest in the poorest areas. A 10 per cent tax credit on wages and salaries of CDC shareholders employed in the turnkey facility is granted to the turnkey company. This is called a human investment tax credit. The 10 per cent figure compares with the 7 per cent investment credit on machinery investment, though is higher because of the impermanence of the investment in human skills. It is argued that the credit must be higher to induce the turnkey corporation to involve itself in impoverished areas.

The turnkey company is not required to pay capital gains tax on the sale of a turnkey facility if the sale profits are reinvested in another turnkey operation or in Class B stock of a CDB. A turnkey corporation would be entitled to a sustained profitability tax credit equal to 15 per cent of the profits generated from turnkey operations for five years after the sale of a facility to a CDC. This latter provision presumably guarantees the development of the strongest financial operation the turnkey company can encourage.

Title V

If a CDC is not a dividend-paying corporation, it can be treated as a CAP agency under the Economic Opportunity Act.

The Small Business Administration is authorized to make grants to CDC's of up to 90 per cent of the cost of technical and management assistance and training programs. The grants may be made for a number of programs, some of which are as follows:

- 1) the identification and development of new business opportunities, joint ventures, and turnkey agreements;
- 2) marketing surveys;
- 3) planning and research for business development;
- 4) plant design, layout, and operation;
- 5) marketing and promotional assistance;
- 6) business counseling, management training, and legal and other related services with specific emphasis on management training, using the resources of private business;
- 7) encouragement of subcontracting to CDC's for establishing business and cooperative efforts to train and upgrade CDC personnel.

A P P E N D I X

S. 3875 Sponsors:

Senators Nelson (Wis.), Bayh (Ind.), Harris (Okla.), Hartke (Ind.), Church (Idaho), Mondale (Minn.), Hart (Mich.), Magnuson (Wash.), Metcalf (Mont.), Moss (Utah), Pell (R. I.), Randolph (W. Va.), Ribicoff (Conn.), Williams (N.J.), Young (Ohio), Muskie (Me.), Tydings (Md.) and McGovern (S. D.).

S. 3876 Sponsors:

Senators Percy (Ill.), Baker (Tenn.), Boggs (Del.), Brooke (Mass.), Case (N.J.), Fong (Hawaii), Griffin (Mich.), Javits (N.Y.), Jordan (Idaho), Kuchel (Calif.), Pearson (Kans.), Prouty (Vt.), Scott (Pa.) and Tower (Tex.)

H. R. 18976 Sponsor:

Rep. Fraser (Minn.)

H. R. 18460 Sponsors:

Reps. Goodell (N.Y.), Curtis (Mo.), Widnall (N.J.) and Taft (Ohio)

Although there are at least three versions of the Community Self-Determination Act, the differences are in form only. Whatever structural differences are found in the bills are primarily because of political reasons. In short, familiarity with the concepts and proposals of any one bill will be equivalent to an examination of all of the bills.

The Urban Coalition

1819 H Street, N.W.
Washington, D. C. 20006
Telephone: (202) 223-9500

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

December 13, 1968

To Dan Smart

The Honorable Ivan Allen, Jr.
Mayor of the City of Atlanta
City Hall
Atlanta, Georgia 30302

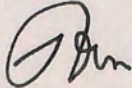
Dear Ivan:

We had an extremely successful meeting with the President-elect today. We were scheduled to spend an hour with him and he kept us for an hour and a half.

Mr. Nixon said that at the appropriate time he would like to have a meeting in the White House which would mobilize business support for the Coalition. He also said that he would like to have us meet with the Cabinet members who make up his new Urban Affairs Council. And he asked Arthur Flemming and myself to give our advice to Pat Moynihan on the organization of the Urban Affairs Council.

The President-elect listened attentively to what we had to say and repeatedly expressed his cordial interest in working with us. He referred to the Coalition as "the key organization in the private sector," and also said it was the first organizational group that he had met with since his election.

Sincerely,



John W. Gardner
Chairman

December 12, 1968

Mrs. Henrietta M. Canty
487 Lynn Valley Road, S. W.
Atlanta, Georgia 30311

Dear Mrs. Canty:

Thank you very much for your words of encouragement and your concern about the City of Atlanta and its urban problems.

