

NATIONAL GROWTH POLICY

PART 2

SELECTED PAPERS

SUBMITTED TO THE

SUBCOMMITTEE ON HOUSING

OF THE

COMMITTEE ON BANKING AND CURRENCY

HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

SECOND SESSION

ON

NATIONAL GROWTH POLICY

Printed for the use of the Committee on Banking and Currency



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1972

81-745

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URBAN GROWTH POLICIES IN SIX EUROPEAN COUNTRIES

A REPORT OF THE URBAN GROWTH POLICY STUDY GROUP

NOTE

In August-September, 1972, an Urban Growth Policy Study Group, under the Chairmanship of Representative Thomas L. Ashley, surveyed urban growth policies in six European countries: the United Kingdom, France, Sweden, Finland, Poland, and Hungary. The purpose of the survey was to determine whether any lessons could be learned from the European experience in dealing with the economic, social, and environmental problems that have resulted from the metropolitanization of the American population. This report summarizes the results of the survey.

The report was prepared for the Study Group by the following individuals:

Norman Beckman, Deputy Director of the Congressional Research Service;

James L. Sundquist, Senior Fellow of the Brookings Institution and author of "Making Federalism Work," published by Brookings in 1969;

David B. Walker, Assistant Director of the Advisory Commission on Intergovernmental Relations; and

Ralph R. Widner, Director of the Academy for Contemporary Problems, and formerly Executive Director of the Appalachian Regional Commission.

I—METROPOLIS AND COUNTRYSIDE: PROBLEM OF GROWTH DISTRIBUTION

"Having a policy in urban affairs is no more a guarantor of success than having one in foreign affairs. But it is a precondition of success."—President's Executive Order of January 29, 1969.

The United States has been transformed from a country that was 60 percent rural in 1900 to one almost 70 percent urban in 1970. More importantly, the majority of Americans now live in a relatively few giant metropolitan regions along the seaboards and the Great Lakes. Since 1940 our national population has grown by 69 million, yet over half our counties lost population during that same period while 40 percent of all Americans gravitated toward the metropolitan areas of over one million people.

A shift of these dimensions in where people live and how they live has spawned economic, social, and environmental problems for both the receiving metropolitan areas and the non-metropolitan regions and people left behind. Yet this metamorphosis of our national physical, economic, and social structure has occurred in a vacuum of na-

tional policy. During the 19th century, a sense of "Manifest Destiny" led to a set of national policies and programs designed to encourage the settlement and development of the great American heartland. No matter what we now think of their results, within the context of their times, these programs successfully achieved their objectives. In the far different economic and social context of the 20th century, however, those old visions of the American future no longer hold. The country's interior, once having filled up, is emptying out again and yet no vision counterpart to that of the 19th century now guides us on our way.

During this century, federal policy with respect to our national development has consisted of a patchwork of programs individually intended in most cases to ameliorate symptoms rather than cope with fundamental problems. All too frequently our approach to national growth has consisted of congeries of inadequate, redundant, and sometimes contradictory programs which many were coming to conclude have aggravated rather than alleviated the pains associated with the metropolitanization of the country. It is this which has prompted growing support, including that of three national study commissions, for the development of an overarching policy on national growth. The objectives of such a policy must be to provide a broad framework of national objectives within which federal, state, local and private decisions can be orchestrated to carry out carefully considered strategies for shaping the future growth and development of the nation.

A WORLD-WIDE PROBLEM

These concerns and the debate over them are not peculiar to this nation. The metropolitanization of population is as characteristic of the developing countries as it is of the United States and other industrialized nations. The tide of rural humanity flooding into Calcutta exceeds anything we have seen in this country. As Lloyd Rodwin, of the Massachusetts Institute of Technology, commented several years ago: "Mexico City in Mexico, Caracas in Venezuela, Rio de Janeiro and Sao Paulo in Brazil, Lagos in Nigeria, Tripoli in Libya, Bombay and Calcutta in India, and Djakarta and Surabaja in Indonesia—are but a few examples of urban areas where formidable metropolitan development problems and starting differences in cultural patterns and standards of living exist between the leading cities and the hinterlands."

EXPERIENCE IN EUROPE

It is in Europe and North America that metropolitanization is most advanced. And some European countries have made considerably more headway than the United States in attempting to achieve more desirable patterns of national growth. These policies are being continually modified and improved. For this reason an Urban Growth Policy Study Group under the chairmanship of Representative Thomas L. Ashley undertook a reconnaissance of current growth policy experience in the United Kingdom, France, Sweden, Finland,

Poland, and Hungary. These six nations span a wide spectrum of political ideology and organization, ranging from the democratic systems of the United Kingdom and France through the democratic socialism of Sweden and Finland to the highly-centralized one-party systems of Poland and Hungary. These countries face common problems of metropolitanization.

MIGRATION FROM COUNTRYSIDE TO METROPOLIS

Five out of the six countries are experiencing substantial rural out-migration into one or a few metropolitan centers as they shift from labor-intensive agriculture to a manufacturing and service-oriented economy more like that of the United States. Only Great Britain has completed the transition to a metropolitan economy. Its population is 90 percent urban and the internal migrations of its people are from urban area to urban area rather than from countryside to metropolis. This is a situation closely analogous to that in the United States. The growth of metropolitan areas in the United States is now much less dependent than in the past upon rural out-migration and foreign immigration. The Commission on Population Growth and the American Future estimates that only four million of the increase in U.S. metropolitan population will come from rural out-migration between now and the year 2000. Immigration from overseas will account for about 10 million of the increase during the same period. The remaining 67 million in projected increase of the U.S. metropolitan population is expected to come from births in families already living in metropolitan areas.

The implications of these estimates for future patterns of national urban growth are profound. In the future the growth of some metropolitan areas will occur at the expense of others rather than of the non-metropolitan regions as in the past. It is probable that metropolitan residents will tend to leave the older, larger, more blighted industrial metropolitan areas for the less congested, less obsolescent metropolitan regions of moderate size. The Commission on Population Growth and the American Future has estimated that the number of metropolitan areas of over one million will increase from 29 to between 44 and 50 by the year 2000, but it guesses that 60 to 80 existing metropolitan areas will lose population during that same period. It is well to remember that the loss of population in declining central cities in the past decade exceeded the loss of population in rural areas during the same years. Because of our heavy reliance on the local property tax to finance local services the implications of these alterations in urban growth patterns are obvious. The decline of urban services in many areas is apt to accelerate unless alternative sources for financing them are developed.

We face the imminent prospect of wholesale abandonment of many urban neighborhoods, with all that implies. As immigration and rural out-migration taper off, the American city's traditional role of "converter" of rural people and immigrants into industrial and service

workers will diminish. The low cost housing, slum, and tenement areas which in the past served as half-way houses for families on the way to something better will no longer have any economic or social justification. They will slowly be abandoned. As this process accelerates, the metropolis is likely to change form. The old downtown center will not be looked to for the economic and social functions it once played.

With the possible exception of London, no European city visited by the Urban Growth Policy Study Group has faced a situation comparable to that which will face the U.S. in the coming decades. The growth of Paris, Stockholm, Helsinki, Warsaw, and Budapest is still fueled by rural outmigration. The French have been concerned for a decade and a half over the steady concentration of people and economic activity in Paris, a trend which threatened to turn the rest of France into an economic and demographic desert. The Finns have seen the population of the northern half of their country pour into Helsinki or leave Finland entirely. The Swedes are concerned because most of their people are concentrated in Stockholm and two other metropolitan areas of southern Sweden. They are not concerned because Stockholm is too big, as the French are over Paris, but because the depopulation of the Swedish north threatens to erode the social structure in that section of their nation. The Hungarians share a similar concern over the domination of their national economy by Budapest. Only the Poles are unconcerned with the outflow of rural people into their metropolitan areas. Lagging behind the rest of Europe in their rate of modernization, the Poles see metropolitanization as a process essential to absorb a "surplus" rural population.

GOALS OF EUROPEAN GROWTH POLICY

The central concern of growth policy in all six European countries visited is the regional distribution of growth. In no country was the goal of further national economic growth in question. Economic growth was viewed as the basic means to achieve social objectives such as improved income, housing, education, health, welfare, recreation, and so on. European growth policies are intended to ameliorate disparities in income and welfare between regions of the country and to a lesser extent to minimize deleterious effects of economic growth on the natural environment.

The goals and objectives of urban growth policies in these six countries naturally vary from country to country, but to some degree all are aimed at:

Balanced welfare

Achieving a more "balanced" distribution of income and social well being among the various regions of the country.

Centralization/de-centralization

Establishing a linked set of local and national public institutions which make it possible to develop at the national level overall growth strategies, policies, and objectives integrated with re-

gional or metropolitan planning and implementation that is partly a product of a reformed local governmental system and is directly accountable to local officials and the affected constituency.

Environmental protection

Channeling future growth away from areas suffering from environmental overload or which possess qualities worthy of special protection and toward areas where disruption of the environment can be minimized.

Metropolitan development

Promoting more satisfactory patterns of metropolitan development through the development of new areawide governmental bodies and the use of special land use controls, new towns, housing construction, new transportation systems, and tax incentives and disincentives.

Nonmetropolitan development

Diverting present growth into hitherto by-passed regions of the country by developing "growth centers" in presently non-metropolitan regions, constructing new transportation links between such regions and centers of economic activity, using various incentives and disincentives to encourage or compel location of economic activity in such areas, and forcibly relocating certain government activities into them. The success of such approaches is mixed, but instructive.

II—EUROPEAN GROWTH POLICIES

The fundamental fact about national policies on urban growth in the six European countries visited is that, unlike in the United States, such policies exist. They vary in scope and effectiveness, but in every country a political consensus has been reached that the national settlement pattern is of such importance from many standpoints—economic efficiency, public service costs, amenity of living, environmental consequences of concentration—that it is an appropriate matter to be governed by conscious national policy. Where a clear national growth policy has not yet been adopted, it is in the process of formulation.

FRANCE

French policy on urban growth originated in concern over the heavy and growing concentration of population in the Paris basin. What is defined as the Paris urban agglomeration grew by 45 percent between 1950 and 1970, compared to 19 percent for the rest of the country. The agglomeration contained 14 percent of the country's total population in 1950 and 17 percent in 1970, with the prospect of 20 percent by the turn of the century.

With general agreement in the country that such concentration was undesirable, France adopted a series of policies that provide incentives, on the one hand, for industrial development outside the Paris region

and disincentives, on the other, for development inside. As a consequence of these policies, the government claims that net migration into the Paris region has been stopped. Annual growth in the region has been reduced from 180,000 to 120,000. The excess of births over deaths will result in some further growth, but the hope is to stabilize the region's total population at 14 million by the year 2000.

Incentives.—Several kinds of incentives are available to investors, depending on where the investment is located:

- (1) *Cash grants* of up to 25 percent of the amount invested;
- (2) *Decentralization indemnities* for enterprises that move their production facilities outside the Paris region (up to 500,000 francs):
- (3) *Accelerated depreciation* of construction costs;
- (4) *Other tax incentives*, including exemption from local business license taxes, in whole or in part, for periods of up to five years; reduction of the transfer taxes levied when a business change ownership; and a reduction from 10 to 5 percent of the tax due on the capital gain derived from the sale of developable land; and
- (5) *Subsidies for personnel training and moving expenses.*

The country has been divided into five zones and the incentives are made available as follows:

In Zone I, which includes the agricultural, undeveloped areas of western, central, and southwestern France, all are available.

In Zone II, which includes depressed industrial and mining areas, all are available except accelerated depreciation.

In Zones III and IV, which include the rest of France outside the Paris region, all are available except accelerated depreciation and cash grants. The other tax incentives are available only in the case of enterprises transferred from Paris.

In Zone V, which is the Paris region, none are available.

The Office of Territorial Development and Regional Action, which has the responsibility for inter-ministerial coordination of these programs on behalf of the Prime Minister, found in a survey of 43 companies that the average cumulative after-tax benefit of the investment incentives amounted to 25.6 percent.

Disincentives and Relocation.—Building is not prohibited in the Paris region, except in designated forest areas, but a special tax is levied per square meter on all new industrial and commercial construction, including office buildings. In addition, the government participates extensively in industrial locational decisions through its full or partial ownership of many enterprises. The intent is to limit any new industry in the region to industries serving the region's population and to relocate whatever enterprise can be induced to leave.

As the result of both the incentives and the disincentives, whereas 50 percent of France's new construction in 1964 was in the Paris region, by 1971 that had been reduced to less than 10 percent. In 1964, all but one automobile plant was located anywhere in France outside of Paris; since that date, no expansion of the industry has taken place in the

capital. Western France has been designated as the area for expansion of the electronics industry, formerly heavily concentrated in Paris. The government's own activities in the electronic field, such as military research and training installations, have been moved from Paris to Brittany. The higher education system is also being decentralized.

The Equilibrium Metropolises.—To keep people from migrating to Paris, the French reasoned that the country's largest provincial cities had to be developed as effective counter-attractions. Eight cities (or urban clusters of neighboring cities) were designated as "métropoles d'équilibre." An interdisciplinary team of central ministry officials has been assigned to each equilibrium metropolis to help prepare its plan in consultation with local officials.

The eight metropolises are given preference in the allocation of government funds for public works and for the development of cultural amenities. In addition, a special cash grant is available to enterprises that locate their non-industrial facilities (headquarters, administration, research and development, etc.) in those centers or in certain smaller regional centers outside the Paris region.

The additional smaller centers were added when it became apparent that, if growth were channeled wholly into the equilibrium metropolises, they too would in time become overgrown. Nevertheless, incentives for the development of the major metropolises outside Paris—Lyons, Marseille, Bordeaux, etc.—were not reduced. French policy in all its aspects places heavy emphasis on the growth center concept, offering industrial development incentives to larger cities (except in Paris) that are not available to smaller ones and allocating grants-in-aid with preference to larger communities.

UNITED KINGDOM

Great Britain's national growth policy dates to the 1930's, when heavy unemployment in the older industrial areas in the North of England, Scotland, and Wales resulted in heavy migration to London and the other counties of the South. The response was a general agreement that policies had to be devised to stem migration and to encourage the redevelopment of the areas suffering population loss. The policies have been evolving for nearly forty years, and while there has been disagreement on the means for achieving the objective there has been a continuing consensus among all political parties and successive governments as to the objective itself.

As in France, the complex of programs now in effect includes both incentives for development in areas of outmigration and disincentives for the development of areas of inmigration.

Incentives.—Again as in France, the United Kingdom has been zoned to provide the basis for differential treatment under the various development assistance programs:

Special development areas include the most depressed of the old industrial and mining regions of Scotland, Wales, and the North of England.

Development areas include almost all of the remainder of Scotland and Wales, as well as the northernmost region of England and the Liverpool area.

Intermediate areas include a wide belt of the North just below the development area and centering upon Manchester, Leeds, and Sheffield.

Derelict land clearance areas include a smaller segment of the North.

The basic system of incentives is now one of cash grants, amounting to 22 percent in the special development areas and 20 percent in the other assisted areas. The cash grants supersede a system of subsidies through depreciation allowances: the new approach had to be adopted when the liberal depreciation allowances previously granted only to the assisted regions were extended to the whole country.

Disincentives.—In the London and Birmingham areas and other parts of the South, central government permission is required for all new industrial construction of more than a designated minimum size. To obtain a permit, an investor must make a showing to the Ministry of Trade and Industry that the activity proposed to be undertaken in the South can not be undertaken as well in an assisted area.

Dispersal within the Southeast.—Recognizing that some growth in the Southeast counties surrounding London is inevitable, planners for that region propose to concentrate that growth in a few designated areas 25 to 50 miles from the center of London—beyond the greenbelt that girdles the city. The plan will be enforced through the process of planning approvals, whereby local plans are disapproved by the national government if they are inconsistent with the national objectives, and local developments are then rejected by local authorities if they are inconsistent with the local plan. Through this strategy for concentrating industrial growth in a few areas, prime agricultural land and areas of outstanding natural beauty throughout the region—as well as the original London greenbelt—are to be preserved.

Effects.—Figures released a few years ago showed that since the 1961–64 period, new factory construction approved for London and the South had been cut in half, while in the development areas it had risen by two-thirds. The result has been to bring the unemployment rate in the development areas down to the level in the South for the first time. Migration to the South, while it has not ended, is no longer a matter for alarm. Most of the regions that had been losing population to the South are now holding their own. The population increases in the South have been so well dispersed that the London urban agglomeration grew between 1950 and 1970 by only 60,000 a year; a rate less than the national average. The London agglomeration's share of the national population declined from 20.8 percent in 1950 to 20.6 percent in 1970.

SWEDEN

Pressures for an urban growth policy have been less severe in Sweden. The total population of the country is only 8 million—less than that of the London urban agglomeration. Sweden has only three

metropolitan centers, and the largest of these, Stockholm, has but 1.4 million people. The country is close to a zero rate of population growth.

Nevertheless, concern was aroused in recent years by internal migration that was draining population out of the north and west of the country into the south and east. Two-thirds of the country's growth was taking place in its metropolitan areas, all in the south. The metropolitan areas were suffering from pollution problems and housing shortages while the areas losing population were being drained of sufficient manpower to sustain an economy and were increasingly unable to support schools, hospitals, and cultural institutions. In 1969, therefore, the government concluded that policies should be instituted to stem migration and the program was approved by parliament almost unanimously. Sweden has adopted both incentive and disincentive measures.

Incentives.—A development area was designated covering the northern and western two-thirds of the country and divided into an inner and outer zone. Within the development area, the following incentives are available to investors:

1. Special employment grants (12,500 kroner a year for each new worker hired and kept three years).
2. Training grants.
3. Low-interest loans.
4. Reimbursement of 15 to 35 percent of the transportation costs of finished and semi-finished goods.

In the first six years, it is estimated that 25,000 new jobs will be created, at a cost of 1.7 billion kroner.

Disincentives and Relocation.—Since 1970, firms desiring to locate or expand in the metropolitan areas have been required to consult with the government. In the first eighteen months, perhaps only five firms were deferred from expanding or locating in Stockholm and a Royal Commission is now considering whether stronger disincentives should be adopted, such as penalty taxes.

In 1971, a measure was approved for the relocation of 6,500 government employees in 30 agencies from Stockholm to 13 places in the hinterland. Another 4,500 will be relocated by 1978. Ultimately about 12 percent of the administrative employees of the central government will be relocated. Relocated were such functions as military schools and research laboratories.

Regional Concentration.—Sweden's policy, like that of France, is one of national dispersal, but regional concentration. The Swedish plan, however, calls for much smaller growth centers than those in France. The primary centers now are cities in the neighborhood of 30,000—which a University of Stockholm study concluded was the minimum size necessary for the support of efficient business services—but the planners believe the centers should ultimately be about 100,000 in population, sufficient to support a university, a medical center, a large library, and so on. Subsidiary to the primary centers will be local service centers.

The counties are now in the process of determining the infrastructure requirements of their growth centers. Employees of the national government in the field form teams to guide the county planning process. The plans are commented on by the municipalities, and finally reviewed and approved by the central government.

FINLAND

Finland's total population is only about equal to that of the Detroit metropolitan area and the small natural increase has in recent years been about balanced by emigration. Nevertheless the Helsinki metropolitan area has been growing at the rate of 20,000, or 3 percent, per year while the rest of the country has been declining and all political parties agree that internal migration needs to be stemmed.

On the one hand, Helsinki is suffering from traffic congestion pollution, and the necessity to tap water sources 100 kilometers away. On the other hand, the established infrastructure in the rest of the country is being wasted as population declines there. Unless migration is checked, it is anticipated that the level of public services will decline in Helsinki as well as in the hinterland.

There is yet no agreement, however, on the means of stabilizing population. The country still has no settled policy. What ministry officials hopefully describe as "the last" parliamentary committee on the subject is now searching for one.

The eventual policy will probably embody measures like those of Sweden, the United Kingdom, France, and Poland, which are seen as models. It will include a strategy for development of the North and East, which are the sources of heaviest outmigration, and for the equalization of public services and levels of welfare throughout the country. The urban parties favor a growth center strategy as the means of decentralizing industry, but the agrarian parties have not yet embraced that concept.

Meanwhile, a limited system of incentives has been established to aid industry in the North and East and in the Finnish archipelago. A Regional Development Fund, with a budget of 100 million marks, provides loans, equity capital, and interest subsidies to investors in those areas. Incentives are highest in growth centers, which are located in iron and copper mining regions. Policy is formed by a Council for Developing Areas in the Prime Minister's office, made up of government officials and private members. The Council's greatest achievement so far is to divert a steel plant to the North. But there are no disincentives to retard further industrial development in Helsinki, and even state-owned and mixed-ownership industries are still making their decisions generally independent of population distribution considerations.

POLAND

Poland's capital city, Warsaw, has been rebuilt rapidly since its almost total destruction during and after the uprising of 1944, but it

is still small by the standards of European capitals, with a current population of 1.3 million. Polish policy discussions since the war, therefore, have centered not upon checking the growth of the capital, as in other European countries, but upon decentralizing the industrial and urban complex of Upper Silesia, which accounts for one-third of Poland's industrial output and encouraging "surplus" rural population to move into the urban centers. The rate of housing construction has played the major role in determining the magnitude of this desired population re-distribution.

A Growth Center Strategy.—Immediately after the war, the government decided to create three new industrial areas to rival Upper Silesia centered on mineral deposits to be developed. That scheme turned out to be unrealistic; the new infrastructure was too costly, and labor was not available in the designated areas. So, in 1956, the government reversed itself and decided to attempt the decentralization of jobs and industry through the development of existing growth centers.

The official plan calls for about 60 centers of up to 100,000 population each, three or four in each of the 17 regions, each center as the capital of a subregion. By this means, the population of Upper Silesia would be leveled off at 3 million, that of Warsaw at 2 million. Despite official policy, however, the trend toward population concentration in the existing major centers has not been checked. The Warsaw town planners are planning for a city of 3 million within 20 years.

Reconsideration Now Under Way.—A new department of the central government has now been established to review the present official plan and come up with a new one by June 1973. The department functions under the guidance of a 60-member board, made up in equal numbers of ministry heads, regional officials, and experts from the Academy of Sciences.

The board is considering four models, with a view to adopting the best features of each in an integrated scheme:

1. The present official plan.
2. An essentially laissez faire model, that would accept and try to make the most of the movement toward centralization. Efforts would be concentrated upon making the agglomerations livable and efficient, while assigning to the rest of the country the role of preserving natural resources.
3. A model based upon the growth center concept but with 30 instead of 60 centers. Each center would be surrounded by a greenbelt and might have satellite centers beyond the greenbelt.
4. A scheme based upon growth corridors rather than centers. The corridors would be the present highway and railroad routes linking the major cities, along which 87 percent of the population already lives. Modernization of infrastructure would be concentrated at key point along the corridors, particularly at intersections.

Government officials suggest that the new department is leaning toward the fourth alternative, as the best balance between making

the most of the present productive facilities—which is important to maximization of output—while achieving some decentralization.

Some of the urgency surrounding the move to redistribute population after the war has disappeared with a decline in the rate of population increase. An annual growth rate of 2 percent (4.5 percent in urban areas) in the first postwar decade has now fallen below 1 percent and is expected to reach .49 percent by 1986–90.

HUNGARY

Hungary has experienced a heavy internal migration from its southern agricultural region to Budapest and the industrial belt along the northern border of the country. Budapest now has a population of over 2 million, almost 25 percent of the country's total.

Regarding this trend as detrimental both to the capital and to the areas of outmigration, the government assigned its planners to work out a program for balanced growth. The outcome was a hierarchical system of communities, which was adopted last year:

1. *Major centers.* Five in number, these cities would have the “high-level” institutions and facilities necessary to provide national and regional services.

2. *Minor centers.* These are existing urban communities, 122 in all, that would be organized to offer “medium-level” services.

3. *Villages.* About 800 in total, the villages would offer “basic” public services.

4. *Other communities.* The remaining 2000 communes would be allowed to stagnate, as investment was concentrated in the three types of larger communities to bring their services up to the planned levels. It is hoped and expected that these communities will die.

The major and minor centers have been designated. The villages are now being selected in plans being prepared for each county that are to be adopted by the county councils by the end of 1972.

Incentives and disincentives.—Current action programs are aimed primarily at checking the growth of Budapest, which the government hopes to stabilize at 2,350,000. The capital's share of the country's industrial population has fallen from 55 percent in 1966 to 38 percent now, and immigration has dropped from 40,000 a year to 15,000 in the same period.

This has been accomplished through subsidies to industries that locate in the hinterland and through a deliberate relocation policy. All industries employing substantial numbers of production workers have been required—and assisted—to move, and no new manufacturing plants have been permitted in the Budapest region. In addition, migration has been discouraged through restrictions of housing: home-buying in Budapest and renting of publicly-owned apartments has been limited to persons who have lived in the city for five years.

The relocated industries lost productivity at the outset that they have not yet regained. Much of the skilled labor force elected to remain in Budapest when the industries moved, and training of new employees has taken time.

Again, a slowing of the rate of population growth has removed much of the pressure on population distribution policy. The growth

rate is now C.3 percent, and the present population of 10 million is expected to reach only 11 million by the year 2000.

III—INTERGOVERNMENTAL FRAMEWORK FOR GROWTH POLICIES IN EUROPE

Each of the nations visited is experiencing various of the adjustment problems generated by rapid urban growth. For some, the chief threat stems from excessive congestion; for others, the challenge is the erosion of the population and infrastructure of major rural areas; and for still others, the dilemma encompasses both the serious imbalances caused by sparsity of settlement in some areas and by excessive density in others.

Despite these variations, it is the unceasing pace of metropolitan growth, especially in capital city areas, which has been the most prominent manifestation of the demographic, economic, and environmental imbalances that have emerged in these nations chiefly during the past quarter of a century. And with this, the need for governmental—particularly national governmental—intervention has emerged. But at the subnational levels, as in the United States, major difficulties have arisen because the traditional local units—whether cities, towns, communes, boroughs, or counties—generally have lacked the geographic reach to cope with the problems of galloping growth or dramatic decline. The very terms—“conurbations” and “agglomerations”—underscore this jurisdictional gap in the urban areas, while the data on population, public services and fiscal trends for various rural areas highlight the jurisdictional and other challenges confronting the declining localities in these regions.

The need for improved relationships between the national government and the localities, especially in the planning and developmental processes, and the desire to meld more adequately national and local efforts at the regional level required an intergovernmental framework to plan and implement growth strategies.

The Basic Setting

At the outset, however, it should be noted that these are unitary political systems with which we are dealing. In a formal, constitutional sense as well as an informal, operational and political sense, none of the six countries visited possessed a legislative body at the national level composed exclusively of representatives of component units. None gives such units a special role in amending its written or unwritten constitution. None provides for a spatial or territorial, in contrast to a functional, division of governmental powers. Put another way, none of the four constitutional democracies visited has adopted the federal principle as a means of strengthening the basis of its governmental system. And with the two people's republics, the ideology underlying their formal constitutions as well as their informal party set-up runs counter to the idea of power divided on a territorial basis. Formal power then in all these systems is geographically concentrated in the capitals, though how this power may be exercised or delegated is another matter—one that suggests variations and, as we shall see, differing approaches to local government and administration.

Closely allied to this question of the formal and spatial focus of authority in their constitutional and governmental systems is the nature and structure of their political party systems. Here again the centralizing principle tends to dominate regardless of whether it is the basically two-party system of the United Kingdom; the multiparty systems of France, Finland, and Sweden; or the one party Communist regimes of Poland and Hungary. Constituency organizations exist in all of these nations, but the position of the parties' apparatus at the national level in nearly all cases is strong, since most of the avenues to political advancement generally are controlled by these bodies.

Finally, the focus of efforts to develop the components of a coherent growth policy are central government-oriented in the six nations visited. Local jurisdictions, as we shall see, have been assigned various roles in the implementation of policies. But the initiative and basic framework for these policies—whether they relate to housing, new towns, balanced economic growth, the environment, or even local governmental reform—come from the national government.

A unitary governmental system, a centralized party system, and national initiatives for growth and other policies—these are three basic factors that condition these countries' efforts to develop improved interlevel relationships as a conscious part of their regional development and urban growth strategies.

Intergovernmental Innovations

Capital City Region Reform.—One facet of intergovernmental innovation in the countries visited is the restructuring, to a greater or lesser degree, of the local governmental pattern of their capital city regions—all of which have proven to be prime urban growth magnets.

GREAT BRITAIN

In the case of Great Britain, a basic change was launched with the London Government Act of 1963 and the resulting establishment of the Greater London Council (GLC) in 1966. The GLC became the U.K.'s first example of an elected regional body, providing a range of areawide services as well as a basic planning and traffic authority for a large metropolitan complex. The Council's area covers 620 square miles and its 100 elected counselors and 16 aldermen collectively are responsible to an electorate numbering over eight million. In essence, this reorganization set up a two-tier governmental system with total responsibility for local governmental services in the area shared or divided between the GLC and the 32 London area borough councils and the Corporation of the City of London. The Council's members organize on a party basis and its decisions are implemented by 15 departments.

FRANCE

With France, an Act of August 2, 1961, established the District de la Région Parisienne and with it a regional assembly (District Board), the first of its kind for the country. This representative body may advise the Regional Prefect, appointed by the central government, on all aspects of regional policy. It adopts a budget funded by regional taxes, and may help finance major infrastructure and various

facilities within its jurisdiction. The regional physical plan for the Paris region came before the Board for its approval and the Board subsequently agreed to finance the local governmental share of primary road costs and to guarantee loans contracted by the regional public corporation (in which it has representation) set up to construct five new towns in the area. In short, the body has certain advisory, fiscal, planning and approval powers, and serves as an ally of and check on some actions of the Regional Prefect and the national ministries.

FINLAND

In Finland, the multijurisdictional problems of the capital city region led to the establishment of the cooperative Commission of the Metropolitan Area of Helsinki in 1971 after some six years of study as well as encouragement from the central Ministry of Internal Affairs. The Commission's jurisdiction encompasses the City of Helsinki, the towns of Espoo and Kauniainen, and the Borough of Vantaa which form an urban region and account for 18 percent of the population. The Commission's charter spells out a lengthy list of functional areas in which the four jurisdictions will strive to cooperate. The 38 members of this areawide body are selected by the constituent jurisdictions and are apportioned roughly on a basis of each jurisdiction's population. The Commission's expenses are assessed on a comparable basis. In most respects, then, the Commission is a Finnish counterpart of many American Councils of Governments with their confederal, voluntary, advisory, non-implementing characteristics. Only its representational formula provides a significant point of contrast. A proposal to permit the voluntary transfer of local functions to the Commission is expected to encounter severe opposition both in and out of Parliament.

SWEDEN

Sweden adopted a different approach for its capital city region when in June 1966 the then Stockholm County Council, a second tier government for 28 suburban communes, and Stockholm City Council decided to unite in a new County Council, which would serve as the secondary commune (areawide government) for the city and its suburbs and begin operating in 1971. Subsequent preparatory work indicated the need for Parliamentary action on certain of statutory aspects of the merger and this transpired in 1969. Since January 1, 1971 the County of Stockholm has operated as a single County Council Municipality responsible to and for nearly one and one half million people. The 149 County Councilors are directly elected from 15 constituencies—seven in Stockholm and eight in the rest of the county. Among its basic functions are regional planning, the operation of public transport, vocational training and rehabilitation, the public dental service, care of the mentally ill, and health and medical services. It determines the County's taxation rates and authorizes all allocations to the activities of the county commune. An executive committee, appointed by the Council, serves as its administrative head with eight departments or groups actively managing the Council's activities. The localities within the new county have not been abolished by this metropolitan reorganization, but still perform certain basically

local functions, as primary communes. Practically all functions of an areawide nature come within the County Council's purview, however, and the latter's regional plans serve as guides for municipal efforts. Despite the appearance of a city-county merger, this reorganization of the Stockholm area's governmental system represents a federated response to the needs of the region.

POLAND

For Poland, the immediate postwar question was whether, in light of Warsaw's 87 percent physical destruction and the decimation of its population, to rebuild the capital or not. The decision to rebuild, however, was never really in doubt, given the strategic, historical and psychological significance of the city. Moreover, it was a national decision with the initial plans drafted by the Town Planning Division of the central government's Bureau for the Rebuilding of the Capital. This effort, among other things, focused on rebuilding the historic city center as well as on providing the economic, social and physical components of a modern metropolis, a Greater Warsaw. What emerged over the past quarter of a century was the Region of Warsaw covering the Warsaw Voivodship (administrative region) and the city within it, with a total population of 3,823,000 as of 1969, and covering 29,851 square kilometers.

Within the region is the Warsaw conurbation—a functional entity made up of the city and neighboring urban districts and with a population of nearly two million in 1969. During the sixties, the population pressures on the city became apparent and the central government in 1965 decided to restrict the growth in employment in the capital's industrial district and requested the Praesidium of the People's Council of the City of Warsaw (the executive committee which serves simultaneously as an administrative arm of the central government and a local executive body) to prepare an urban physical development plan for both the city and conurbation of Warsaw. Three years later, the People's Councils (elected bodies controlled by the dominant party) of both the City and the Voivodship joined in sanctioning the plan's guidelines for the Region, the Conurbation, and the City of Warsaw. Subsequently, the Praesidia of the region and City as well as adjacent town authorities gave their approval. All told, 96 different bodies representing almost as many local and areawide jurisdictions participated in this process.

By mid 1969, the actual plan for the Conurbation and City was accepted by the central government's Ministry of Building, after being approved by the two People's Councils. What has emerged here is a local-areawide governmental relationship wherein the plan for the Warsaw Conurbation and the City's master plan combine to serve as a basic means of coordinating various developmental efforts in the region. Under the 1961 Law on Physical Planning, such approved plans become universally binding. In terms of the research and designing work on this binding plan, the Warsaw Town Planning Office in cooperation with the Study and Designing Office for Urban Engineering, the Urban Transport Study and Designing Office of the Voivodship Town Planning Office, has had the major responsibility. All this suggests a two level local implementation and research process, but with the City of Warsaw—not the region—in the ascendant position.

HUNGARY

In the case of Hungary, Budapest and its 63 adjacent localities have achieved some measure of coordination of their joint area-wide concerns through their overlying county administrative unit. The present administrative area of the capital city region (the county) was established in 1950 and includes 525 square kilometers as well as approximately two million people. As one of the focal points of the country's development settlement plans, this major urban area has figured prominently in national planning efforts for over a dozen years and a policy of seeking to limit its growth was adopted in the early sixties. Most of the measures adopted to achieve this goal (incentives for industrial location elsewhere, resettlement of some of Budapest's industry, and limits on outsiders renting or buying apartments) were actions of the central government. But in the area of its regional physical plan, the municipalities and especially the county have a role through their Councils. The controlling party, of course, dominates the membership of these councils. But it would seem that intermunicipal conflict is not absent at the local level and the county is a unit on which the central government relies for various intermediary administrative, planning, and political roles.

The brief survey of the capital city areas of the nations visited indicates some form of governmental change in all, ranging from a council of government, to area-wide assemblies and councils, to a pair of full fledged two-tier systems. In some cases, the reform preceded the development of a coherent national urban growth strategy; in others it accompanied it; but in all the instances, it has served to complement it.

General Local Government Reorganization

Three of the nations have confronted the broader issue of archaic local governmental boundaries and organization—two boldly and one somewhat gingerly. In all cases, the goal was consolidation of smaller units and in each instance, the effort required a considerable amount of accommodation of local and other political interests, suggesting that strong support for local governments is as much a part of unitary systems as it is of federal ones.

