

Statement by

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before the

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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.