As you might know, I have been involved as a member of the Steering Committee of the national Urban Coalition since its formation.

We have also had a Steering Committee at the local level for some months but have found no real demand for expanding it on formalized program basis until recently.

We are in the discussion stages now about the possibility of formalizing a Coalition in the Atlanta area and your comments and support are appreciated.

Sincerely yours,

Ivan Allen, Jr.
Mayor

IAJr:fy

Office of the Mayor

ROUTE SLIP

TO: Don Sweat

FROM: Ivan Allen, Jr.

- For your information
- Please refer to the attached correspondence and make the necessary reply.
- Advise me the status of the attached.

would you suggest
a reply
?

Did you want to
reply?

487 Lynn Valley Road, S. W.
Atlanta, Georgia 30311
November 22, 1968

The Honorable Mayor Ivan Allen
City Hall
68 Mitchell Street
Atlanta, Georgia 30303

Dear Mayor Allen:

We are proud of our Atlanta and the progress it has made under your fine leadership.

One dared not dream of this Atlanta a decade ago, but here we stand today poised to move in one of three directions. There are those who would prefer to live in the past, those who feel things should remain as they are - and those who want to forge forward. Atlanta, like the lyrics of the Negro Spiritual "I'll Never Turn Back", can not afford to look back. Although we are proud of our progress to date, we are still beset by too many ills and inadequacies to stand still for a brief moment. Under these circumstances, there is but one acceptable route open-and that one is labeled Forward March.

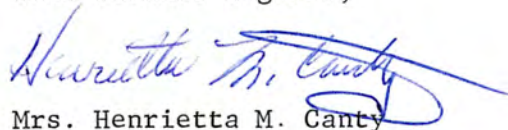
Miracles in urban crises seem to have occurred in many urban communities like ours by local Urban Coalitions. I've followed their programs for some time and would like to see such an organization functioning here in Atlanta.

The National Alliance of Businessmen in its massive attack on hard-core unemployment this past summer, is an excellent example of the type of returns we could expect from committed concerned businessmen.

Unfortunately the NAB is limited to job placement for the hard-core unemployed. An Urban Coalition would enable groups of civic and business leaders to operate in the full spectrum of urban problems of education, transportation, housing, race relations, etc. This, to me, could be a most fruitful venture.

I would like to see Atlanta organize an Urban Coalition. Do you think this is desirable and/or feasible?

With Warmest Regards,

A handwritten signature in blue ink, appearing to read "Henrietta M. Canty". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Mrs. Henrietta M. Canty

Telex

WESTERN UNION

Telex



W TX18 TX22 TX22 PDB TX WASHINGTON DC 20 NPT
THE HON IVAN ALLEN JR MAYOR OF CITY OF ATLA
CITY HALL ATLA

AT ITS NOVEMBER 13 MEETING, THE MEMBERS OF THE STEERING COMMITTEE
AGREED THAT THEY SHOULD SEEK AN EARLY OPPORTUNITY TO TALK WITH
THE PRESIDENT-ELECT. INITIAL CONTACT HAS NOW BEEN MADE AND
MR NIXONS AIDES HAVE STRONGLY URGED THAT WE LIMIT OUR DELEGATION
TO 10 PEOPLE. AS A MATTER OF COURTESY, WE HAVE AGREED TO DO
SO. ACCORDINGLY, UNLESS ANYONE OBJECT, I SHALL TRY TO PUT TOGETHER
A 10-MAN DELEGATION THAT FAIRLY REPRESENTS ALL ELEMENTS WITHIN
THE STEERING COMMITTEE. I HOPE THIS MEETS WITH YOUR APPROVAL.
JOHN W GARDNER CHAIRMAN THE URBAN COALITION.