SWEDEN

In Sweden, the process began in 1952 when the number of primary municipal units was reduced from 2,500 to a little over 1,000, with a goal of each new municipality having a population of at least 3,000. This population level was believed to be the minimum required for local jurisdictional viability. By the late fifties, a shift in opinion occurred and a higher population level was deemed necessary. In the early sixties, the decision was made to revise even more drastically the boundaries of Swedish municipal governments (save for those in Stockholm, Malmo and Gotheberg). The basic assumption here was that the effective administration of municipal services (social welfare, education, town planning, water supply, etc.) would necessitate a population level of 8,000 as a minimum. Another basic difference with the previous reform was the move to group rural areas around a central locality, to the extent feasible. Extensive intermunicipal consultations as well as county-communal discussions have accompanied this

consolidation effort. Yet, the number was reduced to 464 by 1971 and the final figure is slated to be 270 by 1974. All of the consolidations have occurred within existing county boundaries. No fundamental change in these boundaries is contemplated at present, although a 1967 study called for a reduction in the number of these intermediary units. Not to be overlooked as basic factors prompting this overhaul were the steady migration southward during the past two decades and the growing recognition that effective planning and public administration requires functionally and geographically adequate and appropriate decision areas. Above all, perhaps are the traditional Swedish faith in local government and the contemporary view, used effectively to counter opposition arguments, that small and eroding communities in the long run would have fewer and fewer functions to perform, while larger ones would be strong enough to sustain local activities and strength.

GREAT BRITAIN

In the United Kingdom, the national government decided in 1966 to modernize and reorganize the local governments. Two Commissions subsequently were appointed to gather the necessary facts and opinions on England and Wales and on Scotland. Their reports were issued in 1969 and the Labor Government after consultations with local governmental associations advanced proposals for England and part of Wales in White Papers the following year. The basic approach here was a single tier, unitary formula for reorganization. With the 1971 Conservative election victory, the new government, through favorable to reform, reassessed the situation. In February 1971, it advanced its own recommendations for revamping local government in England, Wales, and Scotland with a two-tier strategy being favored (as was the case with the earlier Commission report on Scotland). In essence, the proposal for England called for an upper tier of 38-non-metropolitan and six metropolitan counties and a lower tier of approximately 300 county districts.

In the case of Wales, various studies and recommendations had been advanced, going back as far as 1961 and ranging from a unitary, to a mixed, to a two-tier approach to restructuring its local governmental system. The final proposal advanced by the Conservative government in 1971 envisaged a two-tier system throughout Wales involving eight revamped counties and 35 district councils. A bill embodying these recommendations for England and Wales was introduced in Parliament in November 1971. As might be anticipated, much of the controversy over this legislation centered on the allocation of governmental functions between the two levels and the greatest attention focused on the responsibilities that would be shared by the levels. With certain exceptions, newly established counties and districts for Wales will have functions comparable to their non-metropolitan county and district counterparts in England. These proposed reforms for Wales and England are scheduled to go into effect in 1974.

Reflecting its different history and structure, Scottish local government has been treated separately by successive governments and commissions beginning in 1965. In its 1971 White Paper on the subject, the Conservative Government adhered to the broad outline of the earlier Commission report and proposed eight regional governments

as the upper tier and 49 district governments for the lower. The assignment of functions roughly parallels that set forth in the legislation for England and Wales, except that the Scottish regions will be generally stronger than the upper-tier jurisdictions to the south. Final discussions between the Government and the local authority associations were held in the summer of 1972 and a bill is slated to be introduced in the fall session of Parliament.

FRANCE

The approach to local governmental restructuring in France has been less dramatic than that in the United Kingdom or Sweden. But because of the highly centralized administrative structure which France has had since the days of Napoleon, local government is more intimately linked to the central government's general policies regarding regionalism and urban growth than in any other country visited. In October, 1971 the Council of Ministers approved a draft regionalization bill based on principles enumerated in earlier speeches by President Pompidou but differing in major respects from the regional reforms that President de Gaulle has submitted unsuccessfully to the electorate in 1969. The proposed legislation envisioned the 21 planning regions of France organized into "associations of departments." Each region would have two assemblies, a council composed of members elected by the communities within each region and the other comprised of representatives of various social and professional groups. The measure also assigned certain powers to these councils and detailed some of their relationships with the regional prefects. Favorable action on this legislation in 1972 means that councils will be established in all regions next year.

The Parliament enacted the Law of July 28, 1971 which establishes a complex procedure by which certain smaller urban and rural communes might be merged, agglomerations of 50,000 or more could be consolidated into urban communities, and still other communal types could be regrouped into districts. Despite these options, fusion—not regrouping—is the law's basic goal. The initial phase of the process involves the drafting of a restructuring plan by the staff of each of the Departments, with the Prefects and specially created commissions of local officials playing significant roles. Legally, the Prefect has the ultimate power of decision here, but in practice the commissions have assumed far more than merely an advisory role. Once a departmental plan has been adopted, its proposals are transmitted to the affected municipal councils. In the case of proposed urban communities, at least two-thirds of the municipal councils involved representing at least half of the new jurisdiction's population or half the councils representing two-thirds of its population may approve the proposed consolidation, and, in effect, bring it into being. If they decline, the Prefect may invite them to form a district whose powers would be somewhat greater than those of the ordinary districts authorized by an earlier statute. With proposals for regrouping into districts, approval by the necessary number of communal councils also is necessary. If agreement is lacking, the department's elected general council then may act and give its sanction or nonconurrence. With fusion proposals, the affected municipal councils also must agree. If no agree-

ment emerges, the departmental general council again assumes the right of approval or disapproval. In brief outline, these are some of the basic features of the 1971 law. Its attempt to balance local rights with national interests and the role of local councils with the rights of Prefects has yet to be fully tested in practice, given its brief operating history. This legislation, it should be noted, constitutes only a modest first step toward the bold communal reorganization goals endorsed by the Commission on the Cities of the General Directorate of Planning.

Even a cursory analysis of these three efforts at local governmental reorganization suggests that some accommodations had to be made with local officials and interests in these strongly unitary systems. The two-tier approach in the United Kingdom and the evolving two-level approach in France also suggest the need to keep certain functions local and to avoid some of the difficulties associated with the unitary, one-tier approach of the full-fledged consolidationists. In the case of Sweden, consolidation won out. But the emerging debate over the future of the counties may well constitute a prelude to the evolution of a more balanced two-tier system in this Scandinavian country.

Central Government Reorganization of its Field System

While central government efforts to coordinate on a regional basis their functional responsibilities and to reorganize their field structure are not strictly intergovernmental matters, they can affect central-local governmental relations and of late, they usually have emerged as part of an overall urban growth strategy.

FRANCE

In France, this effort began in 1965 with the establishment of 21 regions with regional prefects and regional administrative conferences. This grouping of the traditional departments into regions with super prefects at their head constituted the first major overhaul of the central government's territorial administrative system since Napoleon establish it in 1800. The other regionalization reforms cited above obviously complement this administrative reorganization. Not to be overlooked here is the establishment of field task forces in the nation's eight metropolitan areas by the Delegation for Territorial Planning and Regional Action (DATAR), the basic mechanism for monitoring and coordinating regional programs at the national level. These efforts are geared to achieving greater decentralization of certain central governmental activities, better planning and budgetary inputs from the field, improved central-local governmental relationships, stronger mechanisms in the field for coordinating interrelated but separately administered governmental functions, and above all, a vital means of implementing the government's equilibrium city approach to France's future regional development.

GREAT BRITAIN

With the United Kingdom, experiments with regional economic planning boards composed of senior civil servants representing the central government's departments operating within the regions were launched in 1964 as part of the Labor Government's effort to cope

with interregional disparities. In addition, regional economic planning councils were set up to afford local governments, universities, industry, labor, and other major regional interests a forum for advancing their views on the developmental goals of their region. The initial regional economic plans emanating from these bodies tended to be diagnostic and shopping-list oriented, save for that of the southeast region where a strategy was developed. With the 1968 Town and County Planning Act, these bodies, in effect, were given new direction, since "structure plans" and "local plans" were substituted for the old-style development plan. The former represents a regional effort assisted by the recently established Department of Environment and the latter are prepared and adopted by local planning authorities. The structure plans are multijurisdictional endeavors, involving diagrams with such supporting written statements as may be necessary, and they require the approval of the central Department. The local plans cover specific geographical areas included in the structure plans and are supposed to dovetail with the latter. But they do not require central government approval. The reorganization of the local governments ought to exert considerable influence on this multi-level planning process in the future, given the broad planning powers assigned to the second-tier governments under it. Moreover, this fall's report of the Royal Commission on the Constitution, which will deal with decentralization, may also help shape the future course of administrative devolution in the United Kingdom.

SWEDEN

In Sweden, 24 counties serve as the central government's regional administrative areas. Government-appointed County Administrative Boards implement various central governmental functions while elected County Councils (with the exception of the county of Gotland) administer medical and certain social welfare services and have their own power of taxation. All this is fairly traditional at this point. At the same time, the vital role the County Boards have in approving municipal plans has strengthened their role during the past two decades and new and controversial proposals, soon to take the form of proposed legislation, that would give the central government the right to instruct municipalities to develop master plans, to curb scattered settlement, and to control the location of polluting industries could, if enacted, place the county boards in an even more crucial position. While redistricting the counties has been put aside as too controversial politically, the power of the boards clearly has been growing as Sweden's central government grapples with regional development, environmental, and urban growth problems. Partly in reaction to this, advisory planning councils representing various interests within the counties have been set up to assist the boards in their regional developmental planning efforts.

POLAND

In Poland, subnational regions (22) provide the basic territorial administrative framework for the central government's efforts to develop and implement certain economic and urban growth programs. Since a final growth policy has yet to be agreed upon (1973 is the

target date), the number and boundaries of the nation's proposed regions of the future vary from strategy to strategy (there are at least four under consideration). But the role of regional instrumentalities as implementing arms of the central government is bound to increase in the years ahead, given the decision of the present Polish government to correct the heavily vertical and sectoral bias of the earlier five year economic plans. This bias, it was felt, tended to ignore regional differences and impacts and the government now is vitally concerned with developing a more balanced regional strategy.

HUNGARY

In the case of Hungary, the counties, which are essentially administrative units of the national government with elected councils, play a key role in the nation's planning and other urban growth processes. They adopt developmental plans for their own jurisdiction (save in the case of major cities) and prepare village plans by means of institutes that they set up. The 19 counties also will have the task ultimately of carrying out the government's basic decision, reached in 1971, to differentiate between and among urban and rural communities and not to develop some 2,000 rural hamlets. While various central governmental ministries play a leading role in drafting Hungary's regional developmental policies and plans, the counties as administrative agents of the state are a basic vehicle for implementation as well as a source of some inputs into this process.

This brief review of central government-field unit relationships suggests that as the national governments move to implement a balanced regional development strategy, pressures on the traditional field patterns mount and the usual central ministry—field unit functional relationships come under growing criticism for lack of coordination with one another. Reform efforts, one way or another, appear to be geared to achieving a horizontal linking of functional activities in the field, and, in some instances, to developing more adequate geographical boundaries for the central government's territorial operations. These, in turn, sometimes have generated efforts to establish new and improved ties between local governments or their constituents and the central government's new regional administrative units.

Local Governmental Powers Affecting Urban Growth

Regardless of their differing governmental and social systems, all of the nations visited assign to their local governments—whether reformed or unreformed—certain powers that directly or indirectly affect the course of regional development and urban growth.

FRANCE

In France, the localities approve subdivision plans falling within their jurisdiction and have land bank, building permit, and planned unit development powers. Moreover, all localities or agglomerations of localities over 50,000 in population are required to develop "structure plans", pursuant to land use planning legislation enacted by Parliament in 1967. In practice, this sometimes means a collaborative effort involving the Ministry of Equipment and Housing and affected

local officials; in others, autonomous local planning bodies carry out this responsibility. All this, of course, is in addition to the more traditional functions the communes traditionally have performed. Moreover, the political practice of holding simultaneously local, regional, as well as National Assembly positions, should never be ignored when considering the role of local governments in French national programs and strategies.

GREAT BRITAIN

Under the United Kingdom's local government reorganization, the second-tier county councils in England will have major power in the development of structure plans, in making strategic and reserved decisions regarding development controls, in coordinating transportation and directing highway authorities, and in exercising certain reserve authority relating to housing. The district councils will have local planning authority, most of the development controls, the responsibility for public transport undertakings, basic housing (building, management, slum clearance, and house and area improvement), and building regulations. The county and district councils will share land acquisition and disposal powers as well as parks and open space programs. The final decision regarding the administration of water supply, sewerage and sewage disposal (temporarily assigned to the district councils) has yet to be worked out. The Welsh County Councils are assigned all of the county functions cited above, save for the reserve authority in the housing area. In the case of Scotland, the regional councils are slated to receive a bundle of authority comparable to that given to the English County Councils, as well as nearly full road and complete transportation powers. The Scottish regions also will have a greater role in strategic planning and development controls than the new English counties.

FINLAND

Finnish communes have major powers affecting urban growth, including the drafting of basic location plans for housing (all communities over 5,000 are required to develop five year plans) and in some cases serving as the primary promoter of housing projects. In the absence of central government legislation relating to growth points, industrial location (save for the regional development fund program) and new towns, the localities also possess fairly wide discretion regarding land use and municipal services. At the same time, the criticism has been raised that the localities are not adequately empowered to cope with major industrial and other urban development decisions.

SWEDEN

The Swedish case study contrasts markedly with that of Finland, since the Riksdag has enacted several measures relating to various aspects of urban growth. These, in turn, give major direction to municipal efforts and in many instances they have expanded local authority. Under the Building and Planning Acts of 1947 and 1959, physical planning is largely a municipal concern with master or comprehensive plans and detailed development plans a basic responsibility of municipal authorities. To be legally binding, however, these must be approved by the County Boards.

The Nature Conservancy Act and the Environment Protection Act of 1969 give the communities certain powers to protect natural areas and outdoor recreation and to take action against pollution arising from the utilization of land or buildings, respectively. The expropriation legislation of 1971 gives the communities key powers in developing an effective municipal land policy. As a basic precept, it gives them the option on all land required for urban development and the possibility of acquiring land at an early stage in the planning. Equally significant, a new criteria for expropriation has been established—expropriation on the basis of a rise in value. Moreover, the regulations governing compensation in cases of expropriation have been overhauled with a view toward curbing the rise in land values and preventing a municipality from having to award compensation—in certain expropriation cases—for values that have soared as a consequence of the community's own urban development efforts. In the area of housing, municipalities are required to produce annually programs for the ensuing five-year period. These, in turn, serve as the basis of National Board of Housing's assessment of needs and allocation of funds in the field. As was noted earlier, legislative proposals soon will be introduced in Parliament that are designed to bolster significantly municipal comprehensive planning efforts. All in all, the Swedish pattern is one of strong central government direction and support coupled with an equally strong tendency to use and to strengthen local governments.

COMMUNIST STATES

In Hungary and Poland, a different set of circumstances, including the essentially one party and highly centralized character of the two systems, places their local governments in a position contrasting with that of the other four nations visited. At the same time, the "liberalizing" tendency of both central governments in recent years has had its effect on local governmental initiative and discretion. The basic formal structure of Polish local government includes 8,800 rural districts and towns, 322 counties, and 22 regions (including five major cities designated as regions). Each of these territorial units has an elected people's council. These councils, in turn, elect a praesidium that serves as an administrative arm of the central ministries and as the local or regional executive body. Each praesidium is accountable to that of the next governmental level. Despite this hierarchic, centralized, basically single part-dominated structure, in practice, a fair amount of discretion now is given to the local jurisdictions. The bulk of the country's physical planning is done by some 5,000 professionals and officials working for local and regional governments. Moreover, some measure of citizen participation in the preparation of these plans is achieved by involving the local people's councils in the process. Before basic planning decisions are made, these councils are supposed to organize a public discussion and to consider proposals and criticisms that may be advanced during the course of these open sessions. Regional plans generally are implemented by the adoption of non-conflicting local development plans and the regional plans, in turn, serve as a basic guide in the central government's actions relating to the location of major industrial, road, and building investments. Such

action, however, only occurs if the regional plan in question has been examined by the Planning Commission and the Committee on Building, Urbanization, and Architecture of the central Council of Ministers and after its basic provisions have been approved by this all-powerful Council.

Since 1968, Hungarian municipal and county councils have been empowered to prepare their own five year economic plans as well as physical plans that comply with the economic. These master plans are exposed to local councils' discussion and debate. National concepts must be recognized, but local modifications may be made. The basic responsibilities for housing are left largely to the municipalities, subject to central government fiscal support and regulations. Moreover, under a 1970 land use and sale law, local councils were empowered to require certain developments on privately-leased or cooperative-owned land with tax hikes the stipulated penalty if there is non-compliance. Other provisions of the law are geared to curbing land speculation. All this suggests the vitality of the private sector—about two-thirds of all housing is privately owned. Finally, municipal governments may use funds from their own revenues as well as from State subsidies for their own development programs.

Conclusion

In broad outline, what do these various intergovernmental initiatives and innovations suggest?

They indicate that interlevel relationships, though not as critical as in federal systems, become a basic source of public and political concern once a nation embarks on a conscious balanced regional development and urban growth course.

They suggest that the drawing power of the capital city regions frequently is one of the prime manifestations of regional imbalance and that a basic restructuring of the local governmental structure and/or the central government's regional machinery for the capital sometimes is a basic corollary of any effort to curb and/or reorder the capital's urban development.

They underscore the fact that reorganizing local government generally can be done much more easily in free unitary systems than in free federal ones, though the task is by no means simple and local governments and their associations must be courted, consoled, and accommodated throughout most of this lengthy process.

They show that the two-tier (with some merging) approach to local governmental reform seems to be somewhat more acceptable than the one tier-consolidationist formula, reflecting a basic concern for developing adequate and representative regional institutions while retaining smaller, though sometimes merged units at the local level and, in most instances, a basic desire for strong public institutions at both the local and areawide levels to help implement a national regional development and balanced urban growth strategy.

They suggest that no hard and fast consensus has emerged on what functions should be divided between and what functions should be shared by the local and regional governments.

They indicate a recognition on the part of some of the central governments that their traditional territorial administrative set-up

is inadequate to the needs of their regional and urban growth strategy and that the headquarters-field unit relationships of the functional ministries must be coordinated at both the regional and national levels.

In the four constitutional democracies visited, all with the partial exception of Finland, demonstrated a willingness to experiment boldly with a cluster of building, licensing, land use, economic incentive, environmental, and other regulatory mechanisms at national, regional, and local levels in an attempt to guide regional and intrametropolitan development.

They generally underscore the role of a multilevel planning process as a priority-setting, program coordinating, urban growth-directing, and regional development mechanism.

They reveal the pivotal position of the central government in this process, especially in Eastern Europe, but significant local powers (or discretion, in the case of Poland and Hungary) are a vital feature of this effort in all of the nations visited.

IV—THE APPLICABILITY OF EUROPEAN EXPERIENCE TO THE UNITED STATES

METROPOLITAN DEVELOPMENT

There are some striking differences as well as similarities between metropolitan issues in Europe and the U.S.

How big is too big?

Only the French have embarked on a growth policy that is premised on the assumption that their key metropolitan area is "too big". British spokesmen asserted that their policies proceed less from an interest in discouraging growth in the south of England than from a need to halt further decline in the north. Assumptions concerning "optimal" sizes for cities are, as in the United States, in most cases based on little more than cursory opinion. One spokesman in Finland argued that a community of over 100,000 persons was "too big" while the Swedes believed that 100,000 is the minimum population required to support a reasonably complete hierarchy of urban services.

The British began their new towns program thinking that 60,000–80,000 people was an ideal target population. They have since revised those aspirations upward to as much as 250,000, a size many American specialists have argued is about right for a balanced set of urban services. The Poles believe the 2 to 3 million population category provides the comparative advantages required for their major metropolitan areas.

The answer to "how big is too big?" appears to be unanswered a question in Europe as in the United States. Since the answer to this question will have an important bearing on the development of an urban growth policy for the U.S., more information and understanding concerning optimum metropolitan concentrations will be necessary.

Suburbanization

Suburbanization is a strong trend in all six European metropolitan areas visited, and some duplication of the U.S. experience can be expected. Each country has found that, as the standard of living

rises, people expect more living space per capita. This has the inevitable effect of pressing population outward from the crowded urban center toward the periphery.

The vast majority of housing units built with government funds in these countries are high rise apartments. Yet pressures are mounting in all countries, even the poorest, to provide government-assisted individual family housing, further reinforcing pressures toward suburbanization.

There are, of course, historical differences in the way cities developed in Europe and in the United States. In Paris, the more well-to-do families are apt to live near the city center while the lower income workers live in the suburbs. The communication between suburb and city center is thus as great in these cities as in the U.S., but for different reasons.

Transportation

Public transportation is still strong in all six of the European metropolitan areas as opposed to the situation in the U.S., but the future is cloudy despite the fact that new subways and other forms of public transport are being developed in all of them.

Each of these European countries has made a major commitment to increase the availability of automobiles to their population. Poland and Hungary intend to dramatically increase the number of reasonably priced cars available to their citizens over the next five years. Paris and London are already strangled in traffic. Finland spends a larger percentage of its national budget on highway construction than any other European country yet Helsinki is choking on auto commuter traffic because of an inadequate freeway system which the government plans to improve. Stockholm and Warsaw have major freeway construction projects underway. In fact, as has already been noted earlier in this report, only the French government has taken active steps to discourage auto commuters. Paris has been assigned sixth priority in grants to metropolitan areas for urban freeway construction. Although in most of these cities the majority of commuters still use public transport, the strain of auto competition is becoming obvious. Swedish authorities admitted that the fare box does not carry the cost of the system.

The trend toward suburbanization reinforced by widespread use of the automobile indicates that in many respects the structures of metropolitan areas in Europe will come to resemble those in the United States. While Europeans have done a better job on the whole in maintaining public transportation, they seem to have profited but slightly from American experience and seem to be headed for transportation problems similar to those already experienced in this country.

The urban core

The majority of jobs in all six European metropolitan areas are in the central areas. As a result commutation is heavy. The urban core of each area has remained relatively strong. Indeed, the rapid increase in need for office space, hotels, and so forth, has threatened to destroy many of the older historic sections of these cities. Central London grows increasingly to resemble an American downtown.

There has been a conscious attempt to preserve the historic center of Paris from extensive demolition for construction of high rise office buildings. Yet on the perimeters of central Paris, the government has undertaken projects to double the amount of office space in the city. As the new American-style skyscrapers pierce the skyline above the distinctive monuments of Paris, public opposition mounts. These development projects appear to duplicate the mistakes of many similar American undertakings.

Nowhere is the symbolic importance of the old urban core more dramatically illustrated than in Warsaw, where Poland's finest craftsmanship and substantial financial resources have been diverted from the construction of housing for the population of Warsaw to a detailed reconstruction of the "Old Town" of historic Warsaw destroyed by the Nazis in World War II. The dedication of people to "place" is equally well demonstrated by the fact that the Polish government was deterred from less costly construction of new housing in new areas for some city residents because the residents preferred to remain where they were. A more expensive slum renewal program was the result.

Housing

Yet the Europeans have gone to considerable pains to avoid segregation by housing. In Finland, assistance flows to individuals rather than projects and housing assistance is a private matter between a family and the government. In Sweden "social housing" projects are scattered in small blocks throughout the metropolitan area.

While between 60 and 90 percent of all families in the Scandinavian and Eastern European countries visited receive some form of government housing assistance, the proportions receiving such aid in France and the United Kingdom are more comparable to the U.S. The French are disturbed by patterns of segregation by income and housing beginning to emerge as a consequence of their "social" housing programs. British cities contain slum areas comparable in character to those in the U.S. and many neighborhoods are concentrations of particular income and racial groups. Out of 17,000,000 housing units, 2.3 million lack one or more basic amenity and 600,000 require rehabilitation.

London, as is the case with many North American cities, has been a world melting pot, a magnet for many immigrants from poorer nations. For this reason, the social structure of London is more comparable to U.S. Metros.

Metropolitan structure—land use and "New Towns"

The task of avoiding divisive segregation by race and income is also simplified in most of the European capitals by the powers of the central and local governments in controlling land use. The land banks of France and Sweden which enable public authorities to acquire land well in advance of public requirements give those authorities a profound ability to control the pattern of metropolitan growth. A careful study of land banking experience where such instrumentalities exist should be undertaken since it is quite likely that this country will be compelled to experiment with more effective means for controlling the patterns of land use than the obviously inadequate zoning controls we have traditionally employed. A series of advanced land acquisition demonstrations in several American metropolitan areas would

appear to be justified in order to help the nation develop more effective approaches to land-use control.

Nowhere is the efficacy of strong public land-use controls better demonstrated than in the use of "new towns" to help provide more rational land-use patterns in European metropolitan areas. Perhaps the chief distinction between "new towns" in Europe and those undertaken so far in the United States is that the sites selected for "new towns" in the European metropolitan areas are in many cases part of an overall metropolitan development plan. In the United States this is still largely a decision left up to private developers, and the resulting pattern of "new town" development inevitably has a haphazard character which may or may not usefully contribute to achievement of a metropolitan growth policy. The ability of European public authorities to select, assemble and acquire sites for a "new town" development is a capability well worth studying as we attempt to devise more effective ways to use new communities in achieving desirable metropolitan development.

If European experience is any guide, we should avoid any expectation, however, that "new towns" by themselves provide the principal answer for overcoming the undesirable aspects of metropolitan growth. British officials interviewed did not believe that the "new towns" constructed in the London region have had a substantial impact upon migration streams or settlement patterns in that region. They did, of course, provide new, relatively attractive housing for many families seeking it, but authorities expressed concern over the general homogenization of population which chose to live in the new communities. The "new towns" were principally attractive to young marrieds in search of new housing. Consequently most of the services developed in the "new towns" early in their history catered to young, growing families. As the population has aged, however, problems have been experienced in adapting the "new towns" to population structures different from those around which they originally developed.

A somewhat different social problem was noted in connection with perhaps the most effective "new town" built anywhere so far: Tapiola, Finland. When Tapiola was constructed, 80 percent of the dwelling units were for families requiring government housing assistance. Tapiola has been so attractive as a place to live that well-to-do families seek housing there. Many lower income families who originally settled in Tapiola have capitalized on this market and realized considerable speculative gains. Prices for housing in Tapiola have skyrocketed and Tapiola is in danger of becoming a well-to-do suburb. Many of those selling their apartments have done so despite the fact that once they have sold on a speculative basis, they lose their future entitlement to government housing assistance, a considerable penalty in Finnish life.

Many planned developments are being constructed throughout European metropolitan areas. In general, those being constructed as government projects are disappointing. They reflect an architectural monotony comparable to many high rise apartment complexes constructed in American metropolitan areas. Even in the neighborhood of Tapiola in Finland, government sponsored "new towns" have failed to pay as much attention to the human environment as did the private

developers of Tapiola. Monumental apartment complexes, such as Skarholmen outside of Stockholm and Nova Hut outside of Cracow, Poland, are little more distinguished than the high rise complexes of outer Bronx or Queens.

It would appear that the chief lessons to be learned from the European experience with "new towns" so far is that such planned developments can play a highly useful role in achieving a more satisfactory pattern of overall metropolitan development if site selection is part of a public planning process and added tools are provided to facilitate assembly and acquisition of the required sites.

Financing public services

Some of the worst features of American metropolitan development are avoided in Europe because of the differences in the way public facilities and services are financed. Balkanization of the tax base is primarily avoided because of the dominant role which national taxes play in financing such services in contrast to the United States where the local property tax is so important. Ironically, in Finland the local taxes are income taxes while the national tax is a real estate tax. In Sweden the primary source of revenue at all levels of government is a graduated income tax. In France because of the weakness of local jurisdictions under that country's Napoleonic administrative system, the national government is a primary source of assistance in developing local services. Locally prepared regional plans serve in part as the basis for national budget preparation.

While national funds return to the local communities for categorical purposes, there is a trend in France away from the old categorical system toward more broad purpose grants analogous to American revenue sharing. We run the risk under present revenue sharing policies of seeing national revenues devoted to purposes that will have negligible influence upon future patterns of national growth and regional growth. The key distinction between revenue sharing as currently authorized in the United States and procedures now being developed in France is that the local region, through preparation for its plan for public investment and public services, put the National Assembly and the government on notice about how these funds will be used. Thus, there is an accountability in the French system that avoids the potential dangers of present revenue sharing procedures in the United States.

Metropolitan planning and development

Despite a more satisfactory revenue base which can be more easily employed to support metropolitan-wide services, planning, and development, the six European countries confront many of the same problems of balkanization of local government as in the United States. Attempts to encourage metropolitan-wide cooperation through formation of metropolitan-wide confederations of local units have been as frustrating as the U.S. experience with metropolitan Councils of Governments.

Perhaps the principal advantage the European approach to such problems offers is the linkage the new regional bodies have to the central government and its budgeting and investment decision-making. Neither COGS nor other metropolitan-wide instrumentalities have such a linkage in the United States. As noted earlier in this report the

unitary structure of European government has made such a link up much more attainable. In the United States, local governments are creatures not of the national government, but of the states. The Europeans are experimenting with a variety of procedures which confer the advantages of both centralization and de-centralization on growth planning. U.S. experiments in this direction so far are timid at best.

ORGANIZATION AT THE NATIONAL LEVEL

Each European country has created some instrumentality, in most cases associated with the Prime Minister, for coordinating the formulation and implementation of national growth policies.

No such instrument exists in the United States. The President's Domestic Council was established with this announced purpose, but has been unable to formulate recommendations for an urban policy. As a consequence, U.S. policy for national urban growth is as dis-oriented and fragmented today as in 1969. The Council does not appear to be structured or staffed to be able to carry out the missions originally laid down for it. Yet the need for an adequate horizontal policy-making mechanism in the Executive Branch grows increasingly urgent. With passage of Title IV of the Agricultural Act of 1970, responsibilities for directing programs affecting national growth appear to be divided between the Secretary of Agriculture (non-metropolitan areas) and the Secretary of Housing and Urban Development (metropolitan areas). Yet many programs vital to accomplish effective planning and development lie scattered throughout seven of the Cabinet departments and many independent agencies and commissions. The Europeans have clearly learned the essential interdependence between metropolitan and non-metropolitan development insofar as the nation's future growth is concerned and they have found mechanisms that help them formulate coherent plans and programs to deal with that fact. We have not yet developed such a device in the United States.

Nor have we begun to assemble the links in our federal system that will enable us to allocate resources based on locally developed urban growth strategies while affording the localities and states the advantage of working within a common framework of goals. Yet we already have some of the organizational mechanisms to provide such an opportunity providing a proper policy mechanism is established as an adjunct to the White House. The Federal Regional Councils provide one opportunity, for example, to achieve more effective regional coordination of federal, state, and local programs for regional growth. At present, their purpose is to coordinate regional activities of the Federal agencies. Substantially modified in structure and organized so that state and local agencies might work with them to develop regional development strategies, the Regional Councils could provide the forum needed for developing coordinated approaches to regional growth. If they were to be used for this purpose, boundaries of present administrative regions might require some adjustment in order to avoid splitting major interstate metropolitan areas.

Other devices for linking federal, state, and local agencies in a framework for growth planning are regional commissions and multi-county districts and regional councils. So far each of these approaches, in part because of a lack of national growth policy, has demonstrated inadequacies and would require modification and improvement.

NONMETROPOLITAN DEVELOPMENT

As we have already seen, the European strategy for non-metropolitan regions usually consists of the following components:

- (1) Re-organization or confederation of local governments in non-metropolitan regions to provide a sufficient population base and economies of scale to plan for and support quality public services and provide comparative advantages for economic development.
- (2) Establishment of "growth centers" to serve surrounding rural hinterlands in each major section of the country.
- (3) Integrated local, regional, and national planning and implementation of major infrastructural improvement programs for these regions.
- (4) Various financial and tax incentives to help make the location of economic activity in such regions more attractive.
- (5) Relocation of certain government activities into the regions.

Amalgamating local governments—the sub-state district

The closest parallel in the U.S. to the European efforts to develop more viable planning and development jurisdictions at a more appropriate scale in non-metropolitan regions has been the multi-county or sub-state district programs undertaken during the last seven years under Federal impetus. In the mid and late 1950's new multi-county regional Councils were required for local areas to qualify for grants and loans from the Economic Development Administration, various forms of assistance from the Department of Agriculture, grants for comprehensive health planning, certain area-wide planning grants from HUD, etc. The imposition of this requirement by at least five separate federal programs created local confusion where separate districts, rarely congruent, were being established for each program. In recent years, these regional councils or districts have been strengthened somewhat by federal attempts to reconcile earlier program conflicts through the establishment of common boundaries for all such units established with Federal support. Further, many states have enacted state legislation conferring other authorities upon them. The sub-state district appears to be well on its way to becoming a permanent part of the federal system.

These councils, while still in infancy, offer some promise as basic building blocks for implementing a national growth policy in the U.S. The relationship between establishment of such local regional confederations and a strategy for non-metropolitan development was perhaps best expressed by the National Advisory Commission on Rural Poverty in 1967. It implied a strategy for re-structuring non-metropolitan areas that would—

- (1) Help confederate local non-metropolitan jurisdictions into large enough units to provide a critical mass of population and revenue;
- (2) Attempt to strengthen key towns and cities in the districts through improvements in their transportation linkages to the rest of the nation;
- (3) Develop highway linkages between these centers of growth and the surrounding countryside; and

(4) Develop public service delivery systems serving the district as a whole, uniting towns and countryside in a common fabric of services.

While many of the non-metropolitan multi-country planning and development agencies created during the past decade in many states have successfully demonstrated their ability to plan and help get Federal grants, relatively few have yet become true operating arms of their local governments responsible for actually carrying out those public services which can best be provided at a regional scale.

Growth centers

American attempts to identify development centers have been even more timid. Only two national programs in the U.S. have attempted to adopt the European concept of "growth centers": the Economic Development Administration and the Appalachian Regional Development Program. Results so far have been mixed. During the initial years of its program, the Economic Development Administration pursued a strategy termed the "worst first" policy, i.e. economic development aid would be extended to those areas most needing help. It has only been in recent years that a substantial alteration in Economic Development Administration investment policy has occurred. The Appalachian Region Commission has operated under a more specific legislative directive to "concentrate investments in areas with significant potential for growth."

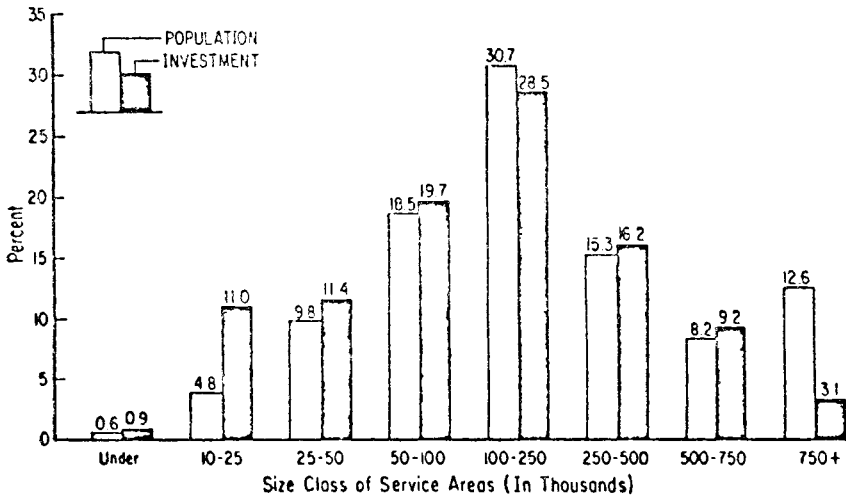
The Appalachian Regional Commission originally adopted a strategy that assumed that Appalachia consisted of sub-areas or districts, the population of each of which looked to a common center or cluster of centers for most of its services. Around the periphery of Appalachia were numerous areas related to metropolitan areas outside the region as defined by Congress. The regional boundary, therefore, frequently militated against a completely effective development strategy. Some areas were centered on metropolitan or moderately sized urban centers inside of Appalachia. Others were isolated by topography, the national transportation system and the nature of their economics. In these areas the Commission adopted a concept fathered by Professor Wilbur Thompson of Wayne State University which suggested developing a group of small communities that are close together so that they provide the counterpart to a moderate-sized urban growth center in terms of the services they provide to their hinterland.