1201-R2-67

T E L E G R A M

AT ITS NOVEMBER 13 MEETING, THE MEMBERS OF THE STEERING COMMITTEE AGREED THAT THEY SHOULD SEEK AN EARLY OPPORTUNITY TO TALK WITH THE PRESIDENT-ELECT. INITIAL CONTACT HAS NOW BEEN MADE AND MR. NIXON'S AIDES HAVE STRONGLY URGED THAT WE LIMIT OUR DELEGATION TO 10 PEOPLE. AS A MATTER OF COURTESY, WE HAVE AGREED TO DO SO. ACCORDINGLY, UNLESS ANYONE OBJECTS, I SHALL TRY TO PUT TOGETHER A 10-MAN DELEGATION THAT FAIRLY REPRESENTS ALL ELEMENTS WITHIN THE STEERING COMMITTEE. I HOPE THIS MEETS WITH YOUR APPROVAL.

JOHN W. GARDNER
CHAIRMAN
THE URBAN COALITION

11/20/68

Mr. Dan Sweat
Office of the Mayor
City Hall
Atlanta, Georgia

The Urban Coalition

1815 H Street, N.W.
Washington, D.C. 20006
Telephone: 347-9630

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

223-9500

INFORMATION SERVICE FOR COALITIONS

SUBJECT: Public Relations Society of America

The Public Relations Society of America, a 21-year-old organization of public relations professionals with 6,000 members of 63 chapters, has offered its assistance as a communications resource to the Urban Coalition and has urged its members to assist coalitions throughout the country. The program is being coordinated by the recently-formed Public Service Council of PRSA, which is encouraging and enlisting aid for coalitions as its first major national project. PRSA members already are playing key roles in some coalitions. Their experience and expertise could be a valuable continuing asset to many others in the crucial job of gaining broad community acceptance and understanding of the Coalition and its principles.

If you have not already made contact with your local PRSA chapter, and wish to do so, you may obtain the name of the chapter President and further information from the Associate Director for your area.

The Urban Coalition

1815 H Street, N.W.
Washington, D.C. 20006
Telephone: 347-9630

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

November 7, 1968

The attached material was sent out this afternoon to the members of the Steering Committee for the Urban Coalition and Urban Coalition Action Council:

Included is the following:

1. Agenda
2. Legislative Summary
3. Report of the Local Coalition Task Force.

As indicated in Mr. Gardner's telegram to the Steering Committee members, the Steering Committee meeting on November 13th will be held at the Madison Hotel, 15th and M Streets, N.W., Washington, D. C. A reception will start at 6:00, dinner is planned for 6:30, and the meeting is scheduled for 7:30.

Again, please call me at (202) 223-9500 if you have any questions about this material or the meeting. Thank you.

Timothy E. Wirth

Timothy E. Wirth
Assistant to the Chairman

Attachments

TEW:rw

Steering Committee Agenda
November 13, 1968

Opening Statement by Chairman Gardner

URBAN COALITION ACTION COUNCIL

1. A Panoramic View of Prospective Legislation on Urban Affairs in the 91st Congress

Appendix A enumerates specific bills and issues on each of nine fields likely to claim major attention in the next Congress. Discussion will focus on setting Action Council priorities.

URBAN COALITION

2. Meeting with the President-elect

On October 7, 1968 the Executive Committee agreed that a delegation from the Urban Coalition should meet with the President-elect. We seek the Steering Committee's reaction to this proposal and as to the issues to be discussed.

3. Progress in Building Local Coalitions

Appendix B, the Report of the Local Coalition Task Force, presents a recommendation that the Steering Committee resolve to devote further effort as a body and as individuals, to aiding the staff in stimulating interest in establishing local coalitions in twelve "target cities."

4. Consideration of Nominees for Membership on the Steering Committee

The Nominating Committee has met three times and will present the names of individuals recommended for membership on the Steering Committee

5. Administrative Matters to be considered

- A. Status of Budget and Fund Raising

- B. Selection of Auditors

6. Other Business

November 7, 1968

MEMORANDUM

TO : Steering Committee

FROM : Local Coalition Task Force

SUBJECT: Report on the Organization and Establishment of
Local Urban Coalitions

In the national statement of goals, principles and commitments adopted by the Emergency Convocation, the Steering Committee called for the establishment of local urban coalitions throughout the country. The Task Force on Local Coalitions has been assigned the responsibility of overseeing developments and progress of these local coalitions.