Initially, 60 districts were identified within which a simple hierarchy of 22 regional centers, 78 primary centers, and a set of secondary service centers were identified. Hungary has adopted a somewhat similar system. Necessarily, these early delineations reflected varying degrees of sophistication in analysis among the states and local areas. Niles Hansen, of the University of Texas, has been particularly critical of these decisions arguing that the number should have been far smaller and the size of many of the centers far larger. It appears, however, that the Congressional objective of investment concentration was at least partially achieved. One evaluation found that 30 percent of the non-highway investment funds were concentrated in only five percent of the 379 Appalachian counties (20 out of 39). Over half were concentrated in 15 percent. Sixty-four countries out of 397 received no investments.

Cumulative investment by county

Percent of total number of counties :	Percent of total ARC investment
5	31.5
10	45.2
15	55.0
20	63.9
25	70.6
30	76.4
40	85.6
50	92.1
60	96.5
70	98.9

Investments followed a "bell curve", a relatively small percentage going to large metropolitan areas where Appalachian investments would be of marginal significance and an equally small percentage going to areas with little population or apparent potential for growth.



In absolute percentages, the Commission concentrated its funds in middle-size service areas (100,000–250,000 population). On a per capita basis concentration has been in the 10,000–25,000 category.

INVESTMENT IN SERVICE AREAS BY SIZE CLASS

Population size class	Population 1960	Investment 1965-70	Investment per capita
Under 10,000	85,000	\$2,388,189	\$28.09
10 to 24,999	726,300	28,185,063	38.80
25 to 49,999	1,410,300	29,078,465	20.62
50 to 99,999	2,799,200	50,509,607	18.04
100 to 249,999	4,630,600	72,751,433	15.71
250 to 499,999	2,315,500	41,373,332	17.87
500 to 749,999	1,233,700	23,530,380	19.07
750,000 plus	1,911,000	7,842,952	4.10
Total	15,111,500	255,559,421	16.91

The purpose of the growth center strategy was to provide a discipline, a rationale for the allocation of public investments and to help create urban centers in Appalachia that would be competitive with other centers in the U.S. Approximately \$250,000,000 has been approved for growth area appropriate projects. Of this amount approximately 50 percent has been concentrated in "first level", or regional, or most significant growth areas, as designated by the states. An additional 11 percent was in smaller primary growth or "second level" areas and 8 percent was concentrated in the secondary growth areas. Finally, 11 percent of the funds were approved for non-growth and 21 percent was approved in the early stages of the program before growth areas had been defined. The analysis found that first and second level growth areas received close to 70 percent of the funds in each category except for water and sewer projects. It is in this category of investment that the poorest record was compiled. A comparably poor record was posted by the Economic Development Administration.

The legislative history of the Appalachian Act deliberately assigned to the participating states rather than the Regional Commission, responsibility for designating investment areas. Imposing a set of strict guidelines on the states, it was reasoned by Congress, had three major shortcomings: It would have strongly inhibited the development of growth area policies reflecting the unique situations in individual states; no local expertise would have been developed; and, the imposition of highly specific criteria would have placed the Appalachian program in the position of being "just another Federal program."

Such an approach is not without problems to growth area delineation. It opens the door to provincialism in growth area delineation in the form of a tendency to look no further than state boundaries in planning. While there have been some cases of interstate cooperation in Appalachia in defining growth areas and in project placement, this approach was not as widespread as it could have been—though a large percent of Appalachian project funds were placed in interstate growth areas, this was probably due to the fact that these areas are generally dominant centers in Appalachia rather than a result of coordinated interstate planning efforts. As might be expected political pressures to abandon a growth center approach are strong and continuous and such an approach is under attack in Appalachia. This is not very different from the European experience. Officials in several countries admitted that there were continuing pressures to increase the number of growth centers.

Dr. Stephen Fuller, George Washington University, attempted to assess the impact of investment concentration in some middle-sized Appalachian growth areas. He looked at Carrollton, Georgia; Florence, Alabama; Crossville-Cookville, Tennessee; Hornell, New York; and Altoona, Pennsylvania. He found a "Hawthorne-type" effect, e.g., once an area was singled out for major attention, it had an impact on the esprit of the area which tended to reinforce the process of development quite favorably.

Integrated planning

The Appalachian experience also affords the only U.S. attempt so far at integrated local-state-federal planning of infrastructural and other development programs comparable to those in existence or being developed in Europe.

In early drafts of the Appalachian legislation, a "TVA-like" approach was proposed which would have established a public corporation with powers of eminent domain and the ability to raise its own revenues. Arguments for the "public authority" approach were based on the presumption that state and local governments were too weak in Appalachia, and the federal government too disorganized, to carry out a sustained, well-orchestrated, long-term program. Ultimately this special authority approach was rejected by Congress and many of the Appalachian Governors.

Instead, a leaf was borrowed from the Delaware River Basin Compact of 1961 in which a federal-state commission was established consisting of the four Governors of the Delaware Basin states and a representative of the federal government. In the Appalachian statute as finally passed in March 1965, a Regional Commission was established consisting of the Appalachian Governors as State Members represented in their absence by gubernatorially appointed alternates. The federal government was represented by a "Federal Co-Chairman" at the Assistant Secretary level who was directly answerable to the White House and not to any single federal cabinet officer. Affirmative action by the Commission required the vote of a majority of the states and the Federal Co-Chairman.

The 1965 statute provided authorizations for a range of programs recommended in the report of the President's Appalachian Regional Commission enabling the Commission to exercise some leverage in implementing plans, thus enhancing its credibility. It also granted authority for the establishment of multicounty planning districts.

Procedures were established that required the Regional Commission to carry out regional analysis and planning, development of a regional data base, and facilitating preparation of major interstate plans for highways, water resources, and the like while the states assumed major responsibility for development planning.

In contradistinction to other regional efforts being carried out by the U.S. Department of Commerce under Title V of the Economic Development and Public Works Act of 1965 where the multicounty district programs and regional development programs have been kept bureaucratically and programmatically separated, the Appalachian effort has attempted to integrate them into a regional planning hierarchy. In several Appalachian states, the districts have yet to be given opportunity to participate directly in state development planning other than having the privilege of submitting investment proposals. In several instances, the states have been quite wary of creating strong local planning organizations. It was not until 1971 that West Virginia even authorized their establishment. Apparently some states were unwilling to accord to their local governments the same partnership in decision-making which the states themselves have been able to command at the table of the Appalachian Regional Commission with the federal government.

Paradoxically, however, the planning and development capabilities in the districts of many states became stronger than those at the state level. Some districts in Alabama, Georgia, South Carolina, Virginia, Tennessee, Kentucky, and Pennsylvania have performed impressively in the development and execution of planned programs, according to recent evaluations. A few are beginning to develop additional powers under state legislation that will enable them to perform services which can no longer be performed by their constituent population-and-tax-depleted jurisdictions.

According to these same evaluations, the performance of many of the states is another matter. The Appalachian Act provided an unparalleled opportunity for states to not only influence but direct a large segment of federal investment policy. Few states were able to take full advantage of that opportunity. Nor was the Appalachian Regional Commission able to bring any major degree of coordination into the operation of Federal programs in Appalachia. But this is not surprising. Presidential support for the experiment has wavered, eroding the ability of the Commission to achieve cooperation. But the lack of consistent national policies on regional and urban growth, compounded by the conflicts between statutes authorizing such programs, apparently made a fully successful demonstration in Appalachia difficult to accomplish.

APPENDIX

THE PLANNING AND HOUSING ELEMENTS OF THE NATIONAL GROWTH POLICIES OF SIX EUROPEAN NATIONS

In recent years Congress has adopted two landmark declarations of national urban growth policy. Title VII of the Housing and Urban Development Act of 1970 provided for the development of national policies to plan the orderly development of our urban areas. Two years before, Congress in the Housing Act of 1968 stated the national dimensions of housing needs and fixed a ten year timetable for eliminating substandard housing and providing sufficient shelter. U.S. federal planning grant programs, both comprehensive and functional, are now several score in number and several hundred million dollars in amount annually. A similar number of federal housing assistance programs are on the statute books. Thus, the intent to support planning and housing in this country is clear. The approaches available to us to improve our planning methodologies and mechanisms and move closed to the ideal of a decent home for every American family are still wide ranging and flexible. Therefore it appears prudent to observe the experiences in European countries so that we might learn of their successes and errors.

The material that follows covers the following subjects for each of the six countries visited: (1) national, (2) regional, and (3) local planning policies and machinery, and (4) national housing policies and practices. While the approach taken is essentially descriptive, an effort has been made to identify practices that appear to be especially innovative or hold promise for further examination in this country.

Each of the countries visited had certain unique and innovative approaches. Among the many examples described below are the following:

In France—the national leadership for regional planning provided by the Declaration for Territorial Planning and Regional Action (DATAR); the concept of equilibrium metropolises; the National Five Year Policy Plans; the use of priority zones for urbanization (ZUPS) and Deferred Development Zones (ZADS), and finally the mandatory private industrial investments for construction of low rent housing.

In Finland—the development of environmental quality areas around the capital city; the concern for economic integration of neighborhoods; and the sensitive relating of housing planning and development to the national economy.

In Sweden—the tradition of municipal purchase and leasing of land needed for expansion; use of satellite communities linked by mass transit; and an affirmative national role in both identifying housing demand and in housing technology.

In Poland—the commitment to restoring the national heritage contained in its capital city and the concessions to consumer needs which are then reflected in long term national plans.

In Hungary—the development of an overall national settlement policy and the commitment to decentralization of industry and population to growth centers in various parts of the country.

In England—the increasing linkage of affirmative national, regional and local planning; acceptance of the concept of public acquisition of land to carry out general planning objectives; and a cooperative “town development program” governing orderly expansion of large communities.

Information for this report was derived from the meeting with government officials in the six countries involved and the written materials provided by their departments and agencies. A number of other sources proved to be valuable in documenting these countries planning and housing policies and practices. Extremely useful were the following:

Strong, Ann Louise. *Planned Urban Environments: Sweden, Finland, Israel, The Netherlands, France*. Baltimore, John Hopkins Press, 1971. 406 pp.

Merlin, Pierre. *New Towns: Regional Planning and Development*. London, Methuen, 1971. 276 pp.

U.S. Department of Housing and Urban Development. *Urban Land Policy: Selected Aspects of European Experience*. Washington, 1969. 219 pp.

It is not difficult to identify differences between the United States and those of the countries visited that would make adoption of their policies impractical in this country. Many of the countries visited have a greater consensus on goals with respect to regional development, density, etc. Citizens of our country enjoy a greater freedom of choice in employment, location, housing quality, and lifestyle. The federal system and the vast size of our nation both set us apart. Most of the countries had metropolitan-wide machinery, there was an accepted central government role that provides a ready-made infrastructure

for planning, implementation and the meshing of housing with other domestic developments.

Nevertheless, the countries visited offer many lessons if we have the will and insight to learn from their successes and failures. Hopefully this comparative description of European planning and housing activities will make a modest contribution to the consideration and re-consideration of our own priorities and practices.

PLANNING AND HOUSING IN FRANCE

Planning is new in France, largely initiated after World War II. Since that time however, it has been adopted with a vengeance. In addition to the fifth (Economic) Plan, there is a national land-use plan. Economic and land-use plans have been regionalized. Local governments were the last to enter into planning, but pressure from the national government may well serve as the catalyst for local government planning and land-use reforms.

By the end of the 1950's there was recognition of the need for regional planning to complement national sector planning and of the need to reshape the administrative system of the government to serve these ends. The growth of Paris was to be restrained. An elaborate incentive system was devised to induce industrial development in other regions. The less prosperous areas were to be favored. Premiums depended on the zone, the number of jobs created, and whether a new or expanding firm was involved. Eligible zones were defined by the lack of industrialization, by inadequate industrialization, and by the role of the region in relation to the effort to decongest Paris.

French planning is described as indicative planning, as contrasted with imperative or directive planning. Thus no specific targets for individual plants or firms exist; the targets are broad and simply point out the directions desired. Guidance of the economy and development along desired lines is promoted by exhortation, by the usual budgeting and fiscal influences available to governments, by the public enterprises (responsible for approximately 11 percent of net national product and 30-35 percent of annual gross investment), and by the large savings flow that goes through government hands as a result of the previous nationalization of major commercial banks and insurance companies.

In France, there is an unusually close relationship between planning, development programs, and development financing. Local projects receive no national funds unless the local plans have been approved. While the system is inordinately complex, it is an operative national program for stating goals and priorities, refining goals into action programs, and channeling funds to programs.

While each ministry has funds for implementing those aspects of plans which fall within its scope, there are, in addition, four national funding agencies of paramount significance in financing development. They are: the Depository and Consignment Bank and its subsidiaries, Central Territorial Equipment Company (SCET) and Central Building Company (SCIC); the Economic and Social Development Fund (FDES); the National Fund for Land Management and Urban Planning (FNAFU); and the Action Fund for Environmental Planning (FIAT).

NATIONAL PLANNING IN FRANCE

The administrative organization for national planning is exceedingly complex and has undergone frequent modification. The General Planning Commission has approximately forty members, including representatives of all concerned ministries. Its staff numbers about 150, augmented by the services of thousands of persons who belong to committees and subcommittees for the preparation and revision of commission plans. The Commissioner General by law, is ". . . the permanent delegate of the prime minister to the ministerial departments for all aspects of the preparation of the plan."

The commission serves as the chief conceptual agency for economic and environmental planning. With its earlier history of economic planning, it has great strength in the economic sphere and remains responsible for preparation of the five-year plans for submission to the Interministerial Committee and then to the National Assembly.

There are three principal subagencies of the General Planning Commission: the Committee on Regional Planning (described below), the Committee to Update the Plan, and the CNAT. The Committee on Regional Planning consists of the commissioner-general as chairman, the director of environmental planning (CNAT), representatives of concerned ministries and of the Economic and Social Development Fund (FDES), and others. Its responsibility is the proposal and coordination of economic and environmental plans at the regional level.

The Committee to Update the Plan is actually a group of ad hoc committees, appointed anew for the preparation of each five-year plan. The committee's members are representatives of government, management, and labor, and are named by the prime minister on the advice of the commissioner-general; theoretically, they serve as qualified individuals rather than as representatives of particular organizations or interest groups.

The third agency of the General Planning Commission, the National Commission for Environmental Planning (CNAT), is France's principal body for environmental planning. CNAT provides detailed and long-term (twenty-year) environmental planning and is responsible for integrating this planning into regional economic plans. It has seventy-seven members, twenty-seven of whom are ex officio representatives of the ministries and financial agencies, and fifty of whom are drawn from all socioeconomic sectors, including union members, industrialists, and professors. The director of DATAR, described below, is a vice-chairman of CNAT. CNAT's staff consists of about 170 persons.

REGIONAL PLANNING IN FRANCE

During the past two decades the French have developed perhaps the most comprehensive system of regional planning in Europe, at least in theory. The regional planning process is designed so that the regions and the state each evolve development objectives, re-evaluate these objectives in light of the others' objectives, and then agree on long-term and five-year national plans which incorporate regional goals and allocations.

These planning goals lead directly to the creation of a number of new organizational and conceptual devices for linking national and regional development.

The Interministerial Committee for Regional Planning was created at the national level in 1960. It is chaired by the Prime Minister and includes all ministers responsible for some aspect of regional planning and development, including, the ministers of finance, public works and housing, interior, and agriculture. Its chief executive under the present structure is also the chairman of DATAR. The role of the Interministerial Committee is to review all general problems of regional planning and development in order to prepare statements of the government's position on these problems. It is therefore the highest policy-making body on regional planning matters.

DATAR

To help monitor and coordinate regional programs of the various ministries at the national level and to serve as a gadfly to stimulate action along desired geographic lines, the government created the Delegation for Territorial Planning and Regional Action (DATAR) in 1963. As described by Lloyd Rodwin in the 1970 volume, *Toward a National Urban Policy*, both DATAR and the General Directorate of Planning have been responsible to the Prime Minister since 1967 through the authority of a special Minister.

The functions of the Delegation touch all aspects of regional development. It maintains liaison with the regional agencies. It participates in the preparation of regional portions of the national plan, regional public investment budgets, and in evaluating possible modifications of the regional development policies which the regional and national advisory councils have proposed. It presides over and provides secretariat services for the Interministerial Committee for Territorial Planning and Regional Action which formulates basic government policy on geographic issues. It does the same for the Central Urban Planning Group, which brings together representatives of different ministries to deal with the problems of the principal metropolitan regions and reports to the Interministerial Committee for Territorial Planning and Regional Action.

The Delegation is also responsible for the management of the Intervention Fund for Territorial Planning. This fund, amounting to 1½ percent of the public investment budget (equivalent now to about \$100 million annually), is essentially a "sweetener," to foot part of the bill for regional activities, programs, and studies, promoting projects in high priority development areas which might otherwise be neglected.

DATAR is intended to be a small, responsive, and multi-faceted agency, able to take the initiative for new programs and offer creative leadership. It advises the government on where development should occur, and when. In effect, DATAR is the home of national capital programming for the regions.

Some twenty-one programming regions have been created. Each region has a Regional Prefect and a Regional Administrative Conference (CAR). These organizations prepared the regional portions of the national plan, recommended public investment budgets for each region, and provided annual progress reports on the implementation of the plans. Still another development was the creation of the Commissions on Regional Economic Development. These commissions at-

tempted to represent the views of groups outside the government (for example, local councils, commercial, agricultural, trade union and other civic interest groups).

EQUILIBRIUM METROPOLISES

But, Rodwin observes, all of this machinery would be of little value unless there were significant ideas to promote, coordinate, and implement. The main question raised was how to identify the principal metropolitan areas which could serve to develop the regions and offset the dominance of Paris. This was a refreshing change from the essentially fruitless inquiries in the past concerning the optimum size of a city. It was taken for granted that a large city offered numerous advantages and that it would be useful to devise a pragmatic measure of the most significant French cities and their potential areas of influence.

Four basic criteria were used for the selection of cities: their size; the services they had evolved for economic activities; the special services or functions they performed; and their zones of influence. Twenty or more indicators were employed to identify and weigh these factors.

Eight leading cities, in addition to Paris, passed this screening. As a result, in order to provide a balance to the pull of the Paris region—which nearly all Frenchmen acknowledge as overcrowded—and to provide a stimulus to economic activity in provincial areas, eight metropoles d'équilibre have been chosen for special development aid. A concentration of projects around relatively few spatial development centers permits firms to take maximum advantage of the technical and financial external economies generated by interaction of mutually interdependent activities. The number of metropoles is relatively small because major projects, such as large hospitals and airports, are economically justified only if they are assured a sufficient number of users. Nevertheless, the metropoles have been more broadly defined than single cities because larger urban areas are beginning to form as automobile use increases.

The concept of equilibrium metropolises was picked up by the national planning agencies and ministries and, with minor adjustments, adopted as the basic urban and regional strategy endorsed by the Fifth Plan.

THE SIXTH PLAN, 1971-75

The Sixth Plan was debated and passed by the National Assembly in June, 1970.

The Sixth Plan's primary objective is the increased industrialization of France, to be accompanied by increased employment at the target rate of from 50,000 to 70,000 jobs per year. A growth rate of almost 6 percent is proposed. Housing construction would receive even greater emphasis, with an annual target rate of ten dwelling units per 1,000 persons. Budget allocations to education, agriculture, and social services would be restricted in order to increase funding toward industrialization, and herein lay the principal source of objection to the plan.

The Prime Minister's articulation of the role of the plan is as applicable to the United States as it is to France:

The plan is a rendezvous with ourselves; it permits us periodically to interrogate ourselves about our essential problems, while comparing the desirable to the possible. Furthermore, it obliges us to express our priorities clearly and to order our actions to carry out that which we have expressed. In this sense, more than ever, the plan constitutes the indicator of our economic and social development.

LOCAL PLANNING IN FRANCE

The current government structure in France is more proliferated than in the United States. There are 38,000 local governments which vie for power with one another, two intermediate levels of government, and with the national government. On the average, there is one municipality per 5.6 square miles. Ten thousand of the municipalities have fewer than 200 residents, while 25,000 have a population of 2,000 or more.

Anna Louise Strong, in her comprehensive and up-to-date book on *Planning Urban Environments* describes the local planning process in France:

While each local government is locally elected and nominally independent under the constitution, in fact much local autonomy is illusory. Each municipality is financially dependent on the national government and so is firmly tied to a rigid structure of bureaucratic regulations and requirements. Being small, most of the municipalities are unable to afford competent, paid administrators and, again, the national government steps in, by way of its departmental appointee, the prefect, and his staff . . .

While local planning can be traced back to postwar reconstruction in 1919, it is a recent phenomenon for most French municipalities. Under the Planning Law of 1967, all municipalities of more than 10,000 people must draw up comprehensive plans and district plans by 1972. Planning may be carried out by a single city or by the urban communities created in 1967 for some of the larger metropolitan areas. Bordeaux, Lille, Strasbourg, and Lyon all have been ordered to plan as urban communities.

The comprehensive plans usually are prepared by Groupes d'Etudes et de Programmation (GEPs), located in the departmental prefect's office. Only a few of the larger cities have their own planning staffs.

After being available for inspection for three months, the plan is subjected to a public hearing. It then is either approved or disapproved by the municipal council. If the council rejects the plan and the prefect wishes it approved, or if 25 percent of the population disapproves it, the plan is submitted to the Council of State for its decision.

The district plan, a detailed land-use plan specifying zoning districts and densities, undergoes similar procedures except that an appeal may not be taken to the Council of State unless the municipality has a population of 50,000. Once approved, the district plan is binding. Its provisions, such as those fixing permitted uses or building density, are applicable without payment of any compensation. Building permits may be issued only for proposals that accord with the plan.

PRIORITY ZONES FOR URBANIZATION (ZUPS) AND DEFERRED DEVELOPMENT ZONES (ZADS)

The French government, despite its strongly national form, promotes its urbanization policy by stimulating local authorities, not by assuming their roles. The national government provides the financial assistance and increased legal powers necessary for planned urban development. The most important French vehicle for structuring such development is the Z.U.P. technique.

ZUP's, which date from 1958, are locally-initiated areas designated in the plan for priority development. Once a ZUP has been approved by the Ministry of Public Works and Housing, and its financing has been approved by the appropriate national agencies, national funding for land acquisition and for the national government's contribution to streets (30-50 percent), sewerage (40 percent), and water supply (25 percent) is directed there, and is refused to non-designated areas. Intensive development occurs only in the ZUPs, which must be large enough to accommodate 500 dwelling units but which may be large enough for several hundred thousand dwelling units. Development occurs under the aegis of a single agency. A Z.U.P. can be thought of as a "semi-satellite," but not a "new town." In January 1967, there were 173 such Z.U.P.s in France, covering 59,000 acres, with a capacity for 740,000 dwelling units.

Local authorities are given strong development tools by the Z.U.P. legislation. As soon as the decree delimiting the Z.U.P. is published in the *Journal Officiel*, all new State-financed construction (more than 100 dwelling units per commune) must be built within the delimited zone. A developer of housing outside the Z.U.P. may be refused a building permit if his intended site is not sufficiently equipped with public services, and if an equally suitable site is offered to him within the Z.U.P. The existence of a Z.U.P. concentrates housing construction in one sector of a commune so that a comprehensive plan, with reasonable costs for necessary public services, can be prepared, financed, and implemented.

Local authorities are given the right of preemption, similar to eminent domain, and may purchase any ground put up for sale in the Z.U.P. within a period of four years—this may be extended for two years—from the date of the original decree delimiting the Z.U.P. If there is no agreement between the landowner and the commune which wishes to exercise its right of preemption, the purchase price is fixed by regular expropriation procedures. These land acquisition powers limit the land speculation that accompanies any housing project and permit a commune to purchase the land necessary for planned urban development.

ZADs, which date from 1962, are designed to forestall immediate development and halt speculation on land which is intended for middle-range development. Once designated, the municipality may preempt an eight-year option on all land within the ZAD at the land value one year prior to the time of preemption. Later, if the ZAD becomes a ZUP, the preemption period can be extended four more years, for a total of twelve years. An owner may sell the land at this fixed price, subject to the option, or he may demand that the municipality exercise its preemption right within two years of designation. If the municipality exercises its option, it pays the fixed price, corrected for any inflation but without interest. About 250 square miles of land around Paris have been designated ZADs.

HOUSING IN FRANCE

Because of war damage, and increased population, at least twelve million new dwelling units are needed in France in the next twenty years. This is the basic French national housing policy goal. There is a wide gap between housing standards in the United States and France.

Both urban and rural housing stock in France is old. In 1967, 26 percent of all French dwelling units had no running water and 89 percent lacked central heat. Conditions were notably better in Paris, where electricity, gas, and running water were virtually universal. Even there, however, 66 percent of the homes lacked central heat.

While many of the new units are being built in Z.U.P. sectors, there are still three kinds of housing in France: social, private, and cooperative. Social housing, known as "H.L.M." (moderate rental housing), is either publicly or semi-publicly organized and seeks no profits. Private housing, built for profits, may be for rent or for sale as private property, joint property or condominium. Cooperatives, organized to eliminate the profit motive, generally build housing that is superior to most social housing.

The national government implements its housing policy by making several means of financial support available for construction.

There are four main sources of housing construction funds in France. The first is the Caisse des Prêts aux Organismes H.L.M., a public credit institution owned, funded, and operated by the Caisses des Dépôts et Consignations. It grants up to 95 percent of the cost of social housing in forty-year loans at 2.6 percent interest. The chief source for private housing loans is the Crédit Foncier, a semi-public bank that lends funds of the Caisse des Dépôts et Consignations for the national government. Their terms are roughly 4.25 to 5 percent interest for from ten to thirty years. These loans may cover only 30 to 50 percent of construction costs.

A third source of construction money is private banks which make loans at an expensive interest rate (7.5 to 10 percent) for twelve to fifteen years.

A final source of funds is the cotisation patronale, an especially innovative device, requiring all employers of more than ten employees to annually invest in housing the equivalent of 1 percent of the salaries they have paid during the preceding fiscal year. In 1969, French companies contributed \$370 million toward construction of low-rent housing for employees. This accounted for 20% of all new housing units starts in 1969. This assessment of wages and salaries to a private national housing fund, is passed on to construction companies to build low-rent housing.

As in the United States, there is almost no direct national government housing construction in France. About one-third of all housing is built by housing associations and cooperatives, mostly under the moderate rent housing program, H.L.M. But in 1967, only 22 percent of all dwelling units built did not receive some form of government financial aid. In recent years, less than 10 percent of all housing was built without aid.

These subsidies are granted to the family, rather than to the dwelling unit. Young couples and large families meeting specified conditions for income and housing are eligible for subsidies ranging from 45 to 85 percent of their rent, to cover the difference between the rent charged and the "correct" rent for their status. The very poor and the elderly are eligible for subsidies covering 75 percent of their rent: two-thirds of this type of subsidy is paid by the state, one-third by the local government.

HOUSING TECHNOLOGY

The volume of construction is high, and French housing construction technology is now considered among the most advanced in the world. Upgrading of the size and equipment of housing continues. In 1971, "Plan Construction" (equivalent to Operation Breakthrough) was launched and approximately \$70 million set aside for research on housing construction. The Board of Directors includes representatives of 3 ministries and the private sector.

PLANNING AND HOUSING IN FINLAND

Finland shares many of the urban development problems common to most other European countries: migration from rural areas to the fringes of the largest cities, only occasional success in persuading industry to locate in smaller urban areas, and the failure to even begin to meet consumer demand for single-family housing. It has additional problems due to its geography and climate and to the consequences of World War II (which have impeded development of an urban growth policy).

NATIONAL PLANNING IN FINLAND

According to a recent government report, *The Financing of Planned Communities in Finland*, the urbanization process in Finland still occurs without a fixed national policy. It is generally agreed that existing cities and certain growth centers need to be strengthened. Because of this and to the small overall population, there have been no real plans for independent new towns. There is currently no specific legislation providing for a new towns program, despite the success of Tapiola. However, many new satellite towns (dependent on existing cities) have been developed, particularly in the Helsinki area.

As envisaged by the National Planning Office, the broad role for national planners is to advise on the location of production, the development of existing population centers, and the establishment of new centers. To a lesser extent, administrative organization and the role of cultural institutions are included in national planning.

The Ministry of the Interior has final responsibility for planning and building decisions at the national, regional, and local levels. The National Planning Office, which is subordinate to the National Planning Council whose members include representatives of the ministries and state boards related to national planning, submits advice and recommendations to the Ministry and to other agencies, as appropriate. The Ministry of the Interior is responsible for policy. It also is responsible for approving municipal plans including town plans, and master plans, and municipal building regulations.

Most of the country is described as a "developing area." The government has yet to favor the creation of functionally efficient urban centers. Criticism has been raised that there is insufficient coordination between various special branches of government at the national and regional levels.

The government is currently engaged in a full-scale reform of existing planning legislation. It hopes to develop national planning

policies which will promote the development of growth centers other than Helsinki, through the location of new public facilities. Although it is generally recognized that the Uusimaa administrative district, which includes Helsinki, will probably continue to attract most of the projected population increase between now and the year 2000, there is also general consensus that the capital city is already large enough.

REGIONAL PLANNING IN FINLAND

According to the Planning and Building Act Amendment of 1968, the Ministry of the Interior has defined areas within which groups of municipalities for regional planning are responsible for regional planning. Regional planning is directed and supervised by the Ministry of the Interior, the Provincial Administrations and by the National Planning Office. A regional planning authority does not have any implementation power. The legal effects of a regional plan are fairly limited. However, it does provide instructions for more detailed planning.

Voluntary regional planning has been underway since the early 1940s, and virtually all parts of the country are now included in either voluntary or government-mandated regional planning areas. The content and complexity of the plan depends upon the stage of development of the region. The Ministry of the Interior provides financial aid to voluntary regional planning agencies and pays half the cost of compulsory regional planning, with local governments in the region contributing the remainder.

Finland has made a good start in regional planning. A "structural plan" is completed for all fourteen regional planning districts, as a result of a planning directive from the Ministry of Internal Affairs. The structural plan includes the systematization of different types of centers as well as major communications elements. Urgent tasks include the determination of natural areas to be preserved untouched in each region, and the reservation of land for recreation and tourism near urbanized areas.

By 1970, preliminary regional plans, drawn up by associations of communities, had been completed for southern Finland and for part of central Finland. Efforts to combine these plans have been handicapped by the lack of uniform demographic and economic prognoses and development objectives. They have also been complicated by the sometimes conflicting aims of Finnish national planning, which are to: mobilize the country's scarce resources; promote national economic growth; and, at the same time, assure the same level of welfare to the inhabitants of all regions.

To date, the dominance of rural interests in Parliament has resulted in a lack of emphasis on clean urbanization policies. Regional plans are also needed for areas of population out-migration and for those of in-migration.

Reform efforts in planning legislation now underway provide for the present regional plan to be more than a mere land use plan. It is expected to be a statement of the regional policy measures i.e. a regional strategic plan for long term development.

LOCAL PLANNING IN FINLAND

There are three types of municipality in Finland: the city, the town, and the rural municipality. As of 1965, there were 46 cities, 24 towns, and 476 rural municipalities, half of which have fewer than 4000 inhabitants. Planning at this level, as provided for by the 1959 Building Act, includes the building plan, town plan, and master plan. The building plan is for rural areas only, and is prepared by the municipality and approved by the provincial administration, acting as an arm of the Ministry of Interior, subject to advice and coordination from the National Planning Office.

Characteristic of the Finnish administrative system is the strong position of local self government. The municipality has the right to form its own general policy under the general supervision of state authorities, determine the rate of taxation, and regulate land use in densely populated areas.

The use of a master plan, which consists of a plan in general features for the present and future uses of the land of the municipality, has not yet become common. Rural municipalities are not obliged to a plan drawup. In order to become legally effective, a master plan must be submitted to the Ministry of the Interior for approval. Plans similar to a master plan, which are not meant to be submitted for approval, are drawn up in many municipalities. In most of them, the general outline for land use is considered inadequate by national officials.

Town plans are made for dense population areas and are the responsibility of cities and towns. A detailed town plan must be approved by the Ministry of the Interior. The same applies to bylaws. Although many plans of both types are in the process of being drawn up, and have been required since 1959, few have yet been completed and approved.

At the local level, there are increasing tendencies to combine all local planning under one local authority and to establish better links between local public planning authorities and private developers. Many urban communities are establishing building registers. These registers will serve as local data banks in cooperation with the development of national demographic, building, and other registers.

To date, planning has been mainly concerned with the expansion of existing areas and with the development of new housing areas around old towns. Problems of urban renewal are few because there are reportedly no slums.

It has not been possible to develop new towns, as a general policy, because the expropriation laws are not sufficient for these purposes. At the time that Tapiola was started, raw land was acquired through voluntary purchase.

Legislation is now being prepared for a new planning instrument for the municipal area level. It is suggested that for each local authority's area a so-called implementation plan will be prepared. This short term plan would control all development and essential changes of environment within one municipal area. The plan would indicate priorities, timing and costs of the planned changes. The local authority would also have increased possibilities to control the environmental quality of its area.

The formulation of this new plan is the major proposed change in the land-use planning machinery. The new plan will designate for each five-year period the areas where development can take place. The plan is to be renewed annually and new areas are added when necessary. This is a reverse of the present situation where all development is allowed unless it is not specifically prohibited or restricted. With the proposed system, the power of the authorities to control changes in the environment should increase considerably.

If these propositions are approved, the new machinery will be tested on a small scale, within certain municipal areas, before their wider application.

HOUSING IN FINLAND

The proportion of owner-occupied dwellings in Finland is relatively proportionally high by European standards, accounting for some 60% of the total housing stock. In 1970, 93% of dwellings produced were equipped with hot and cold running water, indoor plumbing and a water-closet: this may be compared with a level of only 63% in 1959.

An effort has been made to intensify the production of rental housing, since for the most part industrial manpower consists of workers newly released from agricultural production, who may not have the resources to acquire their own dwellings.

HOUSING SUBSIDIES AND ASSISTANCE

In order to reduce the costs of housing, families with children living in rented dwellings are entitled to state housing allowances. The objective is to bring the cost of housing down to about 20% of the family's income. Since the beginning of April of this year, single-child families, in addition to families with at least two children, are entitled to this allowance.

The need to place an increasing number of elderly persons with low incomes in new and modern dwellings has been made easier by the new system of housing allowances for the aged, which came into force in 1970 and which is being refined.

In addition to these social welfare programs, the most important form of State support for housing production consists of low interest loans, given as secondary credit. These loans may be granted, according to the Housing Act, either for specific building or on a personal basis.

The National Housing Board was established in March 1966, as successor to the State Housing Board. It has the following purposes:

- (1) To achieve steady growth for housing.
- (2) To prepare a national program for housing.
- (3) To regulate community housing programs.
- (4) To give loans and guarantees, subsidize interest, award research grants, and give housing allowances.
- (5) To make proposals for annual housing appropriations.

To centralize administration, the Housing Board is placed under the Ministry of Internal Affairs.

The National Housing Board, ARAVA, is the chief source of government financial aid to private urban development, supporting about 25 percent of current housing production.