At its meeting on October 17, the Task Force heard reports from the Local Coalition Division staff on its activities. While most of the staff has been on board little more than three months, visits have been made to all of the cities where coalitions were reported to have been in some state of organization or existence. In addition, the staff has been to 72 cities where interest has been expressed by one element or another in establishing a coalition. The staff reported the status of coalitions as follows:

- a. Applying the tough new standards established by the Task Force, one-third of the original coalitions (11 of 34) failed to meet the minimum criteria.
- b. The remaining 23 coalitions are proceeding with staff

assistance to organize task forces, develop programs and engage in fund-raising.

- c. Sixteen strong new coalitions, meeting Task Force standards, have been established giving us a total of 39.
- d. Thirty-two additional priority cities have been identified and are the focus of staff organizing efforts.

The staff is moving forward steadily establishing new coalitions and strengthening those we already have. However, the staff is encountering significant impediments to their organization efforts.

1. There has been a clear and noticeable shift in national public opinion. The sense of urgency concerning the urban crisis which existed in 1967 and early 1968 has diminished. There is greater reluctance to engage public and private resources at the local level in a coalition movement, particularly at this time. A quiet summer has contributed to this shift of opinion, but so too has the political campaign.

2. There is occasional lack of support from the top leadership necessary to form a coalition. While business, labor and mayors in many communities are providing leadership and support, the staff has been encountering reluctance by key individuals of one or more of these elements to the establishment of coalitions in some cities.

The establishment of quality coalitions takes on special importance since the national credibility of the Urban Coalition in part will be determined by the role, image and status of the local urban coalitions. To be effective, local coalitions must have as their active members the most influential and highly regarded leaders of each of the various elements.

Despite the best efforts of the staff, it is not always possible to engage the attention and support of these key individuals without the direct, personal involvement of Steering Committee members. Where national Steering Committee members have become involved whether by a telephone call, letter, visit, or the convening of a meeting, the organizing effort has moved far more rapidly and has attracted key leaders.

RECOMMENDATION:

For these reasons we wish to recommend with the utmost urgency that the Steering Committee adopt a resolution calling on each member to accept increased responsibility for the organization of local coalitions and when called upon to do so to be of assistance in the following ways:

- a. Advise the staff of key leaders in priority cities who are known to Steering Committee members and who could be instrumental in the establishment of a coalition.
- b. At the request of the staff, write or telephone individuals urging their support of a coalition.

- c. Accept speaking engagements in local communities on behalf of the organizing effort.
- d. Advise the staff on general strategies to be followed in particularly difficult situations.
- e. In public appearances and speaking engagements, identify with the Urban Coalition and urge support for the local coalition movement.

In order to help meet immediate organizing needs of the coalition, Steering Committee members are requested to list on the attached list the names of one or two key individuals in the cities who are known to Steering Committee members and who could be instrumental in the establishment of a coalition. The staff will call on these individuals to enlist their support and cooperation.

Steering Committee members may leave the attached form following the meeting.

Attachment

The Urban Coalition

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Washington, D.C. 20006
Telephone: 347-9630

CHAIRMAN: John W. Gardner

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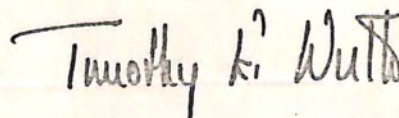
November 6, 1968

Telegrams have been sent to the members of the Steering Committee of the Urban Coalition and Action Council, outlining the timing of the meeting on November 13th at the Madison Hotel, 15th and M Streets, N.W., Washington, D. C. A reception will be held at 6:00; dinner will be served at 6:30; the business meeting will start at 7:30. An agenda will follow by mail.

Members of the Nominating Committee have been notified of a meeting at 4:30 in the Urban Coalition conference room, 1819 H Street, 8th floor. Members of the Executive Committee have been notified that the Executive Committee meeting has been cancelled.

Please call me at (202) 223-9500 if you have any questions.

Sincerely,



Timothy E. Wirth
Assistant to the Chairman

TEW:rw

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THE URBAN COALITION ACTION COUNCIL

JOHN W. GARDNER
CHAIRMAN
1819 H STREET, N. W.
WASHINGTON, D. C. 20006

October 4, 1968

WEEKLY LEGISLATIVE REPORT

Education, Labor and Antipoverty Funds. Congress has cleared the final appropriations for the HEW and Labor Departments and the Office of Economic Opportunity, the antipoverty agency. The antipoverty appropriation was the largest Congress has ever approved, but funds for schools attended by educationally deprived children were below last year's appropriation.

The House narrowly defeated a Southern-backed provision that would have encouraged resistance to desegregation of schools. The Urban Coalition Action Council joined other organizations and HEW in working for defeat of the segregation provision.

Program	Budget	House	Senate	Final	Below Budget
(in millions of dollars)					
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Bilingual Education	30.	0	10.	7.5	-22.5
OEO Antipoverty	2,180.	1,873.	2,088.	1,948.	-232.
Manpower Training, Labor Department	413.	400.	400.	400.	-13.

The Title I funds for schools teaching educationally deprived children -- an important program for schools in big cities -- were \$68 million less than last year's appropriation and allowed the schools only 92% of the amounts they received for the past school year. Congress also gave advance authority for appropriations in fiscal 1970 but limited the funds to 90% of the amount received this year. This was intended to help

schools plan their programs before the opening of schools next fall.

The Teacher Corps appropriation was the largest Congress has allowed so far, and the funds for teaching bilingual children and for preventing school dropouts were the first made for these purposes.

The antipoverty appropriation, which was not earmarked for any specific OEO programs, was \$170 million more than Congress allowed last year. Funds for OEO have risen each year since the first appropriation in fiscal 1965.

The Labor Department's manpower appropriation was only \$1.5 million above last year's fiscal 1968 figure but some manpower training programs, such as JOBS and Concentrated Employment, are financed from OEO appropriations.

Funds Exempted from Budget Cut. HEW's education funds will be exempted from the over-all \$6 billion spending reduction required under the tax surcharge-budget reduction law if Congress has its way. A section of the vocational education bill (HR 18366) that Congress sent to the President October 3 exempts education appropriations from the \$6 billion reduction in spending and the \$10 billion reduction in obligations (committed money) voted for all Government agencies in June. However, the President still retains authority to hold down spending on any education program no matter what amount Congress may have appropriated.

Segregation Amendment. The key part of the Southern provision opposing desegregation of schools prohibited HEW from "forcing" children to attend any particular school against the choice of their parents. The provision was sponsored by Mississippi Rep. Jamie L. Whitten (D), a high-ranking member of the Appropriations Committee. The Senate amended this provision by adding language that prohibited forced attendance at a particular school "in order to overcome racial imbalance."

This phrase was already a part of civil rights law. It allowed the Government and the courts to put an end to "freedom of choice" school plans that were perpetuating racial discrimination.

When members of the House and Senate Appropriations Committees met in conference on the Labor-HEW appropriation bill, Southerners had a majority of the votes and they struck from the bill the Senate language limiting the prohibition to plans to overcome racial imbalance. In effect, Whitten's purpose was achieved.

Action Council Chairman John W. Gardner wrote House Speaker John W. McCormack (D Mass.) and the Republican leader, Rep. Gerald Ford (Mich.), October 2, asking them to help defeat the Whitten amendment on the House floor. He said the amendment "raises the real threat of resegregation in many Southern school districts" and "implicitly sanctions racially dual school systems."

On a close, 167-175 vote October 3, the House rejected the Appropriations Committees' recommendation and adopted the Senate language nullifying Whitten's amendment. This will enable HEW to continue to withhold funds from school districts that are not making real progress toward desegregation.

New Housing Funds. The President sent to Congress October 3 a request for supplemental appropriations that included funds to begin some of the programs in the new Housing Act and to administer the fair housing law. These were his housing proposals:

Home Ownership Contract Authority	\$75 million
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Grants for Tenant Services	15 million
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Flood Insurance Administration	1.5 million

The House is expected to take up the supplemental appropriation bill October 7 or October 8 and the Senate will act shortly thereafter.

HUD Personnel. Another attempt is expected to be made next week in the Senate to exempt the Department of Housing and Urban Development from the cutback in personnel required by the tax surcharge-budget reduction law. For the effect the law now has on administration of the new housing programs, see the September 27 Legislative Report of the Action Council.