ARAVA is used to promote the government's policies of relieving the housing shortage, ameliorating housing conditions, and providing wintertime employment.

If ARAVA decides that land costs are too high, loans may be refused; however, no one figure has been established above which land will be classed as too expensive, because land costs vary considerably throughout the country.

When ARAVA loans are used to subsidize the building rental housing, ARVA controls the rents charged, permitting the owner a return of 6.5 percent on his investment. In addition, ARAVA oversees tenant selection to assure that preference is given to those in greatest need of housing, and control housing standards.

Housing credit, granted by the state, has increased constantly. At the same time, there has been an intensified effort to substitute personal housing loans for loans granted for a particular building; in other words, the loan is granted directly to the person in need of the dwelling, so that the real need for a state loan of the family in a particular dwelling can be taken into account. As long as a loan is granted for a particular building as a whole, each apartment in the building receives the same benefit from the loan. The shift toward personal credit makes it possible to scale the amount of the loan to the income and property of each individual family. In this way, two objectives can be achieved: the more effective distribution of state loans among different families, and the intermingling of families at different socio-economic levels in the same housing areas.

The Finnish money market is primarily operated through the private banking system. The central bank and sole bank of issue, The Bank of Finland, is an autonomous public institution operating with the support and supervision of Parliament. Both building mortgages and personal housing loans have belonged to the lowest interest rate categories, which in practice has meant an interest rate of about 7.5-8.5%.

PLANNING FOR HOUSING

In 1967, a new Housing Act took effect which among other things, charges all the communities of more than 10,000 inhabitants with drawing up five-year housing programs. This amendment has a positive impact on the drawing up of master plans. The primary objective of the housing production program is to guide housing construction in such a way that the people amount and type of housing is built in the right place at the right time.

The second objective is to avoid large periodic fluctuations in construction. The programs help to indicate bottleneck situations affecting housing production so that steps can be taken to eliminate them. Of the factors holding back housing production in Finland, the most important ones are the problems connected with financing and the lack of land suitable for construction (long-term land policy, planning and public utilities construction).

Of the undeveloped land in cities and towns which has been allotted for housing and related purposes, or is suitable for them, the cities and towns own 29%, the state and the congregations own about 1% each, and other communities and private owners own 70%. The situation varies considerably in different cities.

The programming of housing production at the national level will begin during 1972. The principles and organization of the programs have now been worked out.

Municipal housing production programs for five-year intervals, to be drawn up annually, have now been prepared for the period 1972-76 in 182 municipalities, representing some 36% of all Finnish municipalities. Many rural municipalities, which are not legally required to draw up housing production programs, have done so voluntarily. About 85% of all housing production currently takes place in municipalities in which such programs exist.

During the past year, a study was made of the financing of housing production in Finland. According to the study 51.1% of all housing production is financed by banks and insurance firms. The state's share was 19.1%, and that of private dwelling purchasers 23.4%. While a preponderant share of the financing of housing production comes from private sources, state housing appropriations have increased five-fold from 1966 to 1972 (or four-fold in terms of the 1966 value of the mark).

To cope with the pressure of rapid population growth in the municipalities of the Helsinki metropolitan area, arrangements were made to transfer normally public construction tasks connected with the urban development to private developers, and today this procedure is quite common. Arrangements of this kind are usually considered to be necessary when the annual population growth exceeds 2-3%.

Experiences gained from this arrangement are in many ways positive. Some 15,000 dwellings are constructed annually quickly and flexibly. One of the consequences has been the growth of bigger companies which are able to make more effective use of new construction technology. The environment created is usually considered to be quite satisfactory, or even good, as in Tapiola.

NEW DIRECTIONS IN HOUSING POLICY AND TECHNOLOGY

In order to stimulate the investment of private capital in housing, production tax exemptions have been granted at various times, but this has been gradually withdrawn because of speculation and reduced public tax funds. Only owner occupied dwellings are presently exempted from taxes.

A governmental committee recently published its recommendations for the future policy of the financing of housing. According to these, government subsidies for housing should be increased only on social grounds. No general tax reliefs were considered appropriate. A suitable form to promote individual saving schemes by rewards should be introduced. The share of individual financing should be reduced particularly during the first years after the completion of housing projects. The committee also emphasized the necessity of middle- and long-term planning of housing production and proposed that the allocation of state grants be fixed rather firmly for 3-5 years in advance.

Smallness continues to be characteristic of Finnish building enterprises. The share of the ten largest building firms of the total market, toward the end of the 1960's, was about 26%. Recently, however, some concentration has been taking place.

As early as 1966, over half of the multifamily government-subsidized housing was prefabricated, and over a third of the detached houses were standard models. Finland exports prefab wooden houses.

The process of unification of the building standards in the Nordic countries continues. The purpose of this work is to devise a set of uniform building norms for all the Nordic countries by the year 1975.

PLANNING AND HOUSING IN SWEDEN

The Swedish Government's national urban growth objective is to provide an equal level of urban services throughout the country. Current national planning is aimed at building up communities other than Stockholm, which is approximately twice as large as Sweden's next largest city. The government is even willing to move large government offices out of the city to help accomplish this. It also provides direct financial assistance to improve economic, social, and cultural conditions in the depressed and sparsely-settled north. It has already reduced the number of municipalities from 2,000 to 1,000. It hopes eventually to reduce these to 200, each with a population of 120,000. The Ministry of Labor and Housing is currently preparing an "action program" for urban growth which it hopes to present to Parliament in late 1972. This program is based on municipal development priorities and goals, recently established by the county administrations in cooperation with the municipalities under their jurisdiction.

Commenting this year on the Plan to American officials, the Minister of Labor and Housing summed up the linkage between housing and urban growth objectives:

In Sweden, the discussion concerning old and new buildings, high-rise or low structures constitutes an integral part of the public debate on the environment which is becoming increasingly intensive. One of the major issues in this debate is the use of land resources.

A national plan outlining how our available land resources should be utilized is being prepared and is expected to be presented by the end of this year. The problem concerns the important question of how to economize with our limited land resources and to balance the different interests that are competing with one another for the available land. An essential task for our planning work is to insure adequate protection of valuable environments against pollution and unsuitable exploitation.

This section was heavily dependent for information on (in addition to the material information gained in interviews with Swedish officials) the Swedish government report "*Physical Planning in Sweden*," the National Board of Urban Planning, information in English, No. 2, 1972, and a still-draft *Report on Housing and Urban Development in Sweden* dated March 8, 1972, prepared by the Office of International Affairs of the U.S. Department of Housing and Urban Development. Anna Louise Strong's *Planned Urban Environments*, cited above was also very helpful.

NATIONAL PLANNING IN SWEDEN

Swedish national interest in planning dates back to the 1500's, when proposals for new town development had to be approved by the King before building could start.

National planning consists of the work of various national boards, in the development of standards and, in a few instances, in the prepa-

ration of national plans covering the board's particular area of responsibility. Concern over the secondary effects of a relatively affluent society—increasing urbanization and the concomitant depopulation of the countryside, rapidly rising car ownership, greater leisure time, and the expanding conflict between demands for coastal land for summer houses, for industry, and for public open space—underlies the growing interest in national growth planning.

In local areas where no detailed plan exists or is in preparation, the national and provincial governments have a number of means of controlling land use, including, at the provincial level, categorization of a proposed use as dense development, issuance of prohibitions, shoreline regulations, and, at the national level, designation of nature monuments. Many of these controls have aesthetic objectives.

ACTIVITIES OF THE NATIONAL PLANNING BOARD

The National Board of Urban Planning was established in 1967. It is the central administrative agency for planning settlements and building construction.

Building legislation contains regulations for both the planning of settlements and residential building. Provisions governing planning mainly regulate the preparation of settlement plans, whereas building regulations are primarily concerned with the construction of buildings from a technical point of view. Building regulations are often only general rules, which to a great extent need to be augmented with more detailed stipulations. It is the duty of the Board of Urban Planning to issue such stipulations.

Moreover, the Board has to issue advice and instructions for planning and for construction. Such advice and instructions have, in contrast to stipulations for construction, no legal force.

The Planning Division deals with matters of planning which are referred to the Board for consideration and pronouncement. Planning matters against which an appeal has been lodged with the Government are, as a rule, referred to the Board for opinion. Furthermore, the Board has to make reports on a great number of matters regarding permits pursuant to the Environmental Protection Act.

The task of working out recommendations for advice and instructions for planning devolves on the Development Division. As it is the municipalities and countries who are responsible for the planning of settlements, advice and instructions are mainly issued to them.

The Technical Division is responsible for the preparation of regulations, advice and instructions for residential building. The Board attempts to promote the trend in the building industry toward mechanized building methods by issuing information on approved types of prefabricated buildings and building elements. Types of building materials approved by the Board of Urban Planning may not be rejected by the municipalities when they examine applications for building permits.

NEW DIRECTIONS

In 1968 a government committee was appointed to draw up recommendations for new national planning legislation. The committee was instructed to assume that there is a national physical plan, which will

serve as a key plan for regional and local physical planning. A special memorandum has also been prepared recommending the changes necessary in current legislation to enable physical planning on a nationwide scale. It is recommended that the Government be given the power to instruct municipalities to prepare master plans and get them ratified, where this is necessary to ensure the attainment of objectives indicated in the national plan. Moreover, proposals have been made for changes designated to give the State greater power to control the establishment of scattered settlements and the location of polluting industries. These proposals are now before the Swedish Parliament.

REGIONAL PLANNING IN SWEDEN

In Sweden, regional planning has been partly voluntary and partly obligatory. Contiguous or neighboring municipalities may decide to establish a common regional plan and, in so doing, utilize available central government assistance. Alternatively, the central government may order the formation of a regional planning federation, whether or not all communities are agreed. The regional federation for the Stockholm area was formed by central government statute. There is no comprehensive national plan but national sectoral plans exist for highways, hospitals, electric power, and agriculture.

In 1965 new regional legislation was enacted, broadening the scope of regional policy and applying it nation-wide. The goals of this new policy are to "maximize the national product by promoting a location of industry and commerce in different areas which will make efficient use of the available factors of production," equate social and cultural services throughout the country, reduce difficulties encountered in economic expansion or structural change, increase employment opportunities, and facilitate national defense.

REGIONAL INCENTIVES

The regional development policy is pursued through three means: regional planning; information and guidance; and financial support. The financial support, in the form of both investment subsidies and loans, is directed principally to the Northern Development Area of Sweden, which has $\frac{2}{3}$ of the country's area but only 17 percent of its population. The subsidies provided do not, in general, exceed 35 percent of total investment costs. In implementing regional development policy, the legislation requires that "stimulative" measures only be utilized, that coercive means may not be applied, and that "market forces are to be interfered with as little as possible".

LOCAL PLANNING IN SWEDEN

Urban planning in Sweden is metropolitan-wide, and is the function of the municipalities who are responsible by law for land-use planning, housing production, and the rehabilitation or demolition of substandard structures.

Municipalities with appreciable residential construction are legally required to prepare five-year housing production programs, which form the basis of annual two-year housing production programs for the entire country. They must also draw up long-term, intermediate,

and one- or two-year land-use plans, which cover, respectively, the whole municipality, a single section, or a specific site. According to a recent U.S. Mission, headed by the Under Secretary of the U.S. Department of Housing and Urban Development, these plans are implemented more effectively in Sweden than in the U.S. because:

The municipal practice of leasing rather than selling land enables Swedish cities to control its use.

Private developers must conform to municipal plans.

Legal restrictions on the individual's use of his land force him to comply with the municipal plans or to sell his land to the municipality, which then leases it to someone who will.

LOCAL PLANNING LEGISLATION

Sweden has no legislation dealing solely with planning; the 1947 Building Act and the Building Statutes of 1959 contain the basic planning authority.

Settlements supplying the needs of agriculture and forestry are, in the main, uncontrolled. In the case of other types of settlement, the building legislation makes a rigid distinction between urban settlements and rural settlements. Urban building is subject to strict control, and the local public authorities have the sole right to plan where and when construction may occur.

All Swedish municipalities are required by law to prepare five-year housing production programs. They must also draw up the following three types of plans, although all have not yet done so.

A ten-year or longer "master" plan which covers the whole municipal area and which includes projections of population, economic development, physical, economic and social resources and limitations, and estimates of the needed construction and open space.

A five-year "disposal" plan which includes similar projections and which covers a single neighborhood or geographic section of the municipal area in greater detail.

A detailed physical "town" plan which is implemented in one or two years and which specifies every detail of land use for a specific site.

The master plan is regularly amended from time to time and is followed religiously as a guide for more detailed planning of future development and land-use. The disposal plan is considered an intermediate tool and is used primarily to supplement the master plan and to interrelate the master and town plans. The latter must be approved by the Municipal Council which has political responsibility for planning.

These plans are drawn up by the National Board of Urban Planning's "Local Building and Planning Committees," which are responsible for municipal building and planning decisions and which are required by national law in each municipality. They are prepared according to the framework established by the Board, which issues regulations for the construction and design of buildings and other works, approves plans submitted to it by the national and local governments, and provides technical standards and advisory services on construction.

The Local Building and Planning Committee is staffed by the Municipal Building and Planning Office. This office is subordinate to the Municipal Council. It consists primarily of architects, planners, land surveyors, and engineers, and does not appear to include social scientists or specialists in education, health, etc.

PLAN APPROVAL

Plans are developed in what is deemed the public interest but are drawn up in virtual secrecy. Comment is received only after they are published and is provided by experts or by large institutions, such as builders' associations, and labor and tenants' unions.

Detailed plans are a prerequisite to intensive development. They need cover only those areas where dense development is anticipated. Once officially adopted, the town plan places on the municipality the responsibility for land acquisition, development of community facilities, and amenities such as streets, parks, and market places. Condemnation may be applied, if needed.

All types of plans obtain legal effect after being approved by the municipal authority and ratified by the county administration or the government agency. Caution has been observed in ratifying master plans, as ratification has extensive legal implications, such as obligation on the part of the municipality to arrange for infrastructure and the release of land. Thus far, only six regional plans and ten master plans have been ratified. But several master plans have been approved by the municipalities only, and these provide *ex officio* guidelines for the expansion of municipalities.

MUNICIPAL PURCHASE OF LAND

Stockholm and other Swedish cities have been purchasing land for half a century, both within and outside their borders, to provide for future development and control the land's market value. They frequently retain control of this land by leasing rather than selling it. In all cases, developers are required to conform to official plans. This makes land-use planning easier and more effective, and gives the municipalities some of the "unearned" increment resulting from higher land prices due to urbanization, though at the cost of purchase and loss of taxes. The usual practice is to lease it for farm use until development is imminent, then lease it for development under a sixty-year term. There is a tradition of extraterritorial land purchase in surrounding municipalities, primarily for housing sites. Currently municipalities are buying little land for future development, and have developed or leased most of what they own. Although there are a few administrative and legal barriers, the main impediment to municipal land acquisition is lack of funds.

THE CASE OF STOCKHOLM

A *Washington Star* reporter investigating European new towns in 1969 was obviously impressed with Stockholm's satellite communities.

Imagine that the District of Columbia had begun buying land in the suburbs at the turn of the century, and was building planned communities a few minutes' walk from large shopping and cultural centers and from a subway reaching any part of the metropolitan area.

These city-owned planned suburbs of about 50,000 people apiece might be located in Wheaton and Greenbelt in suburban Maryland, in Vienna and Annandale in suburban Virginia.

No American city has done anything like this.

But Stockholm has.

Stockholm's land acquisition program was aggressively pursued, beginning in the early 1900's, by a conservative municipal government which began buying large holdings well outside the city's boundaries and the developed areas.

All municipally-owned land is leased. Stockholm develops land in accordance with its plans rather than as a reflection of the market value of a given site. Land acquisition costs are aggregated so that the rents from a particular site need not return its acquisition cost to the city.

Three-quarters of the housing built since World War II is on municipally-owned land. The present satellite communities—Vällingby, Farsta, and Bredang—were built on city land. Each of the satellite centers is designed, not only to provide easy subway access to the central city, but also to create a sense of place and neighborhood. This is accomplished by providing quick pedestrian access to schools, shops, and community facilities, separating the centers from one another, and by giving each center unique physical characteristics.

HOUSING IN SWEDEN

Sweden's current housing situation is surprising. The country did not participate in World War II and suffered no war damage; it has a steadily growing national product and the highest per capita income in Europe; *its housing production in units per thousand per capita is the highest in Europe, currently almost twice that of the United States, and yet it has serious housing shortages and feels required to maintain rent controls.*

Housing production comprises a larger proportion of the GNP in Sweden than it does in the United States. The proportion of national savings channeled into housing is also considerably higher in Sweden. This is due to the high priority the government currently places on:

Assuring an adequate volume of housing production to meet the requirements of new households to reduce present serious overcrowding, to provide a vacancy rate sufficient to accommodate population mobility and to issue stable employment in the construction industry:

Assuring an adequate flow of mortgage credit to support the desired volume of construction.

At the present time, national housing policies are more clearly articulated and more closely adhered to than planning policies.

The HUD mission found that the Swedish government plays a large and affirmative role in determining the quantity and type of housing that is built, where it is built, and by whom. Although private enterprise participates significantly in both housing construction and financing, the private sector appears content to respond to government leadership and initiative.

The government annually determines how many housing units are to receive state mortgage aid in the ensuing year, how much money is to be provided for such aid, and how construction is to be divided

between single- and multi-family housing. Following this determination, the National Housing Board is responsible for allocating the total number of authorized housing units among the provincial housing boards, each of which, in turn, allocates its housing units to the municipalities within its territory. If a municipality is not prepared to accept its quota of housing, the units must be reallocated to municipalities able to build them.

Given that up to 90 percent of all housing construction is dependent on receipt of government mortgage assistance, these housing unit allocations effectively limit the volume and location of housing construction which a given community may undertake.

SUBSIDY AND HOUSING ALLOWANCE PROGRAMS

The government's fiscal and monetary policy, as well as its housing finance policy, are aimed at assuring an adequate flow of funds into housing production. Government housing credits (subsidies) are designed to cover the top part of needed housing credits, those which cannot be secured in the capital market. About 70 percent of dwelling production costs come from the investor, or capital market sources, and most of the remainder comes from the government. Although the *government estimates its involvement at just over 20 percent of all housing credits, this is so widespread that perhaps as much as 90 percent of all dwellings being built receive some government aid.* The government also holds periodic discussions with private lenders who supply mortgage funds for housing construction. As a result, housing construction has been stable in recent years.

Sweden is replacing its extensive interest rate subsidy program with a housing allowance program. This change was due to the high cost of the former which, although not as deep as current U.S. interest rate subsidies, was far broader. The interest rate program also benefited many middle-income families whose need for the subsidy was not great.

Swedish experience in shifting from interest rate subsidies to housing allowances has indicated that:

It is difficult both politically and economically for a government which has been involved in a large housing production subsidy program to withdraw from it.

The Swedish government has not relinquished its leverage on the rate, location and character of new construction.

Housing allowances are not necessarily less costly than production subsidies.

The Swedes have developed a system of parity loans to ease the impact of the change from one program to the other on the housing market and rents. The housing allowance program is aimed at providing economic support for low-income families with children, and to improve their standard of housing. The cost of administering (5 percent) is considerably lower than the current estimated cost of administering a housing allowance program in the United States.

Eligibility is determined from tax returns, and eligible families are sent applications and instructions on filling them out. Payments are in cash. There are no inspections to determine if recipients are adequately housed.

LOCAL HOUSING PLANNING AND MANAGEMENT

Parallel with comprehensive physical planning, practically all municipalities carry out continuity planning of residential building. Every year, the municipalities prepare a residential building program for the next five years. These programs contain details not only regarding housing increment size and its breakdown by type of house and dwelling unit area, but also particulars on the location of housing and ownership of land. These programs provide the basis for the planning of social services, building of roads, mains and, not least, development agreements with landowners on land acquisition.

Non-profit public groups and cooperatively-owned private groups manage more than 50 percent of all multi-family units in Sweden. They are large, powerful, well-capitalized, and leaders in residential development.

HOUSING TECHNOLOGY

The Swedish building industry, like that in the United States, has a very low level of concentration. But Swedish firms appear more willing to invest large sums in industrialized building factories, and in long-range research in industrialized building products and procedures than are most American firms. Sweden, unlike the United States, has a national building code permitting the industrialized housing industry to operate nation-wide, and a National Board which approves system components. Since 1966, the Government has allocated 10,000 units a year, or 10 percent of Sweden's annual housing production, to industrialized housing producers in the form of advance notification of loans. This enables producers to plan future production with the knowledge that their output will be saleable.

BUILDING SYSTEM

The backbone of the industrialized building industry is the concrete housing unit for multi-family housing, although production of prefabricated wooden housing is significant. Many Swedes, including some in the industrialized housing industry, wish to return to low-rise construction. There is increasing public pressure for reintroduction of the single-family house.

PLANNING AND HOUSING IN POLAND

Postwar development policies in Poland have given first priority to national economic growth. In Poland, unlike most other European countries, there is no large capital city playing a dominant role. The city of Warsaw has a population of only 1,300,000 in a country of 32 million. War damage and later exchanges of population with neighboring countries slowed down the rate of growth of most of the Polish towns, some of which have not yet reached their pre-war population level, so that they have ample scope for natural development.

The guidelines for a policy of national growth policy have a different emphasis than in most other countries. The main aim is to ensure the balanced economic development of the whole country, since at the end of the war 69 per cent of the population was rural.

Two principles—a balanced economic development benefiting all regions alike, and economic plans—have guided the authorities in their choice of sites for development, particularly of industry. The general principles were established early:

The avoidance of establishing industries not directly linked to the extraction of raw materials in existing industrial regions (particularly Upper Silesia).

The installation near, but outside, these regions of industries using these raw materials (coal), but not essential to the coalfields, to create new industrial complexes (Cracow, Czestochowa, Opole).

The establishment of new industrial centres in the rural areas of the country (the area in the angle of the San and Vistula, the Wizna region and the area around Pila).

The siting of industries not dependent on coal in existing or planned urban centers.

NATIONAL PLANNING IN POLAND

A Department of Land Development was set up in 1966, under the National Economic Planning Committee deriving its powers from the Council of Ministers, entrusted with the detailed study of a coherent national planning policy and long-term economic plans.

This development reflects a move toward integration of physical planning within the already established pattern of economic planning, which is characteristic of communist countries.

At present, the responsibility for planning is shared at four administrative levels: the government (for the national policy of land use); the seventeen regions, each with its economic planning committee possessing a department for regional planning and a department of town planning, entrusted with local plans; 235 districts (out of 356), each with its town planning section; and finally the local authorities.

TYPES OF PLANS

Poland has three principal types of general economic plans: annual, short-term (five-year), and long-term (perspective) plans. The one-year and the five-year plans operate on a national scale and on a local scale. Recently annual and short-term planning has been supplemented by perspective planning. A perspective plan is elaborated to cover a period of fifteen to twenty years and to cover the entire economy of the country. Perspective plans are also being drafted for the economic regions of the country as well as for certain sectors. There is, however, no one general system of perspective planning to be applied to all economic units.

The predominance of annual plans, with the drafting of annual objectives for enterprises, has been a characteristic feature of the Polish planning system. It is justified by the economic situation of the country and the accepted objectives of Polish economic policy.

Proof that national planning is not mere theory or paperwork but rather deals with the realities of life for the man in the street is documented by recent Polish developments.

FIVE-YEAR PLANS

The National Economic Plan for 1966-70 followed the pattern of the first and second five-year plans. It called for further industrialization, mechanization in agriculture and some modest expansion of the service sector.

Demonstrations and strikes in various Polish cities began at the end of 1970 and early in 1971, when Polish workers protested against increased living costs, lack of housing, and other economic problems. The new Polish leadership moved in the direction of bringing about a substantial improvement in living standards, including a downward adjustment of food prices, modest increases in planned production of housing, and the development of a "people's" car. Private agricultural production was stimulated.

The Gierek government ordered a revision of the *National Economic Plan for 1971-75*, originally drafted by the previous leadership. In December 1971, the Sixth Party Congress adopted a resolution which sets forth the primary objectives and development goals for the economy in the current five-year plan. According to the resolution, *the principal aim of the Party's revised socio-economic policy is to systematically improve the living conditions of the average citizen through higher wages, a better supply of consumer goods, and accelerated housing construction.* National income is to increase 40 percent in the five-year plan period, while real wages are to rise 18 percent, double the rate achieved in 1966-70. The revised plan also calls for high growth rates in consumer consumption, investment and agricultural production.

REGIONAL PLANNING IN POLAND

The basic goal of land policy in Poland is to achieve industrial development for the entire country. Further growth of high density areas is discouraged and little-developed regions are being gradually prepared with social and physical infrastructure for more advanced industrialization. Definition of the most appropriate functions for each region and area is a direct objective of current Polish planning studies.

According to Part II of the Act of 1961, regional plans must define the directions of general economic and social development of the area, the methods and steps in implementation, the principles of distribution of productive forces and service investments, the configuration of settlement network, and the distribution of population, as well as general land use. Plans are prepared for periods equal to those of the National Economic Plan. They take the form of both general plans and detailed implementation plans.

A general regional plan is prepared for each state within the country. This plan in principle covers the area defined by administrative limits. With consent of the Chairman of the Planning Commission of the Council of Ministers and related State Councils, a regional plan for areas other than a state can be prepared. Detailed regional plans are prepared for those parts of the state or of neighboring states where large economic investments or activities are expected.

THE REVIEW AND APPROVED PROCESS

Regional plans are prepared by the Department of Economic Planning of each state, in cooperation with advisory committees composed of government officials, scientific institute representatives, and individual scientists appointed by state and national authorities. After coordination with related administrative departments, plans are approved by state and independent municipal councils and presented as proposals to the Council of Ministers. They are examined by the Planning Commission of the Council of Ministers and by its Committee on Building, Urbanism and Architecture. The Council of Ministers then must approve the basic elements of each regional plan.

Regional plans are generally implemented through adoption of consistent local land development plans. Regional plans are also used as a basis for decision by the national government on the location of major industrial, building, and road investments. The Chairman of the Planning Commission of the Council of Ministers, in consultation with the Chairman of the Committee on Building, Urbanism and Architecture, has authority under the Act of 1961 to publish development orders for implementation of regional plans.

THE WARSAW REGION AS A CASE

The Planning process in the Warsaw region may be indicative of other regional planning efforts in the country. In July 1969, the plan for the Conurbation and city of Warsaw was accepted by the Minister of Building, and on July 10, 1969 it was approved by the joint session of the People's Councils of the City and Voivodship of Warsaw.

The following general principles have been adopted for the development of the city of Warsaw and its Conurbation until 1985:

Curbing the rapid population growth by planned restriction of the number of new places of work;

Increasing the standards of satisfaction of needs and services for the inhabitants, in all spheres of life;

Diminishing the disproportions in the standards of satisfying the needs of the inhabitants of the towns of Warsaw Conurbation and of the city of Warsaw, leveling the standards of the respective districts of Warsaw;

Expansion of the city's service functions and enhancement of the amount of leisure time of the inhabitants.

Providing for correct ecological and climatic conditions in the city by setting up an air-penetration system of open spaces.

In order to relieve the region, and especially the city of Warsaw, from excessive migration of population—at present it is curbed by administrative regulations, the regional plan provides for the establishment of major centers of industry and services in chosen towns of the region. These are situated some 20 miles from Warsaw, namely in Plock, Ciechanow, Ostroleka, and Siedlce. The intent is to raise them to the rank of centers of industry, cultural life and services.

LOCAL PLANNING IN POLAND

There are, in theory, three types of plans at the community level, distinguished by their different targets: the master plans, latecomers

in Poland, are very long-term plans aimed at directing development for twenty years or more, and are in preparation experimentally at Cracow and Gdansk; medium-term plans (twenty years) to carry out the dictates of the economic plan (which itself has a target of more than twenty years); short term (five-year) plans, which carry out the different parts of the medium-term plans and are in close conjunction with the five-year economic plans.

This task of town planning was fairly well advanced by 1964, when 867 towns out of 891 had medium-term plans, accompanied by detailed studies of the proposed level of services and the development necessary to achieve it. The short-term plans contain details of the financial needs of the next five-year period. Due to the work done in the Polish departments of town planning and land development, not only a large range of studies and plans but a profession of town planning and land use has gradually been developed over the last two decades.

General plans for cities and groups of settlements are prepared by the planning departments of the various states. General and detailed plans for towns and villages are prepared by district planning departments. There is provision for coordination of local plans which affect more than one locality, higher authorities having the final control.

Citizen participation in preparation of local plans is achieved by involving local councils in the planning process. Before making planning decisions, these councils must organize a public discussion and consider criticism and proposals.

SOME DIFFERENCES

A British observer commenting on local planning in Poland (MacMurray, *Town and Country Planning*, February 1971) was struck by three basic differences from English planning practice. First, Polish planning seeks to create cities without social or economic divisions. There is a commitment to the socially integrative value of housing and a wide range of social services. Second, city planning is greatly influenced by economic plans which provide specific instructions on industrial location and limits on high rates of urbanization in already developed areas. The city planning process is thus given a strong physical-engineering-architectural bias. Third, policy calls for high-density urban areas with new residential development slab and tower block apartments.

HOUSING IN POLAND

A trend from state housing to cooperative housing and, most recently, to a larger role for privately-produced construction is now underway in Poland. A recent observer (Drover, *Canadian Welfare*, Nov./Dec. 1971) has summarized the basic facts and developments. Starting after World War II with one of the most severe housing problems in Europe, today the depleted stock has been replaced and housing conditions have improved to the extent that overcrowding, while still serious, has fallen from 2.7 persons per room to 1.37 persons per room in 1970. This has been achieved by a rate of production that has annually increased by 11,500 units over the past decade and has resulted in 197,000 dwellings, mostly apartments, completed in 1969. The rate of investment in housing during this period averaged 17 percent of total investment outlay.

To reduce the density of occupation even further and to achieve a public-sponsored objective of 1.0 persons per room by 1985, the government will almost certainly have to double the present production of housing and foster a large share of private and public expenditure in housing.

ALTERNATIVES TO STATE HOUSING

Since 1963, the ratio between state and cooperative housing has almost been reversed; at the present time up to 80 percent of all new housing units in cities and towns are estimated to be sponsored by cooperatives. This trend to increase the population's contributions to funds for housing building stems in part from the necessity of placing less of the total burden of building on the government, and reflects a change seen in several countries in Eastern Europe during the late 60's. The expansion of the role of cooperatives was further intensified in 1965 and the emphasis on more housing is likely to be even greater as a result of the riots in 1970.

In urban areas most residential dwelling construction has been in the form of apartment blocks. Until 1955 residential developments were generally of blocks and bricks, with five stories. Subsequently new types of prefabrication were developed and a major emphasis was placed on reinforced concrete frames with block infilling. Big panel construction is expected to take up 50 percent of all new construction by 1975; 90 percent of the housing is in the form of apartment developments ranging from 5-17 stories. Housing toward the center of cities is being built, on the average, at a density of 400 persons per acre and on the periphery at a density of 250 persons per acre. This tendency to produce housing at such high densities on the edge of cities does not stem, as it does in western countries, from high costs of land. It is instead encouraged by a major reliance on public transit and central city heating plants, both of which require high concentrations of population to be economical.

THE IDEOLOGY OF HOUSING STYLE

Most recently, as reported in the *New York Times* of May 27, 1972 Poland's reform-oriented leaders have endorsed:

. . . one of the more blatantly bourgeois symbols of Western life—the private house—as a means of easing a chronic housing shortage.

The new emphasis on the one-family dwelling, outlined by the Communist party leader, Edward Gierek, may eventually alter the spending and leisure-time habits of many Poles while changing the structure of some cities.

Mr. Gierek told party leaders the other day that there was no sense hiding the fact that one of the aims of the new housing program, a product of more than a year's study, was to encourage wage earners to spend some of their savings.

But the main idea, he said, was to establish a "second housing construction front." Poland, he indicated, would never solve her housing problem with vast apartment developments.

To encourage the purchase of private homes, he said, zoning laws were being changed, credit facilities were being established, mortgages would be made available and new building material industries were being set up.

The form of housing is also a matter of high ideological debate. The article goes on:

Jerzy Urban, writing in the weekly *Polityka* last month, warned that "private houses will become the goal of life, rather than the means of making life easier."

The author acknowledged, on the other hand, that the present alternative, apartments, "tended to destroy a person if he had no chance to get out."

The author's solution is bigger and better apartment houses. In fact, present plans are to increase apartment size by 10 percent. Regulations now allow about 22 square feet of space per person.

But Poland apparently cannot keep up with the demands for even those cramped quarters. Mr. Gierek told the party Central Committee that "if we want to secure a separate apartment for every Polish family, we shall have to build at least 7,300,000 flats by the end of 1990," or two and a half times the construction rate of the last 20 years.

Many Own Apartments

In the meantime, he said, apartment-house construction would be accelerated and private ownership of these flats would be encouraged . . . Mr. Gierek laid his greatest emphasis on the need for one-family houses, however, as the key to solving the housing shortage. Their construction, he said, would utilize different building materials than those in short supply for apartment-house construction.

PLANNING AND HOUSING IN HUNGARY

Two aims have shaped Hungary's planning for urban growth: development of the country's natural resources and promotion of national economic growth; and offsetting the predominance of Budapest, whose preeminence has been accentuated by its location as the hub of Hungary's transportation network. Current objectives include decreasing the existing imbalance in the living standards of the population in different regions, and improving living standards in general.

Physical planning is closely connected with, and subordinate to, economic planning. Economic efforts in the period between the late 1940s to the late 1960s were aimed at reconstructing the war-torn economy along orthodox Communist lines, including the collectivization of agriculture.

NATIONAL PLANNING IN HUNGARY

After the war economic considerations led to the establishment of industries without regard to their site, with new towns growing up as an afterthought. It was then seen to be necessary to formulate an overall policy as a framework for regional economic planning, with the result that a national plan for land development was drawn up in 1963, serving as a framework for regional planning and for the outlines of town planning.

THE NATIONAL SETTLEMENT DEVELOPMENT PLAN

The National Settlement Development Plan, which was submitted to the government in 1969, is a coordinated statement of the main development objectives and proportions of Hungary's towns and villages. It delineates the regions which are considered most important for industrialization and consequently need to be comprehensively developed.

This plan, which has now been formally adopted, is described elsewhere in this volume. Essentially it provides for five major centers, 122 minor centers and 800 villages. Most drastic is the strategy of allowing some 2,000 remaining rural hamlets to stagnate.

Current inventive and disincentive programs are aimed at checking the growth of the Budapest area. Its share of both industrial popula-

tion and immigration are down. The implications of such a policy are somewhat woefully expressed, even in this 1968 official pronouncement on town planning:

We are fully aware of the fact that the establishment of industrial working places in the regions of labour redundancy is not sufficient to restrain the influx of population to the capital, the most urbanized, most multi-coloured and, at the same time, most attractive settlement. The counterpoles to be created must be equipped with cultural and civilization establishments in such a way so as to ensure an attractive fullness of urban life, perhaps different in its character but similar to the capital by its intensity.

More recently, these fundamental national growth strategies are being publicly challenged. A *Washington Post* article (June 22, 1972) reports some current scholarly research findings:

Contrary to general opinion, *Eastern Europe suffers not from too rapid urbanization but from under-urbanization, caused by arbitrary closing of cities to rural "immigrants," and insufficient spending on infrastructure, particularly housing, in comparison to heavy outlays for urban industrialization.*

The rate of urban growth is actually somewhat slower than in the last three decades of the 19th century.

The *slow rate of urbanization has created a new and disadvantaged class of rural commuters, perhaps as many as a million in Hungary alone.* These people live in villages or farms, or on the outskirts of big cities because of the internal immigration restrictions.

GOVERNMENTAL MACHINERY

Hungary possesses two high authorities in the field of physical planning: the National Planning Bureau, concerned with land-use policy, and the Ministry of Building and Urban Development for regional and town planning.

The government examines and approves the regional plans, those of Budapest, and the five largest provincial cities, while less important matters are the responsibility of the National Planning Bureau and the Ministry. The master plans for other towns are submitted to the department council for approval, plans for country towns to their district council, while other overall or detailed plans are approved by the town council through its executive council. Before approval, the plans can be disputed by a third party; once approved, they have the force of law. For several years Hungary has had a complete set of plans at all levels.

REGIONAL AND LOCAL PLANNING IN HUNGARY

The National Settlement Development plan sets forth the network of public facilities serving the settlements and, on this basis, divides the towns and villages into nine development land functional categories. It also determines the trends and scale of urbanization in order to diminish migration and commuting problems and enhance development possibilities. In addition, the plan requires that each county to prepare regional plans and development programs. It calls for the separate development of programs for the development of holiday resorts and tourist areas, laying the groundwork for a national program of recreation and foreign tourism.

Economic and physical planning were tightly controlled by the central government prior to 1968. Since then, both county and municipal councils have been entrusted with preparing their own five-year economic plans. They must also prepare complex regional plans which

comply with their economic plans. Together, the two types of plans form the basis of the national five-year development programs which thus include urban development as well as economic development.

DECENTRALIZATION OF PLANNING

The Ministry finances regional planning and also determines which regional plans should be prepared. Urban science research is equally centralized and is entrusted to the Hungarian Institute for Town and Regional Planning, which, in practice, prepares most of the needed regional plans. However, six regional planning institutes and 19 county planning institutes are now appointed to prepare town development plans. Although these plans are financed by the county councils, the institutes are controlled by the Ministry of Building and Urban Development through the regional town development councils.

Master plans have been completed for eight towns, including Miskolc, Debrecen, Szeged, and Pecs. Master plans for 77 smaller settlements have also been completed, as have detailed development plans for more than 200 towns. A 1970-75 development program for the recreational area at Lake Balaton has been drawn up on the basis of a regional plan. A regional plan for tourist establishments along the Budapest-Vienna road, an important international tourist route, has been approved, and a similar plan is being developed for other international routes such as the Budapest-Lake Balaton and Vienna-Lake Balaton roads.

County and municipal councils are directly responsible for local urban development policy and its implementation, although they use the directives, regulations, and national comprehensive plans issued by the State. The councils may now use money from their own revenues, as well as State subsidies, for their development programs.

HOUSING IN HUNGARY

The housing shortage is now recognized as the number one social problem in Hungary—as it is in most East European countries.

The fourth five-year plan (1971-75) calls for a destruction of 170,000 obsolete flats and the construction of 400,000 new flats, approximately half to be built by the State.

Housing objectives of the fifteen-year plan (1971-85) include: ending the housing shortage, increasing the percentage of flats built by the State, and demolishing or improving obsolete flats.

In Hungary, housing is financed by two systems. The majority of dwellings have been constructed by State investments in the Capital and in such towns where development was in the national economic interest. Construction from state investments tends to create large housing projects. The renewal and replacement of the apartment stock of smaller settlements, particularly in villages, and the family-house construction in towns are undertaken by private resources with government credit subsidies.

In 1970, the housing construction undertaken was 36% State-built, 34% 1-family houses with a state loan, 18% 1-family houses without a state loan, and 12% other private construction.

PROBLEMS OF A MIXED ECONOMY

Although State investment in the construction of apartments and housing estates will double under the present five-year plan (1971-75), the need for additional stimuli to building was indicated by a recent Central Party Committee proposal: that higher bank credits be given to private construction. More recently, the concern over private investment in housing has induced new controls. The *Washington Post* of December 16, 1971 reported that:

Hungary's Communist regime, which is facing an enormous shortage of adequate housing, has blown the whistle on private real estate speculation and profiteering.

A large private real estate market exists side by side with the state-subsidized housing system in Hungary. The meaning of new legislation here is to institute some kind of controls over it, after years in which the government had looked the other way at speculative practices.

Within the next year, people who have been building up holdings will have to divest themselves of all except what they need for themselves. This means that ownership will normally be limited to a flat in town and a weekend villa outside.

The problem of housing built by private resources is that its regulation is more complex than the regulation of government housing investments. A greater proportion of privately-financed dwellings than desired has been built in the villages. A recent government report on town development indicates other problems created by private decision-making in a planned economy.

HOUSING MAINTENANCE

Finally, some problems stemming from state ownership of housing, or state housing management and maintenance, are described in *The Economist* of June 12, 1971:

The tenant living in state-owned accommodation has no incentive to pay for repairs out of his own pocket. And the state is finding the maintenance of the existing stock of houses more and more of a crushing financial burden. *The Hungarians have calculated that between 1966 and 1970 income from rents brought the state some \$100 million, while in the same period the state spent no less than \$233 million on maintenance and repairs.*

Hungary's new rent regulations, which come into force on July 1st, attempt to make the tenant pay not only for the maintenance of existing housing but also for the construction of new units. Rents are going up—in many cases by as much as 300 percent. Even so, it is expected that by the time everybody is paying the new rents in full (which will be in 1973) they will represent only 10 percent of an average family's income. Many exemptions will be made for low-paid workers, large families and other needy cases.

PLANNING AND HOUSING IN ENGLAND

From its inception, English national growth policy has been concerned with both economic and physical development. At the core of this policy were three basic aims. One was to curb the rate of growth of population and employment in London and the southern counties. A second was to increase the scale of economic activity in the hinterland, here referred to as the North of Great Britain. The third was to change the form of growth of the largest metropolitan regions, particularly of London and the southern counties.

The Town and Country Planning Act of 1971 (which amends and consolidates previous legislation) provides the basis of the modern

system of land planning in Great Britain. This Act establishes a centralized planning structure and imposes compulsory planning duties on local authorities; who in turn make the implementation of most forms of development subject to local government consent. The work of the local authorities involves a fairly detailed control over the location, size and character of towns and villages. It also involves the protection of agriculture and forestry, and the conservation of the countryside and coast as sources of pleasure to the community no less than as sources of national wealth.

NATIONAL PLANNING IN ENGLAND

The Department of the Environment has responsibility for the whole range of functions affecting the physical environment in which people live and work. Its range of national responsibilities is comparable to that proposed in the United States for a Department of Community Development. The Secretary of State for the Environment is assisted by three ministers: The Minister of Housing and Construction, who is responsible for housing programs and finance, bulding regulations, and new towns; the Minister for Transport Industries; and the Minister for Local Government and Development, who is responsible for local government, regional land use and transport planning, the countryside and conservation (roads, water, and sewerage and refuse disposal).

There are many tools to carry out the national policy. One set, designed largely by urban planners, aimed to limit the size of metropolitan areas, especially London. This was to be achieved by reducing the densities of inner London, surrounding its edges with an inviolate greenbelt, and building self-contained new towns in areas beyond the greenbelt and in the more distant hinterland regions.

Another set, designed largely by economists, restricted the building of industrial plants in the London region, while providing subsidies and other forms of assistance to firms willing to locate their plants in the outer areas of the South and the more distant development districts.

A comprehensive revision in policies, to stimulate industrial development, was made in the spring of 1972. The program provides for a reform of regional policy embracing new investment incentives, special aid for the retraining and mobility of labor, and an acceleration of the strategic road network. Basic investment incentives will be in two forms—national and regional. The measures will include free depreciation in the form of a 100 percent first-year allowance on all investment in machinery and plant other than cars. New industrial buildings and structures will receive an initial allowance of 40 percent. This means that tax allowances on investment, previously reserved for assisted areas, will be available to the whole country. To recompense the development areas, the Government will reinforce national incentives with a system of cash grants in the regions only. These grants will supersede the building and operational grants which are presently available only for projects providing employment.

REGIONAL PLANNING IN ENGLAND

In 1964 and 1965 the government established a system of regional economic planning councils and boards as the basic machinery for

regional economic planning. The following description of regional and local planning is principally based on the just updated *Town and Country Planning in Britain*. The councils, comprising about 30 part-time members appointed for their wide knowledge and experience of their regions, are advisory bodies with no executive powers, their main tasks being to study and advise on the needs and potentialities of their regions and advise the government on long-term regional planning strategy.

The boards consist of senior civil servants representing the major government departments concerned with aspects of regional planning in their respective areas; their function are to coordinate the regional economic planning work of the government departments and to cooperate with the regional economic planning councils. For the purposes of regional planning, England has been divided into eight regions.

THE SOUTH-EAST REGION—A CASE

The first full-scale strategy, *Strategic Plan for the South-East*, was published in June 1970 by the South-East Joint Planning Team. The plan proposes a flexible strategy designed to accommodate population growth in the region—perhaps of the order of 4 million or 5 million people by the end of the century—by concentrating future development in selected growth areas at varying distances from London, conserving extensive areas of countryside, safeguarding greenbelt lands, relieving further the housing and social problems of inner London, and providing a regional communications network for traffic between the more important population centers within the south-east, and between the south-east and the rest of Britain.

The government has approved the plan in principle, and local planning authorities are preparing their development plans within its broad tenets. Strategies for other regions are being prepared as quickly as is practicable; precise arrangements depend on the circumstances of each region.

LOCAL PLANNING IN ENGLAND

At a local level, town and country planning is one of the local government functions exercised by elected authorities acting in accordance with duties and powers conferred upon them by Parliament; local authorities whose services include responsibilities for planning are known as "local planning authorities." In England and Wales there are some 177 local planning authorities, including the Greater London Council.

Proposals for a new structure of local government throughout Great Britain (excluding Greater London) were announced by the government in February 1971. They envisage the division of the country into 59 large administrative areas ("counties" in England and Wales and "regions" in Scotland) which would have responsibility for broad planning policies and for the preparation of development plans.

Under the town and country planning legislation, local authorities are required to survey their areas and prepare and submit "development" plans to the appropriate Secretary of State for approval. The whole of the country is now covered by approved development plans.

Some large authorities are able to establish separate planning departments to draw up the plans and supervise their implementation. Small authorities often exercise their planning functions through departments concerned with roads, engineering or architecture.

The preparation of land-use development plans over a 20-year period was first required of local planning authorities in Great Britain by the legislation of 1947. The plans proved effective for controlling undesirable development, but had less success as instruments for creative planning and did not coalesce the related problems arising from the use of land and the demands of traffic. Recognizing the shortcomings of the old procedure, the 1971 Act provides for a new type of development plan to be introduced gradually, designed to reduce administrative delays, to emphasize positive planning for the creation of a pleasant environment rather than the negative control of undesirable development; and to enable the public to play a greater part in the planning process.

COMPULSORY PURCHASE AND COMPENSATION

Since the Town and Country Planning Acts of 1947, local planning authorities have had general planning powers (subject to ministerial approval) to buy land compulsorily in order to secure the comprehensive development or redevelopment of land in their areas (other powers are used to provide specific public services such as housing, roads and public open spaces). The 1971 Act extended the planning purposes for which land in England and Wales can be compulsorily purchased. This reflects the wider scope of "action areas" (compared with "comprehensive development areas" under the previous legislation) which may be selected for comprehensive treatment under the Act. The Act also gave compulsory purchase powers greater flexibility by removing formal links with development plans.

TOWN DEVELOPMENT INITIATIVES

Allied to the new towns program, which was aimed as a remedy for both overcrowded industrial cities and for preventing depopulation of rural districts, is a "town development program", initiated five years after the new towns program. The principal differences between the two programs are the structure and scale of operations, and financing.

This is an alternative approach to relieving urban congestion which involves the provision of homes for a rapidly expanding population and providing incentives for industrial growth. Voluntary agreements are made between local authorities in big cities, with "overspill" problems, and those in smaller towns willing to accept people and industry in order to strengthen their economic base. Unlike the arrangement for developing towns under the New Towns Acts, the initiative for schemes under the Town Development Acts must be taken by the local authorities concerned, not by the national government. The movement of population is entirely voluntary; the "exporting" authority publicizes its schemes to attract firms and people. Over 60 town expansion schemes have been agreed upon, of which about half involve relocation from London.

GREATER LONDON DEVELOPMENT PLAN—A CASE

The new Greater London Development Plan (which covers an area of 610 square miles containing some 7.38 million people) has been prepared by the Greater London Council (the planning authority for London as a whole) to establish policies dealing with, for example, population, housing, employment, transport, areas of special character, open spaces, town centers, central areas, and social facilities such as hospitals. The contents of the plan and related public comment are presently being reviewed at a public inquiry; when the plan has received ministerial approval it is submitted to the Secretary of State for the Environment, it will be treated as the structure plan for the Greater London area. It will contain strategic planning policies for the City of London and will be supported by a range of local plans prepared for the 32 London boroughs.

The following excerpts from the Plan indicate some of the problems, objectives and solutions proposed :

For thirty years planning policy in London has been primarily concerned with restraining the outward physical growth of the built up area with the reduction of overcrowding in the inner parts. This policy has been largely successful—the Green Belt has been held, many thousands of people have taken the opportunities provided to move out to new or expanded towns beyond the Green Belt, and many more have departed of their own accord in search of better and cheaper living conditions. The residential population of the area which is now Greater London was 8.5 millions in 1939; by 1961 it was 8.0 millions; and in 1971 it is estimated to be about 7.4 millions. In addition to this decline in population there has been a more recent decline in economic activity compared with the rest of the region, measured by such indicators as investment and level of employment. Despite the benefits from rising productivity the decline in employment from 4.5 millions in 1962 to 4.1 millions in 1971 must nevertheless represent a loss to London.

Whilst this reduction of population and employment has had many good results, there must come a point when a continued high rate of decline would begin to bring about harmful effects for the economy of London as a whole, and for the welfare of Londoners. The decline in population is greatest in the more mobile higher income groups but their jobs remain; the decline in jobs is greatest in manufacturing industry, but its work force comprises the less mobile lower income groups who stay behind.

The essential purpose of the Greater London Development Plan is to create a physical environment and a social and economic framework which will conserve and improve the standards of life in London. It is the Council's intention to do everything within its power to maintain London's position as the capital of the nation and one of the world's great cities. It intends to foster the commercial and industrial prosperity of London and its cultural status, especially in respect of those functions for which a London location may be regarded as essential. The social conditions which the people of London are to enjoy will depend upon this prosperity and the flourishing economy and culture which it should produce.

The Plan offers no compromise in these matters. There are no proposals for moving the seat of Government or the main financial centre. The Council holds that any attempt to interfere drastically with the main functions of London as developed over the centuries would bring incalculable and possibly disastrous consequences for the country. London as a capital city and centre for international trade must make its full contribution to national objectives and in order to do so it must provide the necessary space, skills, communications and other services.

These then are the Council's main aims :

To plan for the living standards of the people of London to rise, by improving their prospects of having (a) Housing adequate in quantity, quality and location, obtainable within their means; (b) Satisfactory environment; (c) Suitable employment;

(d) A good public transport and road system; and (e) A high standard of educational and other public services, leisure facilities and other amenities;

To liberate and develop, so far as planning can, the enterprise and activities of London, promoting efficiency in economic life and vitality in its society and culture;

To treasure and develop London's character—capital of the nation, home and workplace of millions, focus of the British tradition;

To conserve and develop London's fabric, of buildings, spaces and communications; protecting the best while modernizing what is out of date or inferior;

To promote a balance between homes, work and movement as principal elements upon whose relationship London's overall prospects depend;

To participate in necessary measures of decentralization and help forward the part that London plays in national and regional development (including retention of the Green Belt); and

To unite the efforts of all who can help to realize these aims and to give new inspiration to the onward development of London's genius.

HOUSING IN ENGLAND

The Ministry of Housing in the Department of the Environment has responsibility for advising guiding and guide local government, non-profit organizations, and private enterprise in their housing efforts. It may regulate the numbers of houses built by each local authority in a particular year, and use its power to steer new subsidized building into areas where the housing shortage is greatest.

The Department, which approves the plans, layouts and costs of all subsidized housing schemes, uses its power to maintain good standards and check extravagances. It has virtually no powers insofar as maintenance and management are concerned, and no power over rent policies at the present time.

The central government, through the Treasury, operates a Public Works Loans Board from whom local authorities, especially the smaller ones, may borrow a high proportion of their capital requirements. The authorities over larger areas are not allowed to borrow as large a percentage, but are instead expected to go on the money market and/or insure stocks secured on all their assets for capital programs.

Reflecting long term trends, private rental housing had fallen to about 20 percent in 1969, owner-occupancy had risen to nearly 50 percent, and public rental housing constituted roughly 30 percent of the English housing market.

THE ROLE OF LOCAL GOVERNMENT

The town or city council is the primary authority for housing in England. The local authority has a statutory duty to periodically review the housing needs of its area and provide housing to meet those needs when they are not being met by private enterprise. It has a statutory duty to clear its slums and to rehouse displaced persons. Further duties in value evaluation of the need to rehabilitate other parts of the city, and ensuring that all houses in declared areas will be

brought up to minimum standards whether they are owner-occupied, owned by a nonprofit association, or privately-owned and tenanted. National government grants are available to meet the cost of improvements when these are not covered by increased rents. The local authority makes a financial contribution as well.

ENGLISH SUBSIDY PROGRAMS

Housing subsidy systems have existed for a long time in the United Kingdom, for a variety of purposes:

Provide shelter for low-income families who cannot afford the costs of decent housing.

Promote home ownership.

Facilitate mobility of industry and manpower.

Encourage urban decentralization.

Stimulate innovation in building materials and building systems.

Help offset the extra burden of high land cost and high-rise construction costs in inner city areas.

The principal subsidy program of the national government has been annual subsidies to local housing authorities, mainly County Councils, which affect a 4 percent interest rate ceiling on the capital costs of new construction.

Another major subsidy program is the rent rebate which local authorities extend to low-income tenants of public housing. This system takes into account differences in tenants' rent-paying ability. With the encouragement of the national government, local authorities may remit some, or all, of the rent due to the tenant in the form of rent rebates. In 1969, roughly 70 percent of all County Council tenants received a rent rebate.

A third subsidy is extended to owner-occupants and allows mortgage interest payments as income tax deductions.

A fourth major subsidy program aims to conserve and improve sound housing structures.

Government grants (which usually provide half the cost) are available for the modernization of individual houses, whether they are owner-occupied or rented, public or private. The local authority has a statutory duty to study its district and to prepare schemes for the compulsory improvement of all houses in those areas which it defines and designates as improvement areas. In such cases, additional grants are available for environmental improvements.

NEW DIRECTIONS

The British Government is currently considering revamping its housing subsidy policy in order to subsidize only the needy. The proposed changes are said to be the most far-reaching in the program's 50-year history. The proposed changes, now being debated, are based on the following principles:

Subsidies should no longer be paid on houses but instead should be paid for subsidizing the poor people.

Subsidies, instead of being paid to Local Authorities to build cheaper houses, should be paid through them directly to needy tenants, in both the public and private sectors.

Public housing rents should rise in stages to "fair rents", as defined in the 1965 Rent Acts; and

Government subsidies in the form of rent rebates should be available everywhere, not only in public housing, on a means-tested basis.

Special subsidies for land acquisition and building should be provided to Local Authorities in order to cope with the worst slum clearance and building problems.

This emphasis on need, and its application to tenants in private houses, has received favorable press comment.

BALANCED AND ORDERLY NATIONAL GROWTH: ONE STEP FORWARD, TWO STEPS BACK

(By Brian J. L. Berry, Irving B. Harris Professor of Urban
Geography, The University of Chicago)

Congressman Ashley has posed two questions: What do I think of the President's *Report on National Growth 1972*? What do I think a national growth policy should be, and how should it be implemented? My response to the first question makes a response to the second largely irrelevant in the short run, for I believe that in the absence of a fundamental ideological change in American society, the idea of a *national* growth policy that embodies anything other than mild standard-setting and modest regulation to smooth the course of present trends, and a willingness to fireproof when new developments bring unexpected side-effects, is largely dreaming. I sat down to respond to Congressman Ashley's questions immediately after I had listened to President Nixon's Miami acceptance speech. I jotted down one of his statements, because it is very relevant to my evaluation of the growth report and my assessment of the prospects for a national growth policy. "Theirs," he said, "is the politics of paternalism, where Master Planners in Washington make decisions about what is best for the people; ours is the politics of the people, where the people make the decisions for themselves."

THE 1972 GROWTH REPORT

This set of attitudes pervades the growth report. To make the point "perfectly clear," let me try to diagram the key elements in the argument presented in that report.

The report, according to page xi "marks the beginning of a systematic effort to:

1. Understand the forces that are shaping the communities in which we live and work.
2. Articulate some of the challenges that must be confronted as the Nation responds to the challenges of growth.
3. Identify recent developments at the State and local level for coping more effectively with growth.
4. Identify major actions of the Federal Government undertaken to deal with the problems of growth.
5. Advance recommendations for Federal action to strengthen the Nation's ability to deal with the challenges of growth more effectively."

At the outset, the document disavows the charge contained in Title VII of the Housing and Urban Development Act of 1970; namely, that "to assist in the development of a national *urban* growth policy, the President . . . shall transmit to the Congress . . . in every even-

numbered year beginning with 1972, a Report on Urban Growth." It begins by asserting that "the term national urban growth policy is too narrow. Instead, this report will use the term "national growth policy," recognizing that rural and urban community development are inseparably linked." Further, "the central purpose of this report . . . is to assist in the development of a national policy—not to enunciate such a policy."

What assistance is provided? By page 25 we read that—

In the last decade . . . we have begun to recognize that a number of problems are associated with the process and patterns of growth. Policies are needed to deal with these problems and to insure that future growth is both orderly and balanced. As President Nixon has said, "the growth which this Nation will inevitably experience in the coming decades will be healthy growth only if it is balanced growth—this means growth which is distributed among both urban and rural areas.

The key words are growth, order and balance. What influences growth, and might there be a *national* policy to achieve order and balance? On pages 30 and 31 we find the answer:

Patterns of growth are influenced by countless decisions made by individuals, families and businesses . . . aimed at achieving the personal goals of those who make them . . . (such) decisions cannot be dictated.

* * * * *

In many nations, the central government has undertaken forceful, comprehensive policies to control the process of growth. Similar policies have not been adopted in the United States for several reasons. Among the most important is the distinctive form of government which we value so highly . . . it is not feasible for the highest level of government to design policies for development that can operate successfully in all parts of the Nation.

To many this will be a surprising answer, for it represents the ultimate negation of the purpose of the report: to assist in the *development* of a national policy. The assistance is that given the chicken by the fox.

DEMOCRATIC PLURALISM AND THE FATE OF THE NATIONAL GOALS RESEARCH STAFF

Why? The reason is the very democratic pluralism that Americans hold so dear. With an interest-group political process made up of bargaining, log-rolling and coalition building, policy development is at best incremental. Consider the fate of the President's National Goals Research Staff (what *did* happen to that group after publication of *Toward Balanced Growth. Quantity with Quality?*) With much fanfare, the group was assembled to assist the White House by:

1. Forecasting future developments, and assessing longer-range consequences of present social trends.
2. Measuring the probable future impact of alternative courses of action.
3. Estimating the actual range of social choice indicating what alternative sets of goals might be attainable in terms of available resources and possible rates of progress.

Who could quarrel with such an effort? After all, there are four ingredients that all reasonable men will agree are needed to ensure that changing societies make wise decisions:

First, information. Information is needed to tell us what our society is like now, how rapidly and in what ways it is changing,

and what scientific and technological alternatives to present practices exist or can be found.

Second, social analysis. Analysis is needed to determine what relations exist between current actions and future effects, to weigh the merits of alternative priority systems, to derive practical, achievable goals for society, and to determine how best to allocate our finite resources to attain those goals.

Third, well-informed decision makers. Society requires mechanisms to ensure that decision makers, including the public have access to the information they need, have available the results of the analysis carried out, and have alternative courses of action formulated for their consideration.

Fourth, appropriate institutions. Institutions are needed to ensure that decisions can be put into practice. They take many forms—political institutions, financial institutions, legal institutions, and educational institutions.

The brief life-span of the Staff should be a lesson to us all, however, for it indicates that in this Nation today there exists neither the ideological base, nor the desire, nor the will to develop affirmative national growth policies to enhance the adaptability of American society under conditions of increasing complexity and accelerating change.

Social Accounting: An Example of the Sources of Opposition to National Goals

Should we blame the present Administration, or is there some more fundamental reason? Let us explore this question by considering the issue of whether there is a related will to develop a national system of social accounts. After all, who can quarrel with the development of measurement devices that enable us to assess where we stand and are going with respect to our values and goals, and to evaluate specific programs and determine their impact? Who indeed! There is a strong cybernetic ingredient implied in social accounting, for an active information system demands sensors to determine the consequences of actions and provision for feeding this information back to decision centers, and readiness to change behavior in response to signals of deviations from the sought-after goals that may be occurring.

Shouldn't all of us welcome such a system? Each day public officials and elected representatives make major decisions in the attempt to change the future states of our social environment. What variables are taken into account? No behavioral scientist will disagree with the basic role that is played by cognition. We have all been trained to believe that the structure of the system operates on behavior through the mediation of cognition and that structure in its turn is composed of aggregations of behavior called "processes." In other words, *decisions rest on beliefs about facts.* To the extent that beliefs are erroneous or distorted, errors are made in social strategies that waste resources and create future problems by the cascading first and second-round consequences—the change processes—they set in motion.

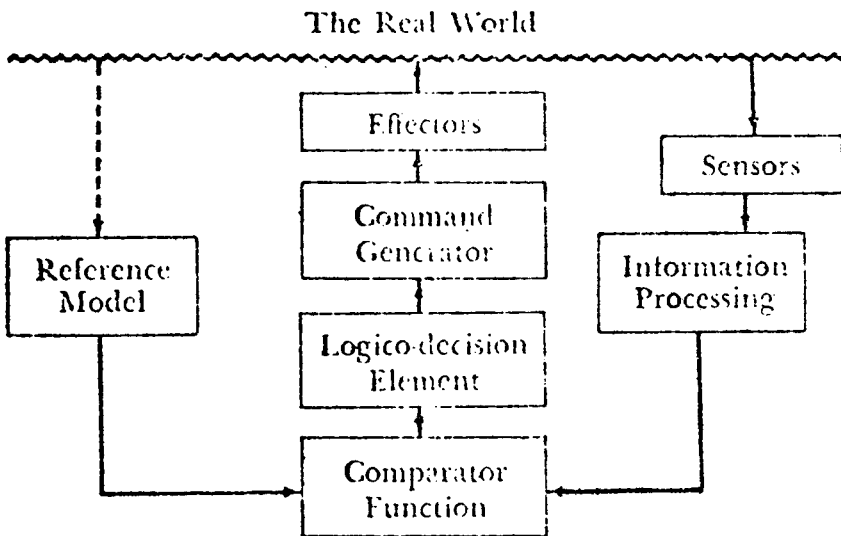
Surely, then, better statistics of direct normative interest should help us make balanced, comprehensive and concise judgments about the condition of society. Surely we can benefit if, as many have said, we "apply real science to social affairs," thus eliminating the corruptions of the principle of rationality that arise when decisions about social

affairs are made on the basis of beliefs about facts, rather than "true knowledge."

Surely, Soviet cyberneticists have said, and a massive experiment has been set in motion to test the applicability of cybernetics to total social system transition in the U.S.S.R. This experiment shows where the idea of social accounts can lead and perhaps, through its implications, indicates some of the reasons why we have made so little progress on social accounts and on affirmative development of national goals statements and growth policies in the United States. For purposes of contrast, then, I will spend some time with the Soviets' plans.

First, effort has been addressed to the automation of many dimensions of social reality, based upon the belief that such automation is required to achieve the increased organizational complexity necessary for social progress. Second, this effort is to serve the perceived need for highly perfected systems of automatic control. Cybernetics has been tied to the goal-seeking activity of a centrally-directed state, linked as a science and technology to the concept of controlled social progress, and linked ideologically by means of a theory of development to the fundamental tenets of communism.

Figure 1 depicts in a very abbreviated form the essential elements in purposeful systems which are objects of research for the Soviet cybernetics program. The real world is made up of people, nations, factories, transportation systems, mines, and so on. Obviously, sensors are needed which are appropriate to detect changes in each system in the real world; eyes, radar, nerve endings, and pattern-recognition devices are examples. The information processors also differ depending on the type of information processed. Comparators receive processed information about some aspect of the behaving world and compare it with the kind of behavior called for by the reference model.



Simplified Block Diagram of a Cybernetic System.

Fig. 1.

The results of the comparison are transmitted to the command element, which then decides whether to leave the "real world" as it is or whether commands should be transmitted to the effectors to change the behavior of the real world. If the latter course is elected, information about the ensuing change is sensed, processed, compared with the reference model and so on around the feedback loop. Obviously an indefinitely large number of interconnected loops would be necessary to describe fully the organization of a system for the purposeful control of a total social system in the real world. But Figure 1 does convey the essential notion that information about the real world is a necessary input to the effectors if the resulting control of the rate and direction of change is to be optimal in relation to the purpose dictated by the reference model of what "ought" to be.

The system will be made operational in the Unified Information Network of the USSR, scheduled for completion in 1970-75. This is to be a "nervous system" tying together the systems "sensors" of internal and external environments at all organizational levels with the highest decision centers. These can then determine optimal courses of action and transmit information to the effector organs of the social system—ministries, production complexes, schools, defense installations, and so on. The new behavior of the system is transmitted to the decision-makers and new actions undertaken in a continuous process analogous to that by which a helmsman steers a ship toward its destination.

Now maybe all of the above is a pious Soviet hope. Maybe cybernetics is just a straw at which the Soviets have grasped in the absence of any other concept on the intellectual horizon that would tie together the notions of stability, change, and goal-seeking necessary to the development of social systems. Maybe, but nevertheless, the issues raised by Soviet cybernetics are exactly the issues that confront American decision-makers faced by increasing complexity and dynamism of our social system, while *the implicit specter of control and direction lies, I submit, at the roots of the lack of public will in the design of social accounts and national growth policies in which goals are clearly specified.*

THE INEVITABILITY OF INCREMENTALISM

The American policy maker must contend every day with the differing and changing goals of competing interest groups in a society that values democratic pluralism as an end in itself. There are not, I would submit, the necessary preconditions in the United States today for the development of effective goal-oriented growth policies and attendant systems of social accounts. All national debates notwithstanding, there can be no nationwide agreement either on goals or on societal relationships that link program inputs to sought-after outputs. In brief, American society is inherently incapable of being goal-oriented for deep-seated ideological reasons. Beyond ideology, there are other aspects of will that severely restrict progress towards national goals and rational systems of social accounts. As one commentator remarked recently "no computer-based simulation model jazzed-up analysis scheme is really going to get very far in terms of adoption if the policy-maker has the feeling that he can't control it." The modus operandi of our governmental agencies is that the accountable officials should have the decisive role in determining what programs are developed and how

money is spent, and they are the officials who must respond to interest-group and political pressures.

Under such pressures, goals statements and applied rationality present fundamental challenges to the traditional American decision-making style. The party politician whose control is based on a hierarchic structure of authority and communication and who remains in power by manipulating interest-group politics and dispensing patronage feels severely challenged because the very utility of goals statements and accounting systems is to provide a basis for decision-making more rational than interest-group politics. Rather than rationality, deliberate fuzziness and clouding of the perception of reality seems ends in themselves in the American system, alternative techniques for survival under conditions of increasing complexity in the absence of an agreed-upon direction for society, and contributing to the antipathy to development of such a singular direction. Application of cybernetic techniques serves, in American society, to intensify such individuals' feelings of anxiety and uncertainty, even though they can help them cope with the barriers to understanding and provide some sense of purposive direction rather than aimless drift. Indeed, the vast majority are not receptive to cybernetic techniques, actively opposing them or having a fixed and limited Bunker-esque view of the extent to which they are legitimate and useful, compounded by the deep personal frustrations resulting from the contrast between (1) the policy-maker's sense of potential power to generate and implement better policies based on more information, and (2) his sense of vulnerability to exposure of personal and organizational insufficiencies. As one of my colleagues, Jack Meltzer said recently, "I often feel that politicians don't want issues crystallized. There's a certain kind of defense mechanism that operates in avoiding the crystallization of issues that would conflict and sharpen when they get crystallized," because crystallized issues would only be used by other groups to challenge the policy-maker's policies and programs.

It behooves us all to ask whether the current mixture of interest-group politics, muddling through and incrementalism will continue to serve us as it has in the past, or whether our lack of will in this regard leads irrevocably toward progressive polarization, as an alter-

nate technique by individuals within our society to cope with the uncertainties of increasing complexity and more assertive pluralism. If we agree with the President's position, it forces us to accept the *inevitability* of a continuation of the processes inherent in the present. Because the processes—the sum of individual decisions—are abstract and powerful, and have served the needs of those who have benefitted most, there is obviously, and equally-obviously will continue to be, great pressure not to tamper with them. If the consequences are sometimes unfortunate, we can always firefight, do some mild regulation and standard-setting, and patch up the worst excesses through incremental public policy.

The inescapable conclusion is that of all of our problems, the one most likely to deter any major improvement in policy making is our growth policy problem. *Our first priority must be not what growth policy to follow, but agreement that a growth policy is needed.* The point is obvious, but there has not been any widespread public recognition of this elementary fact. We have substituted rhetoric for achievement in this regard.

What should a national growth policy be in the United States, and how should it be implemented in such circumstances? We must first demonstrate more clearly than we have yet (if we can) that the complexity and intractability of society's current problems derive their basis from the central processes of economic development and urbanization, and that the interaction of size and rapid growth will lead to an acceleration of costs that will only be countered by forthright national policies promoting both an orderly pace and pattern of growth in the years to come. Whether these policies will embody new and better forms of regulation and the setting of newer superior standards, consistent with the American tradition, or whether they should incorporate dramatic new public ventures that exert significant developmental leadership (as has been the case in Western Europe) should itself be a matter of wide public debate. The alternatives and their consequences need wide discussion and debate. And once there is some sense of the Nation stemming from that debate, one can begin to design a national growth policy. In saying this, I am urging realism rather than a cop-out—realism in recognizing the values contained within mainstream America.

RURAL POVERTY—FOUR YEARS LATER

(By C. E. Bishop and Lynn Daft ¹)

On September 27, 1966, President Johnson signed Executive Order 11306 creating the National Advisory Commission on Rural Poverty. This Commission was charged with the following responsibilities:

1. to make a comprehensive study and appraisal of the current economic situations and trends affecting rural people,
2. to evaluate existing policies and programs in terms of their effects upon community welfare and the well-being of the rural people,
3. to develop recommendations for action by local, state and federal governments or private enterprise for providing opportunities for the rural population.

This, of course, was not the first commission charged with studying conditions in rural America and offering suggestions for improving them. Notable among the earlier efforts was that of the American Country Life Commission created in 1908. The American Country Life Commission made a comprehensive study and offered recommendations which eventually led to substantial improvements in rural America. It is especially remembered for the role it played in strengthening rural sociology, the creation of the extension service, and improvements in financial institutions serving rural America. Without a doubt, these institutions contributed greatly to the productive efficiency of American agriculture.

As the Rural Poverty Commission began its work, it was also clear beyond a doubt that the great surge of efficiency that took place from 1946 to 1966 had been accompanied by unprecedented migration from the rural areas, heavy concentration of rural migrants in the central cities of America, and continued poverty for millions of Americans living on the farms and in rural communities.

The burden of poverty was particularly evident in low income, limited assets, unemployment, underemployment, malnutrition, disease, inferior social institutions and depressed, poverty-stricken communities. These conditions persisted in spite of the fact that American agriculture was making unprecedented strides in increasing production. Indeed, the Commission soon concluded that the technological changes that made possible the increased production also contributed to the perpetuation of poverty in rural America. In brief, much of the poverty in rural America was structural in nature.