THE URBAN COALITION ACTION COUNCIL

JOHN W. GARDNER
CHAIRMAN
1819 H STREET, N. W.
WASHINGTON, D. C. 20006

September 27, 1968

WEEKLY LEGISLATIVE REPORT

Housing. Final action on appropriations for the HUD Department was taken September 25 when the Senate agreed to the disappointingly low figures for key housing programs without dissent. (For figures, see September 20 Legislative Report.)

HUD Under Secretary Robert C. Wood September 25 said decisions would be made within a week on whether to make across-the-board reductions or selective cuts in HUD programs. Congress cut the Department's requested funds by one-third -- from \$3.1 billion to \$2.1 billion.

Wood, in an interview with editors of Housing and Urban Affairs Daily, singled out four programs where the Congressional cuts especially hurt. These were:

Urban renewal grants. As these are for the next fiscal year, fiscal 1970, more funds may be sought next year.

Model Cities, for which \$625 million instead of \$1 billion was approved.

Urban information and technical assistance -- a small program to help states and cities carry out urban projects. Congress refused to grant any of the \$5 million requested for the program.

Fair housing enforcement, for which all funds were denied on grounds HUD already had sufficient personnel working in the civil rights field. The \$9 million the Senate had provided would have enabled HUD to hire about 690 investigators across the country to enforce the new fair housing requirements written into law in April.

Several organizations have protested the denial of funds to enforce the fair housing act and there is a possibility that HUD will ask Congress to reconsider its action. This hinges, however, on a decision the Administration must make soon on whether to send requests for supplemental appropri-

ations to Congress this fall. Although that is the usual procedure late in the session, the economy mood in Congress may be so strong just before elections that the Administration will not ask for additional money.

The major new programs in the 1968 housing law will be delayed at least six months if no supplemental appropriations are requested from or voted by Congress.

HUD Personnel. Another factor that might delay the new housing programs is the Congressional directive in June that HUD, and all other federal agencies, cut back on their personnel. HUD had hoped to add 1,600 employees this year. Instead, it will have to reduce its staff by 900 -- not by firing employees but by filling only 7 out of 10 vacancies that develop as employees resign or retire.

Senator John Sparkman (D Ala.), chairman of the Senate's Housing Subcommittee, tried unsuccessfully September 23 to win Senate approval of an exemption for HUD from the personnel cutback. Unfortunately, exemptions for other agencies were tacked onto Sparkman's amendment and the major sponsor of the personnel cutback, Senator John Williams (R Del.), fought the amendment bitterly. It was defeated, 23-37.

It is anticipated that another attempt will be made to exempt HUD from the severe personnel limitations before Congress adjourns.

Education, Labor and Antipoverty Funds. Final appropriations for education, manpower training and antipoverty programs will be announced September 30. Members of the House and Senate Appropriations Committees compromised their differences in a September 26 meeting but withheld announcement of the sums agreed upon. The differences in key appropriations were listed in Appendix B of the September 13 Legislative Report.

Head Start. Members of the House and Senate education committees, meeting in conference on the vocational education bill, have agreed to drop an amendment by Senator Peter Dominick (R Colo.) that would have transferred the Head Start program to HEW's Office of Education. The program will continue to be run by the independent antipoverty agency, the Office of Economic Opportunity. Under the final version of the vocational education bill, the President is asked to have a study made of how Head Start can best be administered and to report to Congress next spring.

THE URBAN COALITION ACTION COUNCIL

JOHN W. GARDNER
CHAIRMAN
1819 H STREET, N. W.
WASHINGTON, D. C. 20006

September 27, 1968

TO: Chairmen and Executive Directors of Local
Urban Coalitions

SUBJECT: HUD Appropriations and HUD Personnel Limitations

As you will note in this week's Legislative Report, Congressional action has been completed on Fiscal Year 1969 HUD appropriations. HUD was given \$2.1 billion, a compromise between the \$1.2 billion approved by the House and the \$3.1 approved by the Senate.

No funds were given to implement the Fair Housing program which became law earlier this year, although HUD had planned a staff of 850 and had requested \$11 million for this program.

Nor do these appropriations include funds for the new programs authorized in the Housing and Urban Development Act of 1968. It has been anticipated that a supplemental budget request would be sent to Congress to initiate some of the new programs, including Home Ownership and Rental Assistance. The HUD Act authorizes \$75 million for each of these programs in the first year. There is now some question whether the supplemental request will be made.