Faced with a growing backlog of research indicating a) that technological changes in agriculture were continuing to have structural impacts, reflecting a pronounced increase in use of capital and a decreased use of labor in farming, b) greatly expanded size of farm

¹ Formerly Executive Director and Staff Associate, respectively, National Advisory Commission on Rural Poverty. The views expressed in this paper reflect that experience and observations of the authors during the ensuing four years.

operations per unit, c) the relocation of economic functions from scattered rural locations to rural service centers, and d) the presence of large numbers of people living in rural America who possessed little or no wealth and had limited investment capacity, it became obvious that the types of measures recommended by the American Country Life Commission in the early part of the 20th century were not appropriate to cope with the problems of poverty during the remainder of the century. The Commission concluded that if the nation were serious about solving the problems of rural poverty, it must look largely beyond agricultural employment for means of doing so.

THE RECOMMENDATIONS OF THE RURAL POVERTY COMMISSION

It was apparent that the residents in much of rural America did not have equality of opportunity with respect to education, housing, access to jobs, welfare, and other public services as compared with metropolitan residents. The Commission recognized that many of the public programs that have been developed for the rural population are based upon the assumption that the people who are reared in rural areas will remain there and work in farm-oriented occupations. Rural residents have been provided with education programs oriented in this direction and have not had ready access to many of the programs designed for human resource development in urban areas. In addition, much of the rural population suffered from racial as well as residential discrimination.

Against this background, the Commission made recommendations that may be grouped under four major headings. First, the Commission placed emphasis upon creating an economic and social environment that will enable all people to have opportunities consistent with their economic potential. The Commission emphasized the removal of the barriers that had been constructed by government, as well as those that had developed within the private sector, that discriminated against rural residents by limiting their access to economic opportunity.

The second major category of recommendations concerned income support and maintenance. The Commission noted the high incidence of unemployment and underemployment in rural areas. Since many of the rural poor owned no assets other than their labor, improved conditions of employment provided the only means of escape from poverty other than income grants.

The Commission recognized that national minimum wage policy had probably worked to keep the returns from labor at a relatively low level in rural areas which are largely exempt from the policy.

As the principal means of increasing the return for labor, the Commission placed emphasis upon expansion of employment. Although it advocated measures to expand employment in the private sector, the Commission argued that the Federal Government should stand ready to provide jobs at the national minimum wage to every person willing and able to work, thereby insuring employment for all who seek it.

The Commission called attention to the growing dependence upon public sources for income. It argued in favor of benefits in cash rather than in kind, but warned that the current public assistance programs, especially OASDHI and the AFDC programs, must be modified sharp-

ly if the spiraling costs of welfare programs were to be controlled. It argued strongly for the removal of discrimination against the rural population in the application of these programs and recommended modifications in the programs that would reduce penalties involved in labor force participation.

As a third area of concern, the Commission was struck by the effects of heavy migration from the rural areas. The nation has endeavored to adjust its economic structure to changes in the technology of production, but comparable attention has not been given to the social and governmental structure.

It is obvious that much of the governmental structure remaining in rural America lacks viability. It is also clear that the problems of air and water pollution, urban congestion and the decay of rural institutions are associated with the distribution of population and employment opportunities and are not likely to be solved without a coordinated plan for development. The Commission emphasized that the nation is without a policy with respect to the geographic distribution of its population and employment opportunities. It sought to restore a sense of nation-building to the nation, emphasizing the need for an internal development program. The essential elements in national development planning include the creation of development regions throughout the United States, the designation of growth centers, and governmental support of public services emanating from these centers.

In any attack on poverty, the importance of human resource development can hardly be overemphasized. When the well-being of people is determined largely by the earnings of their labor, occupational preparation, vocational education, on-the-job training, relocation assistance, and health related programs assume major importance. These kinds of services were very limited in most of rural America at the time of the Commission report. As a fourth principal element in its program the Commission called for a major national commitment to human resource reclamation. It envisioned a program comparable in scope to the soil reclamation programs established in the 1930's.

WHAT HAS HAPPENED SINCE?

Now let us examine the record of the past 4 years in terms of the four major elements of the program described above.

From the standpoint of removing the discriminatory effects of public policies upon rural citizens one would have to conclude that our recent performance has been less than satisfactory. Although improvements have been made, rural residents still do not enjoy equal access to publicly supported programs for health, housing, water and sewage facilities, employment and welfare.

One is struck by the large and ever growing number of experimental or pilot efforts designed to alleviate this inequality. They include projects in the fields of mobility assistance, industrial incentives, labor market surveys, health care, and education and training, to mention only a few. Few of the Commission's recommendations have not, at one time or another been tried on a limited basis. And, some of these "pilot" projects have been operating for several years. Yet, the results of these trials seldom become the basis for replication on a broader

scale. Instead, resources and energies become dissipated among an ever growing number of disjointed trial runs.

One can be a little more optimistic concerning the recommendations relating to income support and maintenance. The reform of our welfare system, though not yet an accomplished fact, has moved higher on the National agenda and, hopefully, nearer realization. The increased emphasis upon cash assistance (vis-a-vis assistance in-kind), the standardization of eligibility criteria and basic payment levels, and the strengthening of work incentives are all Commission recommendations that are embodied in principle in the welfare reform bill now pending in Congress.

One significant difference between the pending bill and the Commission recommendations concerns the level of income support. The Commission called for Federal payments based on a national minimum needs standard. Obviously, the \$2,400 family-of-four base payment contained in the welfare reform bill does not meet a minimum needs standard. Apparently, we are not yet ready to go the full measure.

Many of the Commission's recommendations concerning food programs—adoption of uniform eligibility criteria, expansion of the food stamp program, elimination of the minimum purchase requirement for the destitute, and gradual phase-out of commodity distribution have either been achieved or are in the process of implementation.

Existing social legislation—such as the Fair Labor Standards Act, the National Labor and Management Relations Act, the Social Security Act, and unemployment insurance—has not yet been extended uniformly to all rural workers, as the Commission recommended. The best that can be said is that support for the extension of some of these measures appears to have increased. The current Administration has, for example, developed a proposal for extending benefits of the National Labor and Management Relations Act to farm workers that, if enacted, would represent a significant improvement.

Though it has been recommended repeatedly by many groups, including the Rural Poverty Commission, the Federal government continues to shirk responsibility for fulfilling literally the goals of the Employment Act of 1946. True, there have been scattered pilot programs. Within recent weeks a new public service employment program has been launched. Still, 150,000 jobs (as provided under the new program) will scarcely scratch the surface of our present needs. We are far from providing every American with a reasonable opportunity for employment.

The third category of Commission recommendations sought to chart a course for the modernization of governmental structures and the encouragement of regional and area-wide economic development in rural America. Overall, it seems fair to say that a start has been made toward the realization of these objectives . . . but only a start.

The Commission called for establishment of a common system of multicounty development districts throughout the nation as a foundation for the modernization of local government and the more effective mobilization of resources for development. Though it remains fragile, this approach has gained strength since 1967. Through implementation of the Intergovernmental Cooperation Act, the Federal government encouraged the partnership of State governments in this effort. It sought better coordination of the wide variety of functional pro-

grams. Nevertheless, the proliferation of competing districting efforts remains a serious problem.

Far less progress has been made in providing program support for these newly developed districts. The Public Works and Economic Development Act has spread too few dollars over too many communities. The emphasis placed by its eligibility criteria upon the areas with the worst problems has made it most difficult to conceive of productive programs. The Title V Regional Commissions have scarcely moved beyond the initial planning phase. Though several legislative proposals for modifying the geographic pattern of industrial growth have been introduced, few have received serious attention and none have been passed.

On the other hand, several of the Commission's recommendations concerning the sharing of Federal revenues with states, the establishment of a consistent set of regional administrative boundaries, the consolidation of grant-in-aid programs, and the creation of a State-local application clearinghouse system are either high on the agenda of pending actions or are in the midst of implementation.

During the last few years there has been growing interest in and support for the development of a national growth policy, a policy that would chart a course for the future development of this nation. Through establishment of a Cabinet-level Domestic Affairs Council, the President created a mechanism that could help bring this about. In addition, the White House organized a staff capability—the National Goals Research Staff—to provide the kind of continuing technical input that has heretofore been absent. Unfortunately, upon submission of its first annual report the staff was disbanded and the effort aborted.

It seems to us that the category of programs for human resource development continues to be very much in need of additional resources and most promising in terms of future payoff. Several important advances have been made since the Commission made its study. New area vocational training centers, in combination with improved road systems, have significantly improved the accessibility of expanded educational opportunities for many rural youth. Important forward strides have been made in the field of family planning—both from the standpoint of acceptability among public policymakers and funding. Many advances are also being made in the manpower field—e.g., in laying the groundwork for a comprehensive manpower policy, separation of the Employment Service and Unemployment Compensation programs, the development of annual labor market plans, and establishment of computerized job banks. While these are all important steps in the right direction, the challenge now is to see that they yield tangible benefits to the rural poor.

POVERTY TRENDS

The number of persons falling below the official poverty level dropped rather significantly during the 1960's. While over one in five Americans were poor in 1960, by 1970 the ratio had declined to one in eight.

Statistically, the situation in rural areas has improved even more—though they are still worse off relative to urban areas. In 1959, one in

three nonmetropolitan residents was poor. In 1969, the ratio was about one in six.

These trends can and should give us cause for hope, but not for rejoicing. There are still 25 million Americans living on the margin of existence. And, in the midst of general affluence, this reflects a basic inhumanity as well as a gross under-utilization of our human resources.

The growth in employment opportunities was much better distributed in relation to growth in the labor force in the 1960's than in the 1950's. Even so, large areas of the nation contained to lose population. About half of the counties lost population during the decade of the 1960's; another quarter grew so slowly that they experienced net outmigration. Many of the regions most severely affected by population loss—particularly those in Appalachia and the Southeast—are areas of high concentrated rural poverty.

Although there are more poor Whites than nonwhites there is evidence that the racial minorities continue to account for a disproportionately large share of the nation's rural poverty. About half of all Blacks living outside metropolitan areas are poor. The incidence of poverty among Blacks living on farms is even higher—58% in 1970. It is instructive, therefore, to note the continued heavy net outmigration of minority population from low income, relatively rural States. Arkansas, South Carolina, and Mississippi—though experiencing net outmigration in total—had a slight net *in*-migration of White population during the 1960's. The rate of new outmigration of Negroes exceeded 20% for each of these States and was nearly 30% in Mississippi. In contrast, urban industrialized states such as New York, Ohio, Indiana, and Wisconsin, experienced significant immigration of Negroes (35% in the case of New York) and slight net outmigration of the White population.

These trends suggest that the ties between rural and urban poverty persist. Clearly a decrease in the number of rural poor does not always represent a decrease in the number of poor people.

A COORDINATED PROGRAM IS ESSENTIAL

If a nation is serious about abolishing poverty over the long run, a coordinated program is essential. In the short run, the appropriate policy is one of income transfers to meet the needs of the indigent. Short run programs, however, must be consistent with the long run programs for abolition of poverty and must not serve as means of perpetuating poverty. If our short run policies are to be consistent with the long run objective of abolishing poverty, welfare reform in the United States is essential. The elements of the required changes have been spelled out in detail during the last few years and most of them have been incorporated into legislation now pending in Congress. The major elements include the adoption of a national needs standard, the underwriting of a minimal level of support by the Federal Government, a payments schedule that minimizes the conflicts with labor force participation, special educational and training programs to improve earning capacity of members of low income families, and the establishment of an adequate system of child day-

care centers in order to enable mothers to participate in education, training, and work programs.

The element of a comprehensive program to cope with poverty that has received least national support is the establishment of an effective national employment policy. The national government has steadfastly refused to accept responsibility for providing employment. Escape from poverty is impossible if people cannot obtain employment. During the last few years we have witnessed some of the limitations of limiting the role of government in providing employment in indirect measures such as those embodied in altering monetary policies. Because of the low birth rate in the 1930's and the high birth rates following World War II, the number of people in the prime work force is relatively small. Unemployment among this group has and continues to be low. On the other hand, unemployment has and continues to be extremely high for teenagers and those who are less than 25 years of age. Effective programs for human resource development and programs that facilitate entry of youth into occupations experiencing a tight labor market clearly are in the interest of the nation.

We have a strong bias against employment in the public sector. Our preference for private employment reflects our national orientation toward production of goods rather than services. It is generally recognized, however, that the United States has for several decades been in a stage of economic development emphasizing the production of services. Is it not time that we gave adequate recognition to the production of public services, thereby enhancing the employment by government? The Commission's emphasis upon providing a job for all who are able and willing to work is even more important in combatting poverty today than it was four years ago because of the higher unemployment.

Many of the impoverished today were reared in rural areas where social services were unavailable or where accessibility was difficult. In order to minimize the number of people in poverty, accessibility to social services should be improved throughout the United States. Especially important is the recently developed trend for state-wide standards for education systems, the growing acceptability of group practice by physicians to enable them to operate in sparsely populated areas, state-wide family planning services, and other health-related programs. Although the costs of many of these programs are higher in rural areas than in the metropolitan centers, the costs must be also gauged in terms of the quality of human resources. Inferior human resource development programs in an area will be reflected in intensification of social problems at a later time.

Part of the problem of providing adequate social services in rural areas has its roots in the pattern of growth and development that has occurred within the nation during this century. During the 19th Century the nation had an explicit policy for internal development. It subsidized the location of people throughout the West. When this was accomplished it was assumed that the natural forces of the marketplace would bring about the most desirable distribution of employment opportunities and population in the nation. Instead, economic growth had distinctly different impacts upon different areas of the

country. During the 1940's and 1950's, especially, employment growth was concentrated in the major metropolitan centers. In many non-metropolitan areas it became increasingly difficult to maintain adequate social services. The nation has given too little attention to the problems of nation building. We have not yet evolved a coordinated national policy for internal growth and development. Instead, we seem to be moving in the opposite direction by shunting national responsibilities and asking the states to provide guidance. The revenue sharing proposals, the unwillingness to provide program support for the Title V Commissions, and the demise of the National Goals Research Staff, all seem to point in the direction of depending more heavily upon the states to determine internal growth policy.

Four years after the publication of the report of the Rural Poverty Commission, millions of Americans are still left behind. In the intervening years significant improvements in policies and programs have been made. But the thrust has not been sufficient to overcome the problems of poverty. We remain convinced that poverty will not be overcome without extensive reform of welfare programs, a coordinated program of human resource development and public service employment that provides a job for all who are able and willing to work, and a national development program that coordinates the location of population, employment and the delivery of public services.

THE PRESIDENT'S "REPORT ON NATIONAL GROWTH 1972": A CRITIQUE AND AN ALTERNATIVE FORMULATION

(By Richard P. Burton and Harvey A. Garn, The Urban Institute, Washington, D.C.)

I. INTRODUCTION *

The preamble to the Housing and Urban Development Act of 1970 calls for:

An Act to provide for the establishment of a national urban growth policy, to encourage and support the proper growth and development of our States, metropolitan areas, cities, counties, and towns with emphasis upon new community and inner city development, to extend and amend the laws relating to housing and urban development and for other purposes.

The passage of the Act represents a more explicit identification of the Federal role in developing national urban growth policy than is implied in past programmatic responses. The specific definition of this Federal role was to be spelled out over time by congressional and executive interaction. The President was to submit to the Congress a report on national urban growth policy in 1972 and on even-numbered years thereafter. We have been asked to comment on the first report¹ and to present our views on metropolitan growth policy. Before doing this, however, some general comments are needed.

The requirements of the Act parallel in many ways the requirements of the Employment Act of 1946. That Act identified explicitly a Federal requirement to develop policies with respect to "full employment." It established the Joint Economic Committee to assist in the development of policy and to respond to executive decisions relating to employment problems. Further, it established a Council of Economic Advisers to assist the President in the specific definition of policy and required the President to transmit an annual economic report to Congress discussing policy issues.

Similarly, the Housing and Urban Development Act identifies a specific problem area requiring the development of urban growth policy, requires the President to identify a unit of the Domestic Council to be responsible for this policy, and requires a bi-annual report from the President on national urban growth policy.

The parallel is interesting because, in the case of the Employment Act of 1946, the legislative initiative provided for the initial development of national employment and related policies and their continued, more sophisticated, evolution. In the case of the Housing and Urban Development Act of 1970, however, progress along both these lines

*We wish to acknowledge the helpful suggestions of John W. Dyckman in earlier drafts of this paper.

¹*Report on National Growth 1972*. Hereafter, this will be cited in the text as the *Report*.

has been disappointing to date. We, therefore, offer this critique of the President's initial report on national growth and an alternative formulation in the hope that a more specific identification of possible policy initiatives will lead to constructive debate, and, possibly, even to an improved response to our metropolitan problems.

Such an improvement requires an awareness of the importance of the *spatial* dimension in developing national policy. Urban growth policy relates not only to how our people live and work, but where they live and work. Furthermore, concern with the spatial dimensions of national policy calls attention to the importance of institutional (particularly public) adaptations to settlement patterns.

Much of our critique and alternative formulation of metropolitan growth policies springs from our conviction that:

- (1) the United States is and will continue to be increasingly a metropolitan society;
- (2) neither metropolitan America nor nonmetropolitan America will wither way; and
- (3) both our public policies and our governmental institutions have failed to respond to the challenges and problems associated with (1) and (2) above.

The President's *Report* focuses attention on the interaction between rural and urban problems in its call for the development of a *national growth policy*. There is clearly a need for such a comprehensive policy. We would argue, however, that the development of such an overarching policy might best be realized by first developing policies to deal with many of the specific and separable problems of metropolitan and nonmetropolitan areas. Therefore, while we recognize that nonmetropolitan America has pressing problems which deserve attention in national policy, we have restricted our attention here to policies for metropolitan areas.²

At this time, the United States does not have a coherent nonmetropolitan, metropolitan *or* national growth policy that deals with the spatial dimension noted above.³ Our implicit policies, however, have created state coalitions of rural and suburban interests vis-a-vis central cities, and have spurred attempts by the Federal level to pursue direct approaches to central city communities and governments, thus undermining the states. The net effects of these implicit policies have been to increase metropolitan concentration of the population, spur intrametropolitan residential moves to independent suburban jurisdictions of the white middle class, increase concentration of the poor and minorities in the central city, and create a jumble of governmental responses at local, State, and Federal levels. One of our major points, therefore, is that this dichotomy between rural/suburban and central city populations implicit in current domestic "policy" be replaced by a metropolitan and nonmetropolitan division. Our recommendations below, therefore, are intended as a contribution to the development of viable policies for metropolitan America as called for in the Housing

² Although the *Report* seems to place particular emphasis on the importance of nonmetropolitan problems, their explicit treatment of the issue is restricted to a few superficial paragraphs on pp. 26-27.

³ There are policies and programs, of course, which have differential spatial impacts and even some programs, such as those of the Economic Development Administration, and the Regional Commissions which deal with spatially defined problem areas. These policies and programs are not now coordinated, however, in coherent policy directions.

and Urban Development Act of 1970. At a later date we plan to formulate a companion set of nonmetropolitan policies and to clarify the spatial implications of national growth policies.

II. A CRITIQUE OF THE REPORT ON NATIONAL GROWTH 1972

As indicated, we have been requested to comment on the *Report on National Growth 1972*, and to present our views on the subject of national urban growth policy. The *Report* was prepared by the President's staff in response to the specific requirement in the Housing and Urban Development Act of 1970 "to assist in the development of a national urban growth policy" by utilizing the capabilities of the executive branch to develop and present, on even-numbered years starting in 1972, a report on urban growth.

The *Report*, even as an initial step, does not seem to us to go very far in the direction of the development of a national urban growth policy. While we grant that the development of such a policy is not "the work of a day"⁴ and that there are, indeed, difficulties in "the task of formulating a growth policy which is more than mere rhetoric, a policy that really makes a difference in our national life,"⁵ we feel that a stronger policy statement could have been prepared. The limitations of the *Report* are the result of three major weaknesses:

(1) Although there is an extended section of the *Report* devoted to population growth and shift, there is no explicit recognition of the increasingly *metropolitan* (not merely urban) character of our society, and the consequent need to adapt our governmental structure to this change.

(2) As a policy statement it serves to blur, rather than clarify, a number of critical distinctions—national vs. urban growth policy, national problems vs. Federal problems, national vs. local problems, public vs. private responsibilities; and allocation of functional responsibilities among governmental jurisdictions.

(3) While the *Report* does contain some specific recommendations, it does not attempt to isolate key urban problem sets, state goals for the resolution of these problems, propose a coordinated set of strategies for achieving the goals, or emphasize the respective roles of each of the levels of government—all of which are crucial elements in a well-articulated metropolitan growth policy.

The discussions and hearings which preceded the passage of this Act, as well as the mounting severity of urban problems in the United States, make clear the need for a national recognition of these problems and a Federal lead in their resolution. It is true, as the *Report* notes, that our urban problems are related to our past history and our rural problems. It is true, also, that they are complicated, difficult of solution, and arise from the decisions of a large number of actors, both private citizens and governmental officials. Indeed, a major reason for requiring such an official report is a recognition of these facts. If their recognition required no further analysis; their acknowledgment required no changes in our perceptions; and their resolution did not require facing up to critical distinctions; there would have been little point to the requirement. Unfortunately, the *Report* seems to us to fall short in all of these respects and, therefore, contributes little to constructive policy formulation.

Perhaps the problem is that, in the context of national urban growth, *policy* is an elusive concept. However, a policy statement based on an analytic framework would attempt to isolate problems, state objec-

⁴ *Report*, p. xi.

⁵ *Report*, p. x.

tives, define alternative strategies, and identify public responsibilities. The *Report* seems to simultaneously recognize and not recognize such a view of policy definition.

Recognition is shown by such statements as :

(1) "All of these considerations should not be seen as precluding a new general strategy for national development. We need such a strategy; we must develop a clear and coherent approach."⁶

(2) "It (the *Report*) is concerned primarily with the twin objectives of balanced and orderly growth."⁷

(3) "Policies are needed to deal with these problems and to insure that future growth is both orderly and balanced. As President Nixon has said, 'the growth which this Nation will inevitably experience in the coming decades will be healthy growth only if it is balanced growth—and this means growth which is distributed among both urban and rural areas.' Orderly growth requires overcoming the problems associated with past growth and preventing their repetition in the future. This will necessitate action by all parts of our society—individuals and families, private enterprise, and government at the local, State, and Federal levels."⁸

(4) "Government should address itself to alleviating these problems, and, at the same time, adopting policies toward growth that will prevent their recurrence in the future."⁹

On the other hand, lack of recognition (or at least an unwillingness to move from general statements toward policy definition) is indicated by :

(1) "The hard, unavoidable fact of the matter, however, is that no single policy, nor even a single coordinated set of policies can remedy or even significantly ameliorate all of our ills. As our problems are many and varied and changing so our solutions must be multiple and diversified and flexible."¹⁰

(2) "As the findings of this report make clear, the Nation's growth is shaped by countless decisions made by individuals and firms seeking to fulfill their own objectives. Few of these decisions, individually, take on national importance. The vast majority of them, in fact, have significance only within a single local jurisdiction, or at most, within a single State. Thus, *it is all but certain that future problems of growth will be met at these levels, regardless of any attempts to control the growth process by the Federal Government.*"¹¹

It is hard to see how clear and coherent national urban growth policies can be developed unless the Federal Government takes the lead in developing them. It is not inconsistent for the Federal Government, within our federated structure of government which recognizes multiple values and pluralism in our society, to enunciate its view of the problems, objectives and strategies. Nor is it inconsistent for the Federal Government to attempt to identify direct and indirect responsibilities at all levels of government for influencing patterns of growth.¹²

It is doubly important, therefore, for the development of national urban growth policy, to make critical distinctions. There is a distinction between national growth policy and urban growth policy although the distinction is blurred in the *Report* on page ix¹³ and there-

⁶ *Report*, p. xi.

⁷ *Report*, p. xi.

⁸ *Report*, p. 25-26. Further definition of the meaning of balanced and orderly growth are not forthcoming in the *Report*. This is unfortunate since "defining the objectives of a national growth policy requires a searching consideration of our national objectives and priorities. This task becomes increasingly difficult as we move closer to specific goals." (*Report*, p. 29.)

⁹ *Report*, p. 28.

¹⁰ *Report*, p. x (our italics).

¹¹ *Report*, p. 65 (our italics).

¹² Note that in an institutionally efficient federal system, it probably would not be necessary for the Federal Government to take such a leading role. However, it is a central theme of this paper that nontrivial institutional change at the State and local levels is necessary if they are once again to participate fully in this responsibility.

¹³ "... the term 'national urban growth policy' is too narrow. Instead this report will use the term 'national growth policy,' recognizing that rural and urban community de-

after. There is a distinction between problems which should be solved by a public assumption of responsibility and those which can be resolved privately, although that distinction is blurred throughout the *Report*.¹⁴ There are distinctions among problems which are best resolved locally, at State level, and at the Federal level which are blurred throughout the *Report*.¹⁵ In failing to make such distinctions, coupled with the absence of an analytic framework, the *Report* leaves us virtually without a national urban growth policy in 1972.

Indeed, the *Report* reflects this "omission" in terms of the balance of its contents. In a seventy-four page document only Chapter II, "The Challenge of Balanced and Orderly Growth," attempts to deal with the policy issues we stress here. Its seven pages are devoted to: problems associated with growth (three pages), obstacles and issues in the formulation of a comprehensive national growth policy (two and one-half pages),¹⁶ and meeting the challenges of growth (one-half page).

The initial chapter, "Population Growth and Distribution," uses twenty-four pages to recount readily available demographic statistics with little attempt to relate them to the discussion which follows. We should especially note the absence of two major sets of statistics in this chapter. There are no projections in the *Report* of future magnitudes or patterns (see Figure 5) of the metropolitan population. Such projections, any of which show major expansions of the metropolitan population, are crucial to the development of national urban growth policy.

Metropolitan Growth 1960-2000

Source of Projection:	<i>Millions</i>
Anthony Downs.....	55.0
Commission on Population Growth.....	66.0
Census D.....	80.5
HUD.....	96.4
Census A.....	144.6

Chapter III, "Recent State and Local Actions to Influence Growth," consists of thirty-one pages describing an array of state and local activities which may impinge on growth. There is no attempt made to assess the relative significance of these activities or to draw out lessons from this experience which could further the development of a "clear and coherent approach" to national growth issues or policy. Chapter IV describes some of the actions of the Administration (nine pages) relating to growth. The result of the various staff and program efforts related to the growth issue, according to the *Report*, "has been a set of forceful policies designed to:

velopment are inseparably linked. It is important to realize that urban growth problems cannot be discussed in a useful and intelligent manner without discussing rural growth as well." (Our italics.)

¹⁴ See especially, the introduction which first broadens the area of concern from "urban" to "national growth policy" since the former is too narrow and then notices that "the term 'national growth policy'—and even the term 'urban growth policy'—has come to embrace virtually everything we do—privately and publicly—that shapes the future of our society." (*Report*, p. x.)

¹⁵ This is especially unsettling given the following comment in the *Report*: "If we are to meet the challenges of national growth, we must begin by determining where in our governmental system we can best deal with the problems and opportunities of growth." (*Report*, p. 31.)

¹⁶ The conclusion of which is, "Accordingly, it is not feasible for the highest level of government to design policies for development that can operate successfully in all parts of the Nation." (*Report*, p. 31.)

(1) Strengthen the capacity of State and local governments, to solve the problems that past growth has brought, and to take advantage of the opportunities that future growth will bring;

(2) Recast the structure of the Federal Government to make it more effective in assisting State and local governments to carry out their responsibilities; and

(3) Improve Federal approaches to growth problems where national interests are at stake.¹⁷

The *Report* then went on to describe a variety of Federal administrative and program activities—which, as such, are no different than those which have characterized our past programmatic response to urban problems.

The final chapter, “Administration Recommendations to the Congress” (nine pages), includes reference to government (Federal) reorganization, revenue sharing, expanded rural credit, planning and management assistance, national land use policy to encourage States to assume responsibility for land use, power plant siting, protection of coastal wetlands by subsidies to developers, and welfare reform. Again, no attempt is made in the *Report* to tie these recommendations together as a clear and coherent response to the problems or issues surrounding metropolitan growth policy or to assess their relative importance.

Hence, our view is that the result is not a very useful policy statement, and helps relatively little in developing one. Therefore, in considering our assignment for today, we felt that a critique of the *Report* would be especially incomplete without also supplying a constructive alternative.

The remainder of this opening section will be devoted to identifying what our alternative takes to be the key problem areas and a brief description of the degree to which they are recognized in the *Report*. We will comment, also, on the degree to which the *Report* states objectives for their solution. The second section of this paper will suggest both alternative and recommended strategies for their resolution and will identify the respective roles of Federal, State, and local governments.

There is considerable consensus among urban analysts about the definition of key problem areas. In our view, the major problems which should be addressed by a metropolitan growth policy are those associated with:

(1) Externalities (spill-ins and spill-outs), e.g., in waste disposal, pollution, transportation, and the inability of fragmented local governments to internalize these externalities;¹⁸

¹⁷ *Report*, pp. 56–57.

¹⁸ Externalities arise when the actions of one individual or group in pursuit of their own goals result in the imposition of costs or benefits to other individuals or groups in such a way that the actor is not required to include the costs in his own decisions or cannot capture the value of the benefits for himself. Concentrations of population tend to increase the possibility of such situations, e.g., pollution and travel congestion costs which are frequently the result of actions by individuals or groups who do not incur the costs they impose on others.

There is another class of problems which is related to externalities but is not identical with them. These are problems in horizontal equity which result, in part, from the existence of independent political jurisdictions in an interdependent setting, such as a metropolitan area. Because individual actions impose differential requirements for producing and maintaining public services within a metropolitan area, but individuals are taxed only in their own jurisdiction, like individuals in different jurisdictions may pay differential rates for services available to and used by all. This is the problem of horizontal equity. It deserves separate treatment elsewhere. For our present purposes, problems of horizontal equity will usually not be distinguished from externalities.

- (2) Increasing ghettoization and apartheid between poverty area residents (predominantly black) and the rest of the metropolitan population;
- (3) Lack of citizen involvement in the resolution of municipal affairs;
- (4) Urban sprawl and decay within the urban area;
- (5) Inadequate and uneven local financial resources.

The *Report* does not ignore this problem set completely, but it does not isolate them in such a way that the goals with respect to their resolution, strategies to deal with them or assignment of governmental responsibilities among Federal, State and local governments are clear.

Externalities and Governmental Fragmentation

The *Report* contains some references to externalities. It is noted that :

The influx of low-income families and individuals has placed a heavy burden on municipal services and facilities. At the same time, the revenue sources available to pay for them have been shrinking, as middle and upper income families, together with commercial and industrial enterprises, move to the suburbs. These families may continue to place demands on central city facilities and services, intensifying the problems cities face in providing them.¹⁹

Environmental and transportation externalities are also specifically mentioned. These brief descriptions do not convey an adequate appreciation of the great range and variety of external effects (or problems of horizontal equity) in areas of population concentration. Nor are these descriptions linked effectively to the major institutional failures which make it virtually impossible to internalize the externalities (or produce horizontal equity) within the metropolitan region. There is a reference to the reduced ability of the central cities to annex surrounding territories due to their incorporation as independent local governments, but this observation occurs in the section on population growth and the implications of the resulting fragmentation on the ability of any given jurisdiction to deal with the externalities are not discussed.

The *Report* verges on such a discussion in describing the proliferation of special districts :

One of the reasons for the growth of special districts in American government has been the spilling over of governmental functions across the boundaries of individual municipalities, coupled with the unwillingness or inability of counties to assume responsibility for these functions. Preliminary information from the 1972 census of governments indicates that special districts grew in number just as rapidly between 1967 and 1972 as in the preceding 5-year period.

The formation of a special district can add to the proliferation of local government units in metropolitan areas and make the formulation of land use, transportation, and other urban growth policies more difficult. However, the number of special districts is likely to increase until general purpose units of government begin to meet these needs more consistently or other institutional arrangements are devised.²⁰

After properly rejecting this approach, their recommendations on this score include the reorganization of local government through such vehicles as multipurpose authorities, two-level systems, urban counties, and voluntary councils of government. These structures may help resolve problems of fragmentation and externalities in small urban areas; but, as the analysis below suggests, they are inadequate to the institutional requirements of major metropolitan areas.

¹⁹ *Report*, p. 27.

²⁰ *Report*, p. 49.

Ghettoization and Apartheid

The problem is raised several times in the *Report*—the movement of the black population from rural to urban areas, especially to the central city; the outmigration of the white middle- and upper-class to independent suburban jurisdictions; the consequent strain on central city financial resources; and the difficulty blacks have in finding suitable housing and employment. Unfortunately, there is no statement in the *Report* about either Federal goals with respect to this problem or any suggested strategy that deals with it—with the possible exception of welfare reform.²¹

The *Report's* sketchy statement of the problem alone, however, indicates a need for further initiatives. For example, given the difficulties which central city blacks have in making use of the full range of employment and housing options in metropolitan areas, cited in the *Report*, is it reasonable to suppose that private markets will suddenly become more responsive or that the predominantly white middle-class suburbs will voluntarily assume the responsibility for resolving the ghetto's problems? The silence of the *Report* with regard to strategies for reducing problems associated with ghetto concentration is particularly striking since the problems have been so well documented and alternative strategies have been so extensively discussed, at least since the Kerner Commission Report.²²

Lack of Citizen Involvement in Municipal Affairs

This problem is largely overlooked in the *Report*. Insofar as it is alluded to, it is in the context of decentralization of the operation of Federal programs to regional, State and local levels and bolstering governments in such a way that they are "closer to the people." There is no discussion of the difficulties which citizens are increasingly expressing about the lack of responsiveness of local governments to community needs within the city. This problem is not just confined to the black community or other minority neighborhoods. Many groups and neighborhoods have strongly expressed their concern that their particular collective interests and needs lack effective expressions in current big city government. Administrative decentralization of the Federal Government is not a response to these group and neighborhood home-rule concerns. In fact, it could result in strengthening the ability of the extant State and local governments to ignore appeals for more citizen involvement.

Urban Growth (Sprawl) and Decay

The *Report* makes little mention of the massive problems of decay in our central cities and older suburbs, and indicates that sprawl is the "price" that the American people have been willing to pay for low density life styles. There is no discussion about whether the "price" being paid is a necessary consequence of lower density living. Indeed, the impression is conveyed that the appropriate policy is to allow the market mechanism to continue to determine metropolitan land use patterns followed by *ex post* governmental attempts to bring order out of the

²¹ In this connection, it should be noted that the HUD strategy for ghetto dispersal and economic integration of the suburbs, through the use of the threat of withholding Federal funds, is mentioned nowhere in the *Report*—even though such a strategy represents one of the few explicit current policies relating to ghettoization and racial apartheid. This problem and our recommended alternative are discussed further below in Section III.

²² *Report of the National Advisory Commission on Civil Disorders*, Washington, D.C., 1968.

chaos of sprawl. Our own view is that other options which would reverse this process are at the heart of urban development policy and should have been explored.

Inadequate and Uneven Local Financial Resources

The *Report* does not discuss local revenue and tax problems extensively, but does reflect awareness that metropolitan concentration has placed significant strains on financial resources available for the delivery of local public services. Items discussed include the exodus of upper- and middle-income people to the suburbs, problems associated with the reliance on property taxation for financing local services, and the increased requirements for social services of the lower-income residents of the central city. Two strategies are proposed for dealing with these problems—welfare reform, with the assumption of an increasing Federal role, and general and special revenue sharing. However, there is no discussion of a strategy for reducing the numbers of metropolitan area residents on welfare other than the work incentive provisions of the Administration's proposals. No mention is made of what could be done in those cases where the problem is not one of incentives but access to and availability of suitable job opportunities. The *Report* notes that the racial apartheid of our cities and the increasing concentration of blacks in central cities "is due in large part to economic and social forces which have limited the availability of housing for blacks and minorities outside the central city area."²³ If the problem is lack of equal opportunity and free mobility, work incentives, while relevant, are clearly not the whole answer.

There is yet another problem which relates to special and general revenue sharing. The central focus of the revenue sharing proposals is to provide funds directly to existing State and local governments as an alternative to current categorical programs. Revenue sharing is viewed, in the *Report*, as a device to increase the financial capacity of State and local governments, but not as a device for forcing a restructuring of State and local jurisdictions in a way that will make them responsive to *metropolitan area* problems and alter the current inter-governmental fiscal pattern of underaiding cities and overaiding suburbs.

Summary

Almost everyone agrees, ourselves included, that policies are vitally needed as a guide to the nation's future urban development. The *Report*, however, does not represent a major step toward the formulation of such policies.

The *Report's* suggestion that a national growth policy is needed is surely correct, but does not obviate the necessity for a modular approach and, therefore, a more complete development of policies directed to the problems of both metropolitan and nonmetropolitan society. What follows is our attempt to isolate the metropolitan component and to develop an institutional formulation of national urban growth policy within the context of a comprehensive framework of analysis.

The problems and goals that are identified within this framework are not unfamiliar; the set of recommended strategies, however, rep-

²³ *Report*, p. 23.

resent the emergence of a new and significantly different policy perspective. Unlike our past record of *ex post* programmatic responses, this perspective attempts to establish no less than the basis for a new federalism for metropolitan society. It, therefore, constitutes a major step in the development of viable national urban growth policy.

III. AN INSTITUTIONAL FORMULATION OF NATIONAL URBAN GROWTH POLICY

Thus, it is our view that the President's *Report on National Growth 1972* represents a deficient formulation of American urban growth policy, inadequate both in concept and vision. Granted, the state of the art in this country is relatively new, and the architects of the *Report* have not inherited a particularly rich analytical legacy.²⁴ Yet it seems to us that after several decades' experience with rapid urbanization and the consequent problems of the "urban crisis," we are now in possession of enough domestic and imported knowledge to begin to formulate a comprehensive framework that avoids misplaced emphasis, makes worthwhile distinctions, and leads to a national urban growth policy which can begin to bring these massive problems under effective public control. Our efforts in the remaining pages will attempt to utilize this knowledge in the construction of just such an analytic framework.

We recognize, of course, that a national urban growth policy of any significant merit must deal non-incrementally with major land-use strategies and other considerations that are fraught with political uncertainties in a society characterized by extensive decentralized decision making. Thus, we shall carefully avoid the temptation of lapsing into either a series of defective excursions about the difficulty of growth policy formulation, or into the overneutrality of a purely apolitical, "scientific" discussion. We suggest that, until recently, incremental approaches have dominated our thinking, and although more than ten years of urban policy research has given us some valuable tools and perspectives, the persistence of urban problems and their spreading severity serve to remind us that these approaches have simply failed to generate or to affect public policy solutions. The realization that "we don't seem to be getting anywhere" in the formation of effective urbanization policy also has created the awakening suspicion that continued efforts along these traditional lines will only produce like results.

Hence, the crucial need to improve governmental responsiveness to the nation's urban problems has set the stage for new dimensions in policy research. In recent years, we have witnessed some significant departures from our technical, program-oriented perspective which tend to regard urban problems as social pathologies whose cure depends only upon the dispassionate application of social and physical science through large-scale government.²⁵ These new departures, reflecting awareness of the fact that most of our "urban social problems" amount to "contests between various groups over the control of desirable resources,"²⁶ have begun to make us appreciate the high political

²⁴ A comprehensive account of the "very modern history" of national urban growth policy is contained in: Lowdon Wingo, "Issues in a National Urban Development Strategy for the United States," *Urban Studies*, Vol. 9, No. 1 (February 1972), pp. 3-28.

²⁵ This tendency has been discussed with remarkable insight by James B. Rule, "The Problem with Social Problems," *Politics and Society*, Vol. 2, No. 1 (Fall, 1971), pp. 47-56.

²⁶ *Ibid.*, p. 47.

content of these problems and, therefore, the need for considering alternative institutional arrangements within which scientific solutions are politically attainable. This is not to say that program evaluation and PPBS have failed, but to suggest that "The analytic, problem-solving approach of the planning-programming-budgeting system cannot realize its full potential unless it considers, not only alternative public programs and expenditure levels, but also alternative institutional arrangements for the achievement of public purposes."²⁷ In other words, approaches to our mammoth urban difficulties, which merely involve the expenditure of more public funds and the development of more social programs, may continue to fall considerably short of solution unless accompanied by nontrivial adjustments in the institutional alignment of political power.

Therefore, in formulating a framework for national urban growth policy, we have strongly, but not exclusively, emphasized this new kind of institutional approach, an approach which seeks to answer the following question: *If we could be more daring and could develop social policy based upon some limited but substantial change of our institutional arrangements, which ones would we need to adjust in order to achieve substantial improvements in human welfare?* Although institutional approaches in general are neither value-free nor void of political content, we believe that many of those employed below are defensible on "rational" grounds as representing logical derivations from principles of the emerging fields of metropolitan political economy and social planning.

A Framework for National Metropolitan Growth Policy

First, a terminological distinction: during the past twenty-five years, the United States has become much more of a *metropolitan* than an urban nation with 71 percent of our population now residing in metropolitan areas. Hence, a national *metropolitan* growth policy, which recognizes the high degree of social, economic and environmental interdependence of city and suburb, is distinctly more appropriate than either a national urban growth policy or a national growth policy that does not distinguish metropolitan and nonmetropolitan components.

Next, for greatly needed purposes of clarity, we suggest that the framework for such a policy must initially consist of four basic ingredients: (1) a definition of the key "urban" problem set, (2) an identification of developmental goals, (3) an evaluation of alternative strategies, and (4) an assignment of public responsibilities. As illustrated in Figure 1, we have attempted to construct such a framework in as concise a form as possible. It should be mentioned at the outset that in specifying problem definitions and goal identifications (Columns I and II), we have drawn heavily from the recent works of Canty,²⁸ Downs,²⁹ and Moynihan³⁰ and have discussed the response of

²⁷ Mancur Olson, Jr., "The Optimal Allocation of Jurisdictional Responsibility: The Principle of Fiscal Equivalence," *The Analysis and Evaluation of Public Expenditures: The PPB System*, Vol. 1, Joint Economic Committee, Congress of the United States (1969), p. 321.

²⁸ Donald Canty, "Metropolity," *City*, Vol. 6, No. 2 (Spring, 1972), pp. 29-44.

²⁹ Anthony Downs, "Alternative Forms of Future Urban Growth in the United States," *Journal of the American Institute of Planners* (January, 1970), pp. 3-11.

³⁰ Daniel P. Moynihan, *Toward a National Urban Policy* (New York: Basic Books, 1970), pp. 3-25.

the *Report* to these problem definitions and goal identifications in Part II. Thus, we shall concentrate primarily on the issues of development strategies and public responsibilities (Columns III and IV) in the following discussion, which takes up each problem area sequentially.

I. Problems	II. Goals	III. Strategies	IV. Responsibilities
1. "Externality" (waste disposal, pollution, transportation, etc.) and governmental fragmentation	Escalate the level of planning and provide adequate governmental powers via metropolitan organization	Organization of Metropolitan States	Federal, State and local
2. Ghettoization and Apartheid	Ghetto Dispersal and opening up of the suburbs via collective integration	Organization of Industrial Manpower Communities in the suburbs	Federal
3. Lack of citizen involvement in municipal affairs	Greater citizen participation via central city decentralization	Organization of Neighborhood Governments	State and local
4. Urban growth (sprawl) and decay	Containment	Organization of Satellite Cities (the French plan)	Federal and State
5. Inadequate and uneven local financial resources	Increase and equalize metropolitan revenue base	Revenue Sharing	Federal

Figure 1. A Framework for a National Metropolitan Growth Policy

A. EXTERNALITY (SPILLOVERS) AND GOVERNMENTAL FRAGMENTATION

Our institutional approach suggests that many urban economic, social and environmental problems are caused by the failure of governmental structure to adapt to the spatial concentration and growth of both industry and population in (balkanized) metropolitan areas. Consequently, the major conceptual task confronting the U.S. metropolitan growth strategist is to develop institutional parameters for the correct spatial organization of federalism in a metropolitan society. Indeed, this awesome task has been the focus of increasing study over the past several years and, although there is now substantial professional agreement with respect to the *need* for governmental recon-

struction, there is considerably less unanimity as to what *form* of alternative arrangements would be the most appropriate.

The argument about the *form* of alternative arrangements first centered on a clash between two seemingly rival philosophies: the "polycentric" theory of the political economist vs. the "regionalist" rationale of the public administration-planning tradition.³¹ Essentially, the "polycentric" position opts for highly demand-responsive arrangements and, thus, argues for a metropolitan system of many centers of formally independent decision-making, each of the smallest possible size. Professor Stigler of the University of Chicago, a staunch defender of this viewpoint, claims that:

If we give each governmental activity *to the smallest governmental unit* which can efficiently perform it, there will be a vast resurgence and revitalization of local government in America. A vast reservoir of ability and imagination can be found in the increasing leisure time of the population, and both public functions and private citizens would benefit from the increased participation of citizens in political life. An eminent and powerful structure of local government is a basic ingredient of a society which seeks to give to the individual the fullest possible freedom and responsibility.³²

In more formal terms, the argument is that efficiency in allocating local public goods and services is maximized in the polycentric model by (1) the presence of "fiscal equivalence," i.e., by the congruence of community and governmental jurisdiction, (2) by the relative homogeneity of the population within communities, and (3) by the practice of "citizen participation," or direct rather than representative democracy in the local governing process. These kinds of public arrangements, derived from the economists' perfectly competitive market model, are associated with the views of the classical liberal tradition.

The regionalist school, on the other hand, has been known to exhibit far less sympathy for polycentric arrangements which, in fact, are regarded by them as something of an anachronism in the context of metropolitan society. Although rarely stated explicitly, their rejection of polycentrism is on grounds that the sufficiency of that model's three maximizing conditions (stated above) requires spatial independence in a system of free-standing, self-contained communities, a condition seriously eroded in today's cluster pattern of *interdependent* communities situated around large, *heterogeneous* urban centers. The regionalist view rests upon the proposition that today's urban problems are largely a result of the redistribution of population which accompanied our transition from an essentially agrarian (nonmetropolitan) economy to an industrial/service (metropolitan) economy—a transition rapidly accelerated at mid-century and one that, by all forecasts, will be virtually complete by the year 2000. This proposition, developed brilliantly by August Losch, has been restated most succinctly by Valavanis:

Now we appreciate the full force of Losch's distinction between agriculture and industry. Agricultural production is areal, industrial production is punctiform. The best location for the consumption of industrial goods is the city, whereas the best one for consumption of food implies an even distribution of the people. As long as products of the soil are an important item of demand, pop-

³¹ An excellent critique of these two theoretical strains is contained in: Ellnor Ostrom, *Metropolitan Reform: Propositions Deprived from Two Traditions*, manuscript prepared for the Society for the Study of Social Problems (Denver, Colorado, August 1971).

³² In Edmund S. Phelps (ed.), *Private Wants and Public Needs* (New York: W. W. Norton, 1962), pp. 637-44.

ulation will be scattered, if not continuously at least evenly, like polka dots, over the land.³³

The redistribution effects, of course, have dramatically altered our national settlement pattern from one characterized by a nonmetropolitan system of small- and medium-sized, free-standing communities distributed like "polka dots over the land" to a predominantly metropolitan system described by great *clusters* of small- and medium-sized (suburban) communities around urban cores, the latter having been expanded in an intermediate migratory stage commonly referred to as "urbanization."

Therefore, the regionalists conclude, in a metropolitan setting where "no *community* is an island unto itself," the individualistic, consumer-oriented reasoning of the political economist no longer applies. Indeed, the interdependence of metropolitan communities and the "pervasive externalities" that result, call for some form of governmental unification of the entire metropolitan region—for no less than metropolitan government. Although this conclusion is fairly well-known, note that it places the regionalists squarely within the modern liberal tradition; they argue that the power of government to countervail the "anti-social" interests of the private sector is severely diluted when metropolitan authority is fragmented in a "jungle" of small, overlapping local jurisdictions.

So here we have it: the apparently irreconcilable contest between what Norton Long has described as metropolitan consumership vs. metropolitan citizenship, a stand-off between the forces of polycentrism and the dispersal of political power vs. those of regionalism and the concentration of public authority in a single agency. But the origins of this dispute, of course, are hardly new; nor would the controversy have persisted if the arguments were not each highly compelling. Yet, over time, the heated clash of these contradictory opposites have turned up noticeable weaknesses in both camps.

But in recent years, a kind of unconscious dialectic has begun to emerge, a new approach to metropolitan organization pioneered by a diverse group of men who would attempt to expunge these weaknesses so as to forge a synthesis of the strengths of each. We have chosen to label this *avant garde* the "New Federalists," and their recent efforts at constructing new forms of federalism for metropolitan society seem, in both concept and practice, to represent concrete attempts to reconcile these strengths. The following is an evaluation of this movement in the form of a specific strategy recommendation for the first in our urban problem set: externality and governmental fragmentation.

The Metropolitan State ³⁴

The institutions of State and local government in the United States are increasingly under heavy critical assault. Some have even claimed that these "sometime governments" and "anachronisms" are now unfit to deal effectively with the accumulating social, economic and environmental deterioration that characterizes life in our modern metropolitan society. This view commonly asserts that we have all become high-

³³ Stefan Valavanis, "Losch on Location: A Review Article," *The American Economic Review*, Vol. 45, No. 4 (September, 1955), pp. 637-44.

³⁴ Much of the material in this section has been extracted from: Richard P. Burton, "The Metropolitan State: A Prescription for the Urban Crisis and the Preservation of Polycentrism in Metropolitan Society," in *Regional Planning Issues*, Part 1, Hearings before the Subcommittee on Urban Affairs of the Joint Economic Committee, Ninety-first Congress, 1970, pp. 139-65; and "The Metropolitan State," *City*, Vol. 5, No. 5 (Fall, 1971), pp. 44-49.

ly interdependent metropolitan citizens, residing in one part of the metropolitan community, working in another, while shopping and recreating in still others: State and local governments cannot cope with the "pervasive externalities" that result. Consequently, what is required are legal, metropolitan-wide governments to bring order out of the "organized chaos" that results from the "crazy quilt" fusion of special districts, city, county, State and Federal agencies that currently comprise the governmental decision making apparatus in today's metropolitan regions.

But the assault has not been limited to rhetoric alone: we have already witnessed some profound changes in the polycentric structure of our federal (three-level) system in the past twenty or thirty years that have moved us measurably in the direction of centralism and toward a unitary (two-level) system of government in metropolitan America. Included among the most important of these changes are (1) the creation of a number of "big local governments,"³⁵ (2) the decline of effective State government, and (3) the advent of "creative" or "direct" federalism, a form of cooperation in which the States are bypassed in favor of direct relationships between the Federal Government and the cities.

The Metropolitan State strategy offered below is consistent with a series of academic defenses of polycentrism and local government that has emerged over the past fifteen years or so.³⁶ By comparison, however, a different and somewhat schizophrenic position is adopted here, one that is accompanied at the same time by a sympathetic recognition of the need for metropolitan-wide governmental organization. Thus, the central thrust of this inquiry can be simply stated: are metropolitan governments and polycentrism (i.e., many centers of formally independent decision making) reconcilable states of the world? Our efforts to analyze this question will first include a brief summary of some of the major adaptive responses of the federal system

³⁵ The trend towards centralism in the form of metropolitan government is represented by the creation of some 11 city-county consolidations since 1947: Baton Rouge (1947), Hampton, Va. (1952), Miami, Fla. (1957), Nashville, Tenn. (1962), Virginia Beach (1962), and South Norfolk, Va. (1962), Jacksonville, Fla. (1967), Carson City, Nev. (1969), Juneau, Alaska (1970), Columbus, Ga. (1970), and Indianapolis, Ind. (1970). More subtle evidence is found, however, in the continual stripping away of local governmental functions which, under the promise of economies of scale and businesslike efficiency, are elevated to the status of special and multipurpose districts and virtual immunity to the political process. The following table illustrates the relatively rapid increase in the number of special districts:

	1942	1952	1957	1962	1967
States.....	48	48	48	50	50
Counties.....	3,050	3,049	3,047	3,043	3,049
Within SMSA's.....			311	310	404
Municipalities.....	16,220	16,778	17,183	18,000	18,040
Within SMSA's.....			3,844	4,142	4,977
Townships or towns.....	18,919	17,202	17,198	17,142	17,105
Within SMSA's.....			2,607	2,573	3,255
School districts.....	108,579	67,346	50,446	34,678	21,782
Within SMSA's.....			7,486	6,004	5,018
Special districts.....	8,299	12,319	14,405	18,323	21,264
Within SMSA's.....			3,736	5,411	7,049

³⁶ For some of the more persuasive defenses, see: Charles M. Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, Vol. 64 (October, 1956), pp. 416-24; Vincent Ostrom, Charles M. Tiebout and Robert Warren, "In Defense of the Polycentric Metropolis," *American Political Science Review*, Vol. 60 (December, 1961), pp. 831-42; Mancur Olson, Jr., "The Optimal Allocation of Jurisdictional Responsibility: The Principles of 'Fiscal Equivalence,'" in *The Analysis and Evaluation of Public Expenditures: The PPB System*, Joint Economic Committee, Vol. 1, Congress of the United States, 1969; Vincent Ostrom, "Operational Federalism: Organization for the Provision of Public Services in the American Federal System," *Public Choice*, Vol. 6 (Spring, 1969), pp. 1-17.

to the process of metropolitanization; focusing primarily on reapportionment, the increased role of grants-in-aid and organizational change in local government. The principal conclusion reached here is that metropolitanization, i.e., the spatial concentration of population and industry, essentially represents a challenge not to the Federal or to local government, but to the States—and that our *polycentric system* requires a major transformation of its “middle tier” if federalism is to retain its efficacy and survive in metropolitan society. The second part of the discussion sketches the notion of the Metropolitan State, a conceptual prescription that urges political decentralization of State government to accord with our largest metropolitan areas. It will be argued that such institutional realignment would:

- (1) Preserve intact the current polycentric structure of local government in the metropolitan area;
- (2) Provide metropolitan-wide areas with a fiscally and constitutionally viable form of government;
- (3) Redress the city/suburban imbalance of political power;
- (4) Provide functionally meaningful state boundaries within which “comprehensive planning” would stand a far better chance of becoming comprehensive;
- (5) Preserve the local political gains of blacks and other minority groups;
- (6) Respond to the governmental problems created by fragmentation of the metropolitan area along interstate lines;
- (7) Force State responsiveness to problems of the urban crisis and obviate the need for “direct federalism”; and would, therefore,
- (8) Check the tendency toward centralism in a pluralistic society.

The Response of the Federal System to Metropolitan Growth

At the risk of superficiality, we will note that the federal system has attempted to adjust to the spatial concentration of economic activity and the service requirements of metropolitan society in three principal ways: the States have reapportioned legislative power, governmental reorganization has characterized the local response, and the Federal Government has furnished financial support to the cities via grant-in-aid programs.

It is really to soon to gauge all of the effects of reapportionment which began in the early 1960's following the celebrated *Baker vs. Carr* decision. Clearly, there have been mixed results, but perhaps the most interesting of all has been the emergence of “rural-suburban” coalitions within many of the State legislatures which has now replaced rural domination as a force to politically contain the cities. The impact of these coalitions, however, makes one thing very clear: given the boundary locations of the States, the great hope that was once held out for reapportionment as a cure for metropolitan problems has not, and cannot hope to be realized without the virtual disenfranchisement of the nonmetropolitan population, if existing State boundaries are retained. The geographical areas of the States are simply too large and encompass substantial proportions of nonmetropolitan population which, when allied with suburban interests, serve to build-in State unresponsiveness and artificially separate city and suburb.

Thus, in the absence of governmental response at the State level, the localities and the Federal Government have attempted to step in and fill the void, even though each is basically unsuited to the task. In the absence of State response, it has become easier and easier to erode the structure of local government and to rely on Washington for Federal aid as a means of "solving" metropolitan service requirements and the urban crisis. As a result, we have witnessed the growth of large-scale local government on the one hand, and increasing Federal involvement via use of the grant-in-aid and the proliferation of domestic programs such as urban renewal, model cities, the poverty programs, etc. In other words, a trend toward centralism has developed which finds added emphasis in the concept of "direct federalism."

Finally, let us inquire briefly into governmental reorganizational efforts at the local level. Although there are many ways in which local government has sought to reorganize in response to metropolitan needs (extra-territorial powers, intergovernmental agreements, transfer of area-wide functions to the county or State, annexation, etc.), we will limit our comments to special districts, city-county consolidation (metro), and the newer "two-level" systems. These are the most discussed forms, and appear to be those which are most competitive to the Metropolitan State alternative.

As mentioned above, there has been an increasing acceptance of the special district as an appropriate governmental unit for providing a number of services that were formerly under the province of general-purpose local government. The utilities, parks, housing, airports, flood control, public health, etc., are some of the more well-known functions that have been gradually stripped away and have been provided by these districts one-by-one. Some of the reasons that have been put forth in support of their rapidly multiplying numbers (e.g., there are now over 500 special districts, excluding school districts, in the nine-county San Francisco Bay area) include: (1) they are free of the constitutional and statutory fiscal limitations on local government, (2) they do not represent a threat to local officials, (3) they can perform area-wide functions, and (4) they are "efficient." Now, for present purposes, it should be realized that every one of these "pluses" could be realized by the existence of Metropolitan States which, at the same time, would not be as constrained by (1) the lack of a coordinated approach, (2) diffused and fragmented authority, and (3) political invisibility.

Perhaps the largest threat to general-purpose local government, however, is represented by the portent of city-county consolidation (metro) as a vehicle for engaging metropolitan problems. Although this form does provide the basis for a coordinated system of service delivery, the almost complete damage that it does to local polycentrism (coupled with the fact that it is highly inapplicable to the major, multi-county metropolitan regions), makes city-county consolidation a most unalluring alternative.

In many ways, a far more attractive form of metropolitan organization, an institutional strategy we recommend for the "minor" metropolitan areas (500,000 to 1,500,000), is to be found in the "two-level" approaches, the most typical examples of which include federation, regional government and the metropolitan (urban) county. In essence, two-level government would seek to provide metropolitan services on

a coordinated basis, not by the elimination of municipal government, but by establishment of a new (fourth) layer of government between the localities and the State.

But, while two-level approaches do possess the added quality of political visibility and would also satisfy the Federal requirements for comprehensive metropolitan planning, characteristics which support our recommendations for their adoption in minor metropolitan areas, such governments would still enjoy an "inferior" local governmental status and would be inadequate to the institutional requirements of our major (1,500,000+) metropolitan regions. Perhaps the major difficulty with all of the attempts at local organizational reform of major metropolitan areas resides in the fact that each of them fail to meet the most critical need of all: to restore State government to its former "keystone" position in the federal system. Special districts, metro, two-level approaches are all forms of government that are inherently unsuited to the contemporary difficulties of major metropolitan areas. Therefore, we must turn our attention elsewhere.

Metropolitan States: What Are They?

It is perhaps easier, in the first place, to quickly point out what Metropolitan States are not. The Metropolitan State, as thought of in this paper, does not exist, and should not be confused with those existing States which are characterized by relatively high proportions of metropolitan-based populations. Neither should they be equated with the "city-state" of Plato, Mailer and Lindsay; those statehood concepts, by geographical elimination of the suburban sector of the metropolitan area, would irretrievably cast the present artificial separation of city and suburb in institutional concrete.

Basically, the Metropolitan State would be an attempt to reconcile the jurisdictional boundaries of State governments with the geographical distribution of the population. As such, the concept parallels that of reapportionment in which the boundaries of legislative districts were redrawn on the basis of "one man-one vote." The only difference is that one tries to put the vote where the people are, while the other would train its locational focus on the boundaries of State government. Both reform measures are in direct response to the successive waves of rural-urban and urban-suburban migration, i.e., to the spatial concentration of the population.

Although the principles of adjusting boundaries to population concentrations has merit on a "common sense" basis, there has been no widely recognized theory of political boundaries (or any other kind of regional boundaries) that one may fall back upon in these matters. Thus, we may very well ask, "What is the proper metropolitan area over which a Metropolitan State would govern?" Granted, we have the Standard Metropolitan Statistical Area (SMSA) at our disposal, but this definition has no compelling theoretical or functional foundations. Instead, it raises upon atavistic county lines as its basic building blocks.³⁷ And it was evidently this very difficulty that prompted a pioneering effort on the part of Professor Karl Fox during the 1960's

³⁷ "Counties were established on an artificial basis. Unlike cities, they did not grow up as direct responses to local service needs. Rather they were imposed from the state level upon geographic areas many years ago. For example, when counties were established in Iowa the theory was that the county seat should be located within a day's buggy ride of any point in the county." Thomas P. Murphy, *Metropolitics and the Urban County*, Washington, D.C., p. 2.

to construct an area delimitation strategy resulting in the *functional economic area*³⁸ which "would consist of a cluster of several contiguous whole counties which approximates the home-to-work commuting field of a central city."³⁹ Thus, the buggy-determined county was to be replaced by the automobile-determined FEA.

Supplemented by the work of others, notably Brian Berry at the University of Chicago, the FEA's, in turn, became the building blocks for both the "metropolitan economic area" (MEA) and the "consolidated metropolitan region" in an attempt to redefine the Standard Metropolitan Statistical Areas of the Bureau of the Census. Although it is impossible to pursue this subject matter in great detail here,⁴⁰ we should at least be aware of the following definitions:

Functional economic area: all those counties within a labor market for which the proportion of resident workers commuting to a given central county exceeds the proportion commuting to alternative central counties.

Metropolitan economic area: an FEA in which the population of the central city exceeds 50,000, or in which there are twin cities satisfying criteria of existing SMSA definitional practice.

Consolidated metropolitan region: two or more FEA's and/or MEA's (at least one must be an MEA) in which at least 5 percent of the resident workers of the central county of one commute to the central county of another.

In our view, the "consolidated metropolitan region" (CMR) composed of functional and metropolitan economic areas, provides the best areal classification scheme available for separating the nation into its metropolitan and nonmetropolitan components. Besides satisfying the criteria of compactness and contiguity, it is consistent with city, county and SMSA boundaries. As opposed to the SMSA definition, however, the CMR takes into account the functional interdependence of our large (polynucleated) metropolitan areas such as Los Angeles, New York, Chicago, San Francisco, etc. For example, under this plan the San Francisco Bay Area would become a 9-county CMR, in contrast to its present (fragmented) treatment by the Bureau of the Census which divides (part of) the area into three separate SMSA's.

It is suggested, therefore, that any consolidated metropolitan region in the United States whose population reaches a lower threshold of say, 1,500,000 would qualify for metropolitan statehood. The closest available approximation to the complete set of consolidated metropolitan regions in the United States is shown in Figure 2. Even though this mapping is highly approximate, it is worth noting that many of our existing State boundaries would be unaffected by conversion to Metropolitan States since many do not contain metropolitan areas of sufficient size.

³⁸ See, for example, Karl A. Fox and T. Krishna Kumar, "The Functional Economic Area: Delineation and Implications for Economic Analysis and Policy," *Papers of the Regional Science Association*, Vol. 15 (1965), pp. 57-85; and Karl A. Fox, "Functional Economic Areas and Consolidated Urban Regions of the United States," *SSRC ITEMS*, December 1967.

³⁹ Charles L. Leven (ed.), *Design of a National System of Regional Accounts*, Working Paper DRA 9, Institute for Urban and Regional Studies, Washington University, 1967, p. 161.

⁴⁰ For an extended discussion, see: "Metropolitan Area Definition: A Re-Evaluation of Concept and Statistical Practice (revised)," U.S. Department of Commerce, Bureau of the Census, Washington, D.C., July 1969.

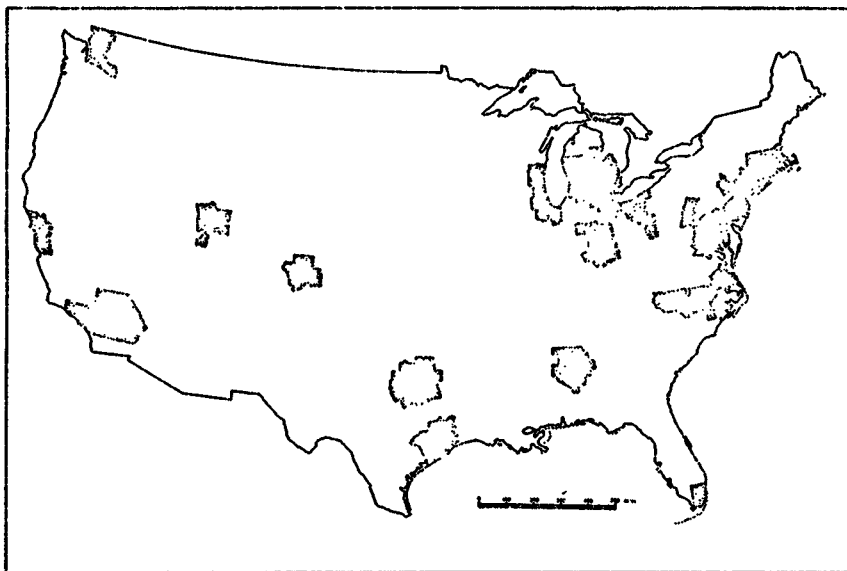


Figure 2. Consolidated Urban Regions

Source: U.S. Bureau of the Census, *Metropolitan Area Definition: A Re-Evaluation of Concept and Statistical Practice (Rev.)*, Bureau of the Census Working Paper No. 28, Washington, D.C., 1969, p. 33.

The Metropolitan State: Its Relevance to Externality and the Urban Crisis

Let us now expand upon the principal ways in which a strategy of converting to Metropolitan States would in fact respond to urban problems.

(1) In the first place, *Metropolitan States would preserve intact the current polycentric structure of local government within their jurisdictional space* (as defined by the consolidated metropolitan region). That is, cities, counties, special districts, etc., would continue to function as before, the only structural difference being that a new Metropolitan State government would be established whose legislative body would consist of the same State representatives that had previously served the population of the area, and that a new governor would be elected. This feature combines two very compelling advantages relative to alternative reorganizational strategies: (a) it would retain the (polycentric) efficiency characteristics of general purpose local government, and (b) it would meet the test of political acceptability. The second advantage obviously requires some clarification.

It is widely recognized that "individuals who are elected or appointed to strategic positions in local governments are very important parties to any discussion about the future structure of governmental organization."⁴¹ This is just a polite way of noting that vested inter-

⁴¹ A. H. Hawley and B. G. Zimmer, *The Metropolitan Community: Its People and Government* (Beverly Hills: Sage, 1970), p. 126.

ests are very much at stake, and that many proposals for metropolitan reorganization fail, not necessarily because of the lack of popular support, but because of the fact that such proposals must first pass the test of political acceptability. A vote for reorganization on the part of a local official would very often be a vote for political extinction. Hence, it is not altogether surprising that local officials rarely form the vanguard of metropolitan reform movements.⁴² Under a Metropolitan State reorganizational plan, however, the vested interests of local officials and governmental personnel are not at stake, as the entire structure of local government is held intact. But, many reorganization bills are tabled or defeated in State legislatures, and it might be asked: What about resistance on behalf of State representatives? This is a more difficult question to be sure, but it should be kept in mind that conversion to smaller legislatures would have the effect of strengthening the relative political influence of the individual representative. For example, a representative in a 9-county San Francisco State legislature would possess a much larger voice in the conduct of affairs than he has at the present time.

(2) Secondly, *Metropolitan States would provide metropolitan-wide areas with a fiscally and constitutionally viable form of government.* Few would dispute the fact that State governments possess the fiscal and constitutional means to effectively deal with most of the problems of the urban crisis. Alan Campbell has observed that:

State governments have been described as the "keystones of the American governmental arch." They sit midway between the local governments on the one hand, which are their creatures, and the federal governments on the other, which constitutionally possesses only delegated powers. By virtue of their position, state governments possess the power, and theoretically the responsibility, for attacking practically all those problems which in sum equal the urban crisis.⁴³

And, in their assessment of the role of the States, the Committee for Economic Development has noted that:

While there is support for federally encouraged local government reorganization, the states are still considered the appropriate unit for tackling urban problems. The states have the necessary legal powers and access to sufficient resources.⁴⁴

Thus, Metropolitan States would be constitutionally and fiscally superior to any of the alternative forms of metropolitan reorganization which would encounter the same kinds of constraints that Dillon ruled localities face today.

(3) Next, *Metropolitan States would redress the city/suburban imbalance of political power that presently exists in State legislatures.* It is now rather widely accepted among students of State and local government that most of our State legislatures are dominated by the existence of "rural-suburban coalitions," and that, among the many causes of State unresponsiveness to city problems, this is singularly the most important.⁴⁵

⁴² See Hawley and Zimmer, *ibid.*, for an interesting survey of the attitudes of local officials toward reorganization.

⁴³ Alan K. Campbell (ed.), *The States and the Urban Crisis* (Englewood Cliff: Prentice-Hall, 1970), p. 6.

⁴⁴ Committee for Economic Development, *Reshaping Government in Metropolitan Areas* (February, 1970), p. 60.

⁴⁵ In cataloging the reasons for state failure, Campbell concludes: "Finally, and perhaps closest to reality, is the claim that the distribution of political power within states stands in the way of state action. This distribution—regional, party and interest group—forms a combination of political power which, on the whole, tends to be anti-city." Alan K. Campbell (ed.), *op. cit.*, pp. 25–26.

Reichley furnishes some historical perspective:

The dominance of the squirearchies has now passed, because of reapportionment, in all but the most rural states, but their remaining leaders retain substantial influence. Ylvisaker, who as New Jersey's first Commissioner of Community Affairs, has learned perhaps more than he wished to know of legislative behavior, has observed that the skills which the squires acquired during the years of dominance help now to preserve their effectiveness beyond their numbers. In addition, they still comprise from one-fourth to one-third of the memberships of legislatures in most urban states outside of California, New York, and lower New England. In some states, as has already occurred in Maryland, city delegations may find it possible to make common cause with the remaining squires against the rising power of the suburbs. In general, however, the outstaters will probably choose alliance with the suburbs over coalition with the cities.⁴⁶

By elimination of nonmetropolitan representation, Metropolitan States would automatically sever the ties of the rural-suburban coalition and, although suburban domination of central cities would still be maintained in most cases, the *relative* political interests of the central cities within the new metropolitan legislatures would be enhanced. As a basis for illustration, let us again turn to California, our most metropolitanized state. According to our calculations,⁴⁷ the composition of the 1970 California State Legislature is as follows:

	Assembly		Senate	
	Number	Percent	Number	Percent
California.....	79	100	40	100
Central city.....	24	30	13	33
Suburban.....	32	41	13	33
Rest of State.....	23	29	14	34

Hence, it can easily be observed that the suburban/rest-of-state block constitutes 70 percent of the membership in the Assembly, as opposed to the central city's 30 percent. Approximately the same conditions prevail in the Senate. But if we eliminate the influence of the rest of the State's representation and isolate the "Metropolitan States" of Los Angeles and San Francisco, a substantial redress in the balance of suburban-central city political power emerges:

	Assembly		Senate	
	Number	Percent	Number	Percent
Los Angeles metropolitan ¹	40	100	17	100
Central city.....	15	37	9	53
Suburban.....	25	63	8	47
San Francisco metropolitan ²	16	100	9	100
Central city.....	9	56	4	46
Suburban.....	7	44	5	54

¹ Includes Los Angeles, Orange, Ventura, San Bernardino, and Riverside Counties.