In addition to all of this, the HUD personnel limitations present one of the greatest problems facing the housing and urban field. An increase of 1,600 persons is projected to administer the new HUD programs during the next year, yet the Department will have to cut its personnel by 900 under the limitations imposed by the Tax Increase - Budget Cut bill.

All of these developments point to bleak times for our cities as they try to meet their needs in the months ahead. We had not anticipated so many problems with appropriations in the housing and urban field, but are now faced with them because of the strong economy drive in Congress and a general lack of understanding about the needs of our urban centers.

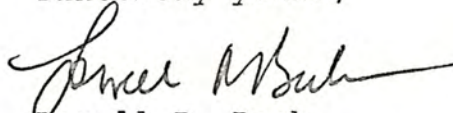
You can be very helpful by:

(1) Communicating with the President, urging the Administration to send Congress a supplemental budget request for implementation of the new Fair Housing law and the new HUD Act programs (particularly Home Ownership and Rental Assistance); and by communicating with your Senators and Representatives, asking their support.

(2) Explaining to your Senators and Congressmen the special urgency in the urban field for a HUD exemption from the ceiling on personnel. It will be impossible for the Department to begin its new programs and effectively maintain its present ones if it suffers the cutbacks currently anticipated.

We have called for your help several times in the past few months on legislative issues relevant to the urban community. Your response has been very encouraging. Your continued assistance is most valuable, and we hope that you will at no time underestimate your importance in helping to obtain needed urban legislation.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Lowell R. Beck", with a long horizontal flourish extending to the right.

Lowell R. Beck
Executive Director

LRB:m

Enclosure (Weekly Legislative Report)

The Urban Coalition

1815 H Street, N.W.
Washington, D.C. 20006
Telephone: 347-9630

CHAIRMAN: John W. Gardner

CO-CHAIRMEN: Andrew Heiskell / A. Philip Randolph

INFORMATION SERVICE FOR COALITIONS

SUBJECT: "Give A Damn" Buttons

For those Coalitions considering the "Give A Damn" campaign, we have received the following bids for the production of buttons:

Vendor: Garrick Enterprises, Inc.
9 East Sixty-Second Street
New York, N.Y. 10021

Attention: Donald Abrahams

Cost/1000 - \$27.50 in quantities
of 1000 - 10,000

Vendor: Pelzer & Green, Inc.
343 Lexington Avenue
New York, N.Y. 10017

Attention: Al Pelzer

Cost/1000 - \$45.00
2500 - \$43.00 per thousand
5000 - \$32.50 per thousand

We have not seen the product of Garrick Enterprises.

THE URBAN COALITION ACTION COUNCIL

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October 4, 1968

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THE URBAN COALITION ACTION COUNCIL

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September 20, 1968

WEEKLY LEGISLATIVE REPORT

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	Last Year's Appropriation	Fiscal 1969 Budget	Amount Approved	Below Budget
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Urban Planning	45.	55.	43.8	- 11.2
Model Cities	312.	1,000.	625.	- 375.
(Program Grants)	(212)	(500)	(312.5)	(-187.5)
(Urban Renewal)	(100)	(500)	(312.5)	(-187.5)
Urban Research	10.	20.	11.	- 9.
Urban Information, Tech. Assistance	2.2	5.	0	- 5.
Rent Supplement Contract Authority	10.	65.	30.	- 35.
Fair Housing	--	11.1	0	- 11.1

The National League of Cities protested to Congress September 19 that the cuts in housing funds were "incomprehensible," but the House accepted the conference recommendations without dissent. The Senate also is expected to accept the figures next week.

Despite the fact that the fair housing law was enacted only last April, the Appropriations Committees said HUD and

other agencies already had enough personnel working on civil rights activities. The civil rights-fair housing law made HUD responsible for administering the fair housing requirements, which are to apply to all housing except single-family homes by the end of 1968. One year later, most single-family housing also will be covered.

Report on the Cities and Federal-State Financing. A major, two-volume report on the problems of the cities and federal aid to states and local governments was released September 19. It was issued by the Advisory Commission on Intergovernmental Relations, a bipartisan, high-level group whose membership includes governors, mayors, federal cabinet members and Congressmen, state legislators, elected county officials and private citizens.

In-depth case studies were made of 12 central cities and their surrounding areas. Among the findings were:

Tax burdens are growing faster in central cities than in their suburbs.

Local taxes in central cities, measured against personal income, average more than one-third higher than suburban taxes.

Suburbs spend \$135 more per school child than do central cities, but the cities spend \$100 more per capita than do suburbs for such services as police and fire protection and sanitation.

The report found an untapped potential of \$20 billion annually in state and local taxes and the Commission emphasized that all states need both a strong sales tax and a strong income tax. Proposals for reform of state and local tax systems, particularly the property tax, were spelled out.

Sharing by the Federal Government of some of its tax revenues with the states, on a per capita basis adjusted for variations in the states' own tax efforts, was recommended, but only as part of a revised system of federal grants. The Commission proposed that grants for broad functions replace the current system of parceling out money for special, limited programs. It said the present federal aid system was suffering from a progressive "hardening of the categories." But a few areas of nationwide concern, such as pollution, should continue to receive earmarked funds (so-called categorical grants).

Single copies of the report can be ordered from the Advisory Commission on Intergovernmental Relations, Washington, D. C. 20575.

Public Service Employment. Senate action has again been postponed on the Public Service Employment amendment that Senators Clark, Javits and Prouty hoped to present. The bill to which the amendment was to be offered -- an extension of a minor part of the Manpower Development and Training Act (S. 2938) -- may not be called up for Senate action at all this year. The major sections of MDTA do not expire until next year.

Education, Labor and Antipoverty Funds. Final figures for education, manpower training and antipoverty program appropriations are not yet settled. Members of the House and Senate Appropriations Committees have had one conference on the Labor-HEW bill and will meet again September 26. For differences between the original House and Senate appropriations, see Appendix B of the September 13 Action Council Legislative Report.

THE URBAN COALITION ACTION COUNCIL

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In-depth case studies were made of 12 central cities and their surrounding areas. Among the findings were:

Tax burdens are growing faster in central cities than in their suburbs.

Local taxes in central cities, measured against personal income, average more than one-third higher than suburban taxes.

Suburbs spend \$135 more per school child than do central cities, but the cities spend \$100 more per capita than do suburbs for such services as police and fire protection and sanitation.

The report found an untapped potential of \$20 billion annually in state and local taxes and the Commission emphasized that all states need both a strong sales tax and a strong income tax. Proposals for reform of state and local tax systems, particularly the property tax, were spelled out.

Sharing by the Federal Government of some of its tax revenues with the states, on a per capita basis adjusted for variations in the states' own tax efforts, was recommended, but only as part of a revised system of federal grants. The Commission proposed that grants for broad functions replace the current system of parceling out money for special, limited programs. It said the present federal aid system was suffering from a progressive "hardening of the categories." But a few areas of nationwide concern, such as pollution, should continue to receive earmarked funds (so-called categorical grants).

Single copies of the report can be ordered from the Advisory Commission on Intergovernmental Relations, Washington, D. C. 20575.

Public Service Employment. Senate action has again been postponed on the Public Service Employment amendment that Senators Clark, Javits and Prouty hoped to present. The bill to which the amendment was to be offered -- an extension of a minor part of the Manpower Development and Training Act (S. 2938) -- may not be called up for Senate action at all this year. The major sections of MDTA do not expire until next year.

Education, Labor and Antipoverty Funds. Final figures for education, manpower training and antipoverty program appropriations are not yet settled. Members of the House and Senate Appropriations Committees have had one conference on the Labor-HEW bill and will meet again September 26. For differences between the original House and Senate appropriations, see Appendix B of the September 13 Action Council Legislative Report.

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| 2. Here, Kitty | 30 Seconds |
| 3. Split Level | 30 Seconds |
| 4. 1930's | 20 Seconds |
| 5. Rats | 20 Seconds |

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| 1. Time | 30 Seconds |
| 2. Here, Kitty | 30 Seconds |
| 3. Split Level | 30 Seconds |
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