² Includes San Francisco, Alameda, Contra Costa, Napa, Sonoma, Solano, San Mateo, Santa Clara, and Marin Counties.

(4) In addition, *Metropolitan States would provide functionally meaningful State boundaries within which "comprehensive planning"*

⁴⁶ A. James Reichley, "The Political Containment of the Cities," in Alan K. Campbell, *ibid.*, p. 180.

⁴⁷ See Richard P. Burton, "The Metropolitan State . . .," *op. cit.*, p. 162-65.

would be in a position to finally realize its promise. A rather widespread consensus exists at the present time that comprehensive planning, the long-time dream of city and regional planners, has not enjoyed unqualified success in either concept or practice. Its general failure in arresting spillover, urban decay, sprawl, etc., can be attributed to many causes, but perhaps the most important of all can be traced to the lack of functionally specialized governments whose (metropolitan) jurisdictions would supply a "comprehensive" focus. We would submit that the scope and content of comprehensive planning has been metropolitan-oriented for some time now, reaching well beyond the traditional concerns of "city planning" and yet falling considerably short of meeting the planning needs of State government.⁵⁰ It is hardly surprising, therefore, that the metropolitan reorganization movement in the United States has received considerable ammunition and support from the modern-day comprehensive planner.

(5) *Metropolitan States would preserve the local political gains of blacks and other minority groups.* This attribute, which is closely tied to the preservation of polycentrism feature mentioned above, is extremely significant to the politics of metropolitan organization. It is well-known that central city blacks have been particularly strong opponents of reorganization, highly suspicious of most proposals because of their gerrymandering potential and consequent loss of local political control. The issue has been set in rather concise perspective by Charles P. Taft in his comment on CED's policy statement on governmental reorganization in the metropolitan area:

I have been informed that one of the reasons for the voter support of Metro in Nashville and Jacksonville was the fear that within the existing city boundaries the black voter would take over. The absorption of the core city in the County insured, the citizens felt, the continuance of white domination of the community as a whole. This perhaps should have been explored. If true it might happen elsewhere.⁵¹

Once again, the reorganizational plan along the lines of Metropolitan States would not constitute a threat to the political life of any locality in the metropolitan community, and the political gains of central city blacks would be effectively safeguarded (if not enhanced).

(6) *Metropolitan States would respond to the governmental problems created by fragmentation of the metropolitan area along interstate lines.*—As indicated in Table 1, the fanning out of metropolitan areas across state lines has become a significant aspect of governmental fragmentation in the United States, one that is beginning to rival local fragmentation as a source of institutional failure. The difficulty, arising from the weakness of our middle-tier and the folly of many State boundaries as presently constituted, is particularly critical for it tends to make metropolitan problems appear to be national problems because of their interstate character. A perfect example of this trend toward centralism is furnished in the President's Report:

There are also some growth problems which are truly national problems, and which should be addressed by the Federal Government. These problems are national, not in the sense that they crop up in many places—street lighting is a pervasive problem but hardly a national problem—but because no one State

⁵⁰ For an evaluation of comprehensive planning at the State level, see John W. Dyckman, "State Development Planning: The California Case," *Journal of the American Institute of Planners* (May, 1964), pp. 144-52.

⁵¹ Committee for Economic Development, *Reshaping Government in Metropolitan Areas* (February, 1970), p. 60.

can deal with them effectively. Water and air pollution are good examples of these national problems.⁶²

TABLE 1—*Interstate standard metropolitan areas*

SMSA		1976 population
1. New York, New York–Newark, New Jersey	-----	13, 444, 400
2. Chicago, Illinois–Gary/Hammond/East Chicago	-----	7, 373, 500
3. Philadelphia, Pennsylvania–New Jersey	-----	4, 774, 400
4. Washington, D.C.–Maryland–Virginia	-----	2, 704, 100
5. St. Louis, Missouri–Illinois	-----	2, 311, 400
6. Cincinnati, Ohio–Kentucky–Indiana	-----	1, 361, 000
7. Kansas City, Missouri–Kansas	-----	1, 214, 400
8. Portland, Oregon–Washington	-----	933, 300
9. Louisville, Kentucky–Indiana	-----	795, 000
10. Memphis, Tennessee–Arkansas	-----	760, 500
11. Toledo, Ohio–Michigan	-----	670, 700
12. Omaha, Nebraska–Iowa	-----	514, 600
13. Wilmington, Delaware–New Jersey–Maryland	-----	481, 000
14. Davenport, Iowa–Rock Island–Moline, Illinois	-----	358,100
15. Binghamton, New York–Pennsylvania	-----	301, 100
16. Chattanooga, Tennessee–Georgia	-----	299, 000
17. Duluth-Superior, Minnesota–Wisconsin	-----	272, 600

Source: U.S. Department of Commerce, Bureau of the Census, *Population Estimates*, Series P-25, No. 411, December 5, 1968.

It goes without saying, therefore, that the construction of Metropolitan States would be able to respond to this particular class of *State* and *local* problems.

(7) *Metropolitan States would also force State responsiveness to the problems of the urban crisis and would obviate the need for "direct federalism."* Perhaps the most vivid testimony of Campbell's "fallen arch" description of State government's emerging new role in the federal system is to be found in the phenomenon of "direct federalism." For example, Daniel Elazar observes that:

It is generally assumed that the federal-city relationship that is evolving is radically new in several respects: in its very concern with urban problems as such; in the fact that much of it appears to be a direct relationship, for all intents and purposes, bypassing the states insofar as active implementation of programs is concerned; and finally, in its overall impact on American federalism.⁶³

Now, if one is unfavorably disposed to centralism, this is surely an alarming trend, and represents a most important challenge to American federalism. The Metropolitan State, however, offers a logical—perhaps the only—response to this challenge; through specialization and political balance, it would force State responsiveness and would mend the artificial separation of city and suburb that presently exists in our metropolitan society. Unspecialized and unresponsive, State government as presently constituted does not qualify as an appropriate link between Federal government and locality—either by Federal or by local standards. But the jurisdictions of Metropolitan States would furnish the comprehensive regional domain demanded by the Federal Government of COG's—the servants of direct federalism. In contrast with any of the alternative forms of metropolitan organization, only the Metropolitan States would be capable of restoring State government to its former "keystone" status. This is so simply because regional

⁶² *Reports*, p. 31.

⁶³ Daniel J. Elazar, "Urban Problems and the Federal Government: A Historical Inquiry," *Political Science Quarterly* (December, 1967), pp. 505–525.

government, metropolitan government, etc., are still but variations on the theme of *local* government, "inferior" and subject to the will of the State. As such, there is absolutely nothing about them that would counteract the centralizing movement towards direct federalism.

The Long-Run Potential of Metropolitan States

The strategy recommendation offered in the foregoing pages clearly requires a fundamental change in the territorial structure of State government, one that has far-reaching consequences for the federal system. As such, any defense of its merits on grounds of present value alone is insufficient. Even if it is allowed that the Metropolitan State could contribute positively to the solution of contemporary domestic problems, the question of whether or not such a change would be possessed of lasting quality and capable of responding to the needs of future urban growth is at least an equally important consideration. This, of course, is a far more difficult matter; when contrasted with speculations about the present, speculations about the future are nearly always second-best. Nevertheless, a brief inquiry into some of the proposal's underlying assumptions may provide at least a preliminary basis with which to gauge long-run potential.

In the first instance, a prescription for converting to Metropolitan States would be highly negligent if it were not assumed that metropolitan society was here to stay. (Conversely, the same would be true if it were assumed that nonmetropolitan society was in the process of withering away.) Indeed, if there were any indications of a return to a nonmetropolitan, agrarian way of life the present pattern of State boundaries would become increasingly efficient, as they were long ago—*and as they still are in many of the agricultural sections of the nation.* But, if anything, we know that there is a distinct tendency toward increased metropolitanization (see Figure 5), and that the future geographical requirements of metropolitan areas are very likely to increase. How then would a system of Metropolitan States be in a position to accommodate such growth? This is a crucial question in the context of this testimony, and one that requires at least two answers. Both refer to the flexibility of the proposed system. First, we have pointed out about that whenever an area had reached the status of a consolidated metropolitan region (of a population size greater than some designated lower threshold, e.g., 1,500,000), metropolitan growth would be accommodated by the introduction of metropolitan statehood. Secondly, the system would adjust to further metropolitanization in a manner similar to reapportionment, i.e., whenever any territory (functional economic area) adjacent to an existing Metropolitan State had become functionally integrated, as conceivably determined by the decennial census, it would automatically become annexed. Thus, the system would be characterized by a constitutionally sanctioned boundary flexibility, and would adjust to future changes in territorial specialization either through the creation of new State boundaries or the expansion of existing ones.

There is another closely related assumption underlying this proposal; it has been assumed implicitly that there is no inherent—certainly no planned—tendency of States to become functionally specialized within their territorial domains. If there were such a trend, long-run forces would inevitably produce the required results and conver-

sion to Metropolitan and non-Metropolitan States would turn out to have been a costly, short-run response to a fugitive problem. Although the trend *is* toward more extensive metropolitanization in many States, the key phrase here is "within their territorial domains." An excerpt from CED's position on the boundary handicaps of State government partially serves to illustrate the point:

The boundaries of many states coincide reasonably well with the economic and social interests of the citizens, containing resources and population adequate for economies of scale in state services. Even where population is small, geographical isolation may justify separate statehood—as in Alaska and Hawaii. But some states are severely handicapped in solving their most pressing problems because of awkward boundary locations. Metropolitan areas containing parts of two or more states are illustrative, as are river basin problems wherever major rivers form state boundary lines.⁵⁴

Beyond this phenomenon, however, many States such as California, Illinois, New York, Texas, etc., are of such great size and diversity of locational advantages that complete specialization along either metropolitan or nonmetropolitan lines would clearly be unwarranted. We must conclude, therefore, that a system of Metropolitan States would not be rendered redundant in the foreseeable future by the existence of either planned or unplanned forces seeking the same end.

There are many other important assumptions embedded in the above strategy whose clarification requires much more space than is allowable here. For example, we have assumed that the Metropolitan State legislature would bring about a redress in the balance of suburban-central city political representation. And, in fact, it seems very likely that it would—but only in the static, short-run sense. In the dynamic case, note that the suburban sector would gradually achieve considerable dominance if the present migratory trend from city to suburb is maintained. Furthermore, our discussion has entirely neglected two exceedingly important issues: (1) an investigation of nonmetropolitan boundary conditions, and (2) an analysis of the repercussions of boundary realignment on the Congress. All of these issues, however, must be reserved for future research.

In conclusion, it has been argued that our polycentric system of local government performs an exceedingly important function in the metropolitan area, and can work well within the bounds of its limitations. But the population of today's metropolitan community is distinguished by "dual citizenship": they are residents of localities *and* the surrounding metropolitan region as well. As such, a large set of metropolitan service requirements have emerged and have posed what is essentially an organizational challenge to the federal system. To be sure, we have defended the need for metropolitanwide government but, unlike many others, we would regard it as a supplement to local government, not as a replacement. Moreover, we have also departed from the conventional view which asserts that metropolitan reorganization represents a challenge to sub-State governments. The "inferior" forms of metropolitan organization—special districts, city-county consolidation, two-level government—have been rejected on grounds that they would be ineffective with respect to constitutional and fiscal viability, and utterly inappropriate with respect to size in our large, multi-county metropolitan areas in excess of 1.5 million.

⁵⁴ Committee for Economic Development, *Modernizing State Government* (New York: 1976), pp. 14–15.

Thus, our attention turned to the States, the logical governmental link in the federal system to deal with area-wide problems. But it was instantly observed that their old, traditional boundary locations have become functionally obsolete which has served to paralyze the ability of the more industrialized States to respond to their metropolitan problems and the urban crisis. In spite of efforts at reapportionment, the old nemesis of rural, nonmetropolitan interests (*necessarily*) hangs on in these State capitals whose very locations—Sacramento, Albany, Harrisburg, Austin, Springfield, Columbus, Lansing, Tallahassee, Jefferson City, Madison, etc.—are remote and symbolic of a past order of things. Hence, the prescription of Metropolitan States and boundary reform. It recommends an altered Federal system that “gets government closer to the people” through creation of an increased number of smaller State governments. Thus, the States would become functionally specialized again as they were in their agrarian beginnings, but this time along nonmetropolitan *and* metropolitan lines. Although the federal system has proven to be rather flexible over the past three decades, much of the response, with the notable exception of reapportionment, has been basically expedient, dealing with symptoms rather than causes. We suggest that boundary adjustment tailored to the new geographical distribution of the population represents another aspect of the system’s capacity for flexibility. Metropolitan States, however, would not be just another element in a patchwork response of federalism to the urban crisis, but a major response to the secular process of metropolitanization that has given rise to it.

GHETTOIZATION AND APARTHEID ⁵⁵

The spatial distribution of race and poverty in today’s metropolitan areas clearly ranks high in the nation’s urban problem set. Indeed, the “urban crisis” is often associated exclusively with problems arising from the concentration of poor blacks within the central city component of the metropolitan area. While this constitutes a much too narrow view of the range of urban problems, it does indicate the relative importance of urban poverty and the goal of ghetto dispersal and the opening up of the suburbs.

The major contributors to ghettoization and apartheid are (1) low income, and (2) suburban exclusion (racism). Current approaches to problems of low income assume that money transfers are sufficient to break the cycle of poverty and that suburban exclusion can be overcome by fair housing and forced housing integration. In contrast, our strategy recommendation for ghetto dispersal—Industrial Manpower Communities—is environmentally oriented and is based on the concept of redistribution of income in kind through the formation of low-income communities in the suburbs by the Federal Government.

In many respects, this strategy parallels the Metropolitan State proposal outlined above inasmuch as (1) both are concerned with the principle of governmental decentralization as a means of engaging domestic problems brought about by the spatial concentration of society, (2) both represent a search for new institutional alternatives

⁵⁵ The discussion in this section originated in Richard P. Burton, “The Suburban Crisis and Industrial Manpower Communities: A Social Planning Proposal,” in *Regional Planning Issues*, Part 2, Hearings before the Subcommittee on Urban Affairs of the Joint Economic Committee, Ninety-second Congress, 1971, pp. 205–26.

consistent with our federal structure of government, and (3) both are strong advocates of the general principle of governmental polycentrism. Perhaps the major dissimilarity between the two proposals, however, is reflected in the weight of the Industrial Manpower Community's focus on social (redistributive) problems in the metropolitan area, insofar as these might be distinguished from economic (allocative) problems—the dimension of the urban crisis particularly addressed by the Metropolitan State.

Of course, there are other prominent differences as well, but our primary purpose here is to offer the Industrial Manpower Community as a substitute for the Department of Housing and Urban Development's strategy for ghetto dispersal—their alternative to urban renewal (the latter of which has aptly been termed “gilding the ghetto” by Daniel Moynihan and John Kain, the chief architects of the ghetto dispersal goal).

Note that the position adopted here does not contest the principle of reducing the size of the ghetto, and “putting the resources where the solutions are, not where the problems are.” When one considers both the past record of urban renewal and the greatly expanded supply of jobs in suburbia, such a policy seems clearly preferable to prolonged ghetto-gilding. What *is* taken issue with is the current *strategy* of dispersal which apparently favors a plan of forced housing integration for existing suburban communities. We are convinced by the analysis presented below that such a strategy is as politically unsound as it is sociologically untenable, and that what is warranted instead is a strategy based on what we shall refer to as *collective integration*—implemented by the organization of Industrial Manpower Communities. It will be argued that such a strategy would not only:

- (1) Ease the suburban low-income housing shortage,
- (2) Relieve population pressure on the central city ghetto, which would greatly improve the possibilities for effective urban renewal,
- (3) Ease the fiscal pressure on the central city,
- (4) Provide proximity to suburban jobs on a more equal access basis,

but would also:

- (5) Obviate the need for forced housing integration in existing suburban communities,
- (6) Preserve, not disperse, black political power,
- (7) Provide a density-controlled residential environment for low-income human development with access to light, air and open space,
- (8) Establish a basis for *planned* suburban development.

Therefore, a fundamental operation on our system of government is once again recommended, this time through the formation of Federally financed, low-income suburban communities—a missing link in our system of local government in the metropolitan region. In combination with stern enforcement of our fair housing policy, such a plan would provide access to suburban housing for all residents of the central city ghetto, access without that kind of interference in the economic affairs of *existing* communities which President Nixon has rightly identified as improper governmental conduct.

Suburban Exclusion

Before turning to the Industrial Manpower Community in more detail, it is necessary to consider the problem of apartheid and suburban exclusion. By such a phrase, we are clearly referring to the near total exclusion of blacks and other minorities from suburban residential communities⁵⁶ and, hence, from equal access to suburban employment opportunities, this consequence perhaps less fully appreciated.⁵⁷ On this score, consider the implications of Table 2 which shows the distribution of employment between central city and suburb on a white/nonwhite basis.

The impact of this pervasive exclusion, which has seen some 94 percent of the last decade's increase in suburban employment accrue to the advantage of whites, has been to furnish the fuel for: (1) the debate now being waged between (what may not so rhetorically be described as) the "urban-based integration alliance" on the one hand, and the "white noose suburban separatists" on the other; (2) the creation of a growing number of civil rights institutions dedicated to the integration of suburban communities; and (3) the recent emergence of litigation contesting suburban zoning practices.

Although suburban exclusion has taken many forms, both economic and noneconomic, it appears that the present controversy has centered primarily on the former, which is typically implemented by means of local zoning and building code practices. These practices, according to Babcock,⁵⁸ consist of the suburban attempt to (1) prevent the construction of apartments through the use of exclusive single-family zoning, and (2) the use of large-acreage zoning to discourage or avoid entirely more intense residential development. Note, therefore, that the new assault on suburbia is not the one that has traditionally been concerned with noneconomic, discriminatory practices (on the part of real estate agents, etc.) against those who can financially afford to enter the suburban housing market, but is one that is directed at those land-use devices employed for the effective exclusion of the lower income classes. And its purpose, in short, is to implement the ghetto dispersal strategy mentioned above by forcing (rather than *forming*) suburban communities to provide low-income housing.

⁵⁶ The white/nonwhite composition of suburbia is as follows:

	1960	Percent	1968	Percent
Suburbs.....	54,881,000	100	69,104,000	100
White.....	52,033,000	94.8	65,289,000	94.5
Nonwhite.....	2,848,000	5.2	3,835,000	5.5

Sources: 1960—U.S. Department of Commerce, Bureau of the Census, *1960 Census of Population*, selected area reports: Standard Metropolitan Statistical Areas, final report PC(3)-1D, table 1, Government Printing Office, Washington, D.C., 1963. 1968—U.S. Department of Commerce, Bureau of the Census, *Current Population Reports, Population Characteristics*, "Population of the United States by Metropolitan-Nonmetropolitan Residence, 1968 and 1960," series P-20, No. 181, table A, p. 1.

⁵⁷ Just as we urge fair housing, we, also, recognize the need for continued emphasis on fair employment policies. Discrimination in hiring needs to be overcome as well as providing more opportunities for proximity to suburban jobs.

⁵⁸ Richard F. Babcock *The Zoning Game* (Madison, Wisconsin: The University of Wisconsin Press, 1966).

TABLE 2.—DISTRIBUTION OF EMPLOYMENT BETWEEN CENTRAL CITY AND SUBURB, BY COLOR

[By place of residence]

	1960		1968		Change (1960-68)	
	Number	Percent	Number	Percent	Number	Percent
ALL METROPOLITAN AREAS						
Total.....	42,376,000	100	49,616,000	100	7,240,000	100
White.....	37,777,000	89	43,699,000	88	5,922,000	82
Nonwhite.....	4,599,000	11	5,917,000	12	1,318,000	18
CENTRAL CITIES						
Total.....	22,787,000	100	23,096,000	100	309,000	100
White.....	19,099,000	84	18,501,000	80	-598,000	-194
Nonwhite.....	3,688,000	16	4,595,000	20	907,000	294
SUBURBS						
Total.....	19,590,000	100	26,520,000	100	6,930,000	100
White.....	18,678,000	95	25,198,000	95	6,520,000	94
Nonwhite.....	911,000	5	1,322,000	5	411,000	6

Sources: U.S. Department of Commerce, Bureau of the Census, Population Estimates, Series P-25, No. 411, Dec. 5, 1968.

Let us now briefly review the most significant means which are currently being used to challenge the principle of economic exclusion.

Inroads on suburban zoning practices are being pursued over a wide front that ranges from direct constitutional challenge at one end of the spectrum, through the efforts of a series of formal and informal lobbying groups, to outright coercion on behalf of the Federal Government at the other; for the most part, these incursions are being sought by the American Civil Liberties Union, the National Association for the Advancement of Colored People, the Suburban Action Institute and the other similar organizations, and the Department of Housing and Urban Development, respectively.

By far the most notorious challenge to the constitutionality of suburban zoning is represented by the lawsuit by the ACLU in January of last year against Black Jack, Missouri, in St. Louis County, a community that has recently incorporated in what was presumably an effort to exclude the construction of multi-family housing. "The complaint . . . cites violations of the 13th Amendment, the 14th Amendment, the Civil Rights Act of 1866 and 1964, the Fair Housing Act of 1968, and the National Housing Act of 1968."⁵⁹ Lobbying efforts, beyond those traditionally committed to the quest for open housing, are also gaining momentum with the emergence of such organizations as the Suburban Action Institute of White Plains, New York, which is actively engaged in attempts to persuade industry to locate in those suburban jurisdictions that either have or will guarantee to provide for adequate low-income housing.

Finally, it is necessary to consider the tack that has been taken by the Department of Housing and Urban Development in this matter. According to William Lilley's prizeworthy article contained in a recent edition of the Center for Political Research's *National Journal* "HUD Secretary George Romney is in the final planning stage of a

⁵⁹ "Suburban Housing: Loosening the Noose" *Civil Liberties* No. 275 (February 1971).

full-scale effort to disperse largely black and poor populations of center-city ghettos into largely white and affluent suburbs.”⁶⁰ Lilley then summarizes how this objective is to be accomplished:

Communities will not have their funds cut off in the future if they fail to provide for low-income housing on scattered sites; they simply will not get funds in the first place.

Funds for HUD projects will be parcelled out on a priority basis, with the priority determined by how aggressively a community is pursuing low-income housing.

HUD can do this for several reasons:

—Some of its programs are popular with suburbs, especially the water and sewer program, where demand for funds runs ten times HUD’s supply, and communities will acquiesce to the strings HUD might attach to the grants.

—The housing industry is suffering, and builders, desperate for funds to finance new starts, will accept HUD’s open community policies at the grass-roots level in order to get money for construction.

—HUD can make the necessary changes administratively and not have to rely on congressional support which, so far, has been noticeably absent.

. . . HUD’s program regulation route for implementing open communities has three major components:

—enforcement of a tenant-selection policy for all FHA—assisted housing and for public housing;

—enforcement of a site-selection policy for all FHA—assisted housing and for public housing;

—development of new project evaluation criteria, preferably quantifiable ones, for the urban development programs so that program money is dependent on community performance in providing for low-income housing on scattered sites.

In summary, we have observed that an important component of the urban crisis stems from the rapid increase in suburban employment opportunities and the presence of widespread residential exclusion which have combined to produce an extraordinary social organization problem in the metropolitan area. And its proposed solution, i.e., ghetto dispersal through a strategy of forced housing integration, constitutes a serious threat to the principal foundation of our system of local self-government—the (home rule) power to collectively determine the economic character of one’s community by use of the zoning ordinance.

Rather than taking up a discussion of the economic legitimacy of land-use regulation, this has been done elsewhere admirably;⁶¹ we will now consider the possibility of an alternative to ghetto dispersal through a strategy of forced housing integration—the Industrial Manpower Community.

The Industrial Manpower Community: A Strategy for Collective Integration

In his perceptive essay on “Alternative Future for the Ghetto,”⁶² Anthony Downs derives the following five strategies for future development of the urban ghetto:

1. *Present Policies*: Concentration, segregation, and non-enrichment.
2. *Enrichment Only*: Concentration, segregation, enrichment.
3. *Integrated Core*: Concentration, integration (in the center only), enrichment.

⁶⁰ “Housing Report/Romney Faces Political Perils with Plan to Integrate Suburbs” *National Journal* Vol. 2 No. 42 (October 17, 1970) pp. 2251–2263.

⁶¹ See, for example, Otto A. Davis, “Economic Elements in Municipal Zoning Decisions,” *Land Economics*, Vol. 39, No. 4 (November, 1963), pp. 375–86.

⁶² Anthony Downs, *Urban Problems and Prospects*, Chapter 2 (Chicago, 1970).

4. *Segregated Dispersal*: Dispersal, segregation, enrichment.
 5. *Integrated Dispersal*: Dispersal, integration, enrichment.”⁶³

Like Moynihan and Kain, Downs clearly supports the dispersal alternative, but with regard to the relevant means, i.e., the choice between segregated vs. integrated dispersal, he forthrightly admits that:

The speculative nature of the above discussion illustrates that society needs to do much more thinking about what dispersal really means, how it might be achieved, what alternative forms it might take, and what its consequences would be.⁶⁴

Indeed, this perplexity is clearly manifest in Mr. Downs' conception of applied dispersal as recently recommended in testimony before the Select Committee on Equal Education Opportunity:

These differences make it possible to achieve most of the main residential objectives of both groups simultaneously by “clustering” many lower-income households with large, predominantly middle-income areas, and “scattering” some individual lower-income households within smaller predominantly middle-income areas. The only fundamental requirement is that each cluster of low-income housing should be small so that the children living in it would not dominate the schools which they attend.⁶⁵

Thus, as later set forth in his six-point “More Practical Initial Program,” his strategy of combined segregated and integrated dispersal turns out to be no more than a plan of forced housing integration under guarantee of white cultural and political domination.⁶⁶ Now this is a curious result, for “the kind of drastic steps that Anthony

⁶³ *Ibid.*, p. 41. These strategies derive from the following classification:

Degree-of-Concentration Alternatives

1. Continue to concentrate nonwhite population growth in central cities or perhaps in a few older suburbs next to central cities. (*Concentration*)

2. Disperse nonwhite population growth widely throughout all parts of metropolitan areas. (*Dispersal*)

Degree-of-Segregation Alternatives

1. Continue to cluster whites and nonwhites in residentially segregated neighborhoods, regardless of where they are within the metropolitan area. (*Segregation*)

2. Scatter the nonwhite population, or at least a significant fraction of it, “randomly” among white residential areas to achieve at least partial residential integration. (*Integration*)

Degree-of-Enrichment Alternatives

1. Continue to provide relatively low-level welfare, educational, housing, job training, and other support to the most deprived groups in the population—both those who are incapable of working, such as the vast majority of public-aid recipients and those who might possibly work, but are unemployed because of lack of skills, discrimination, lack of desire, or any other reason. (*Non-enrichment*)

2. Greatly raise the level of support to welfare, educational, housing, job training, and other programs for the most deprived groups, largely through federally aided programs. (*Enrichment*)

⁶⁴ *Ibid.*, p. 50.

⁶⁵ Anthony Downs, “Residential Segregation by Income and Race—Its Nature, Its Relation to Schools, and Ways to Ameliorate It,” Testimony presented before the Select Committee on Equal Educational Opportunity of the United States Senate, September 1, 1970, p. 27.

⁶⁶ *Ibid.*, pp. 35–37.

1. Expansion of existing subsidy programs for the creation of new low- and moderate-income housing in suburban areas.

2. Enforcing a requirement that suburban communities receiving any Federal financial aids whatsoever, including the location of new Federal facilities, develop and put into practice effective programs of creating low- and moderate-income housing.

3. Location of many new low- and moderate-income housing units in suburban areas both in relatively small clusters and in individual scattering in middle-income neighborhoods through rent subsidies and public housing rent allowances extended to individual households.

4. Creation of new educational subsidies, or new means of financing local educational costs, that take the financial penalty out of accepting low-income residents in a community, and convert it to an advantage.

5. The launching of legal attacks on zoning barriers that totally exclude low-income residents from suburban communities.

6. Supporting extensive further research into the practical advantages of spatially mixing middle-income and lower-income households (if they really exist), and widely publicizing the results, so as to create a climate of public acceptance for this kind of strategy described above.

Downs recommends⁶⁷ seems peculiarly at odds with the otherwise excellent discussion of the socio-economic value of community and residential exclusivity that preceded it. Such incongruity probably results from his sharing of the widely held assumption that "suburbanization of the Negro and housing integration are synonymous . . ." (and the failure to realize that ". . . many of the disadvantages of massive, central ghettos would be overcome if they were replaced or even augmented by smaller, dispersed Negro communities."⁶⁸ This recognition, we suggest, represents an important possibility and permits addition of a sixth option to Downs' classification scheme for future development of the ghetto, one which we will define as "collective integration"—the strategy upon which our strategy of Industrial Manpower Communities is grounded.

Before turning directly to the specifics of this proposal, let us briefly consider the issue of collective integration of suburbia through low-income community formation, first by itemizing alternative possibilities for their realization and, secondly, by briefly assessing their relative virtues in light of the Tiebout-Buchanan theory of local government.

As nearly as we can determine, there are not more than three primary means by which low-income suburban communities may be developed:

(1) *Ghetto Extension*: Gradual market solution, unforced, slum conditions.

(2) *Community Tipping*: Immediate nonmarket solution, forced, quasi-slum conditions.

(3) *New Community Development*: Immediate nonmarket solution, unforced, non-slum conditions.

Ghetto extension simply represents the trend described above whereby the central city ghetto, in many metropolitan areas, is now spreading into those adjacent suburban communities which are in a state of economic decline. This movement, if unchecked, will doubtlessly result in the gradual establishment of a number of all-black communities in the inner suburban ring which in all likelihood will retain their slum characteristics.

Deliberate community tipping as a means of achieving black communities has been suggested by Kain and Persky. Noting that "the presence of Negroes in the suburbs does not necessarily imply Negro integration into white residential neighborhoods," they argue that:

Although such a segregated pattern does not represent the authors' idea of a more open society, it could still prove a valuable first step toward that goal. Most groups attempting to integrate suburban neighborhoods have placed great stress on achieving and maintaining some preconceived interracial balance. Because integration is the goal, they feel the need to proceed slowly and make elaborate precautions to avoid "tipping" the neighborhood. The result has been a small, black trickle into all-white suburbs. But if the immediate goal is seen as destroying the ghetto, different strategies should be employed. "Tipping," rather than something to be carefully avoided, might be viewed as a tactic for opening large amounts of suburban housing. If enough suburban neighborhoods are "tipped," the danger of any one of them becoming a massive ghetto would be small.⁶⁹

⁶⁷ N. Deakin and B. G. Cohen, "Dispersal and Choice: Towards a Strategy for Ethnic Minorities in Britain," *Environment and Planning*, Vol. 2, No. 2 (1970), p. 199.

⁶⁸ John F. Kain and Joseph J. Persky, "Alternatives to the Gilded Ghetto," *Public Interest*, No. 14 (Winter, 1969), p. 80.

⁶⁹ *Ibid.*, p. 81.

Hence, the Kain-Persky formula (if we may assume equivalence in their use of "community" and "neighborhood") for the establishment of black suburban communities contains a strategy of active intervention—tipping—in the existing housing market. This strategy is a deliberate one (as opposed to the spontaneous, market character of ghetto extension) and would presumably be implemented by the use of government subsidy to acquire existing housing units for low-income households up to the point where a number of suburban communities would be tipped.

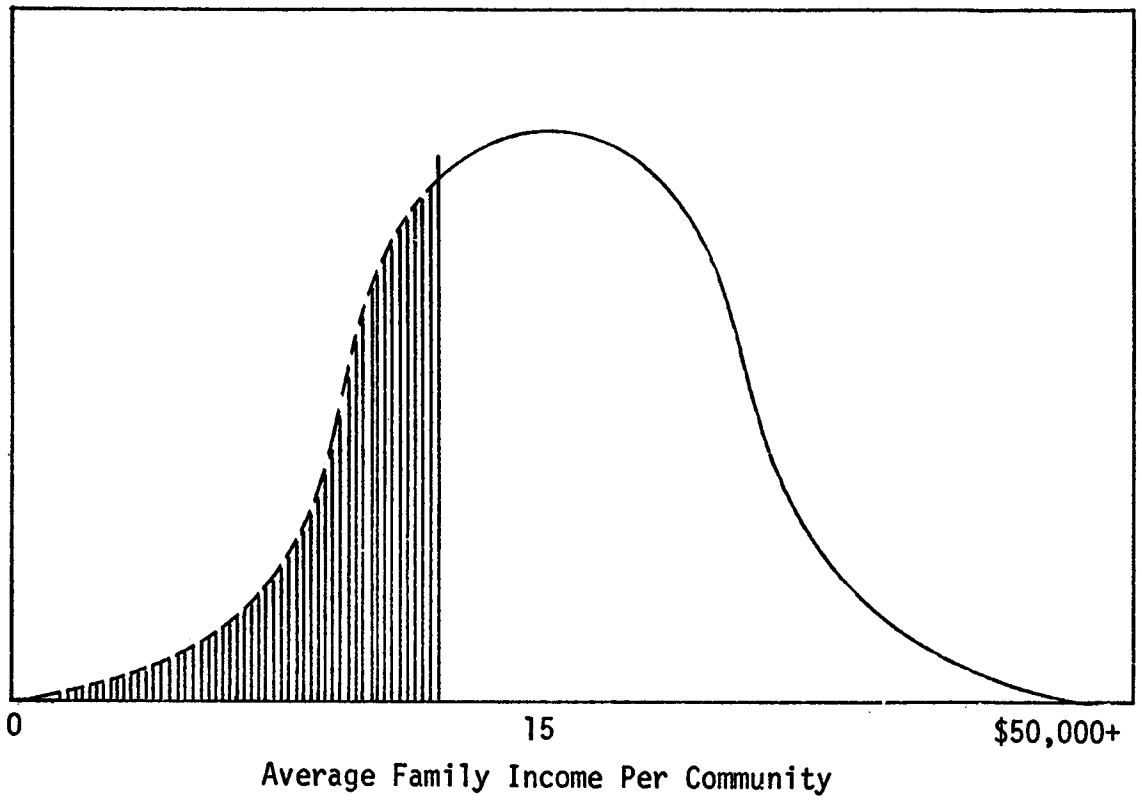
The establishment of new communities in the suburban periphery completes the strategies available for ghetto dispersal through collective integration. This alternative is clearly differentiated from all of the suburban integration schemes noted previously (including those of forced housing integration), insofar as it does not involve full or partial use of *existing* suburban communities. Therefore, the range of choice is essentially reduced to: (1) partial use of existing communities; (2) full use of existing communities; and (3) use of new communities. We trust that the first choice, i.e., partial use of existing communities, has been adequately dealt with, and that the discussion may now be limited to weighing the relative advantages of the two collective integration possibilities that remain.

It should be noted at the outset that each of these alternatives recognize the (political and economic) value of community, and the fact (implicitly) accounted for in the local public expenditure theories of Tiebout⁷⁰ and Buchanan,⁷¹ that communities homogeneous with respect to low-income are not generally provided by our quasi-market, club system of local government in the suburban sector of the metropolitan area. This omission can be illustrated by reference to the shaded area in the following generalized frequency diagram:

⁷⁰ Charles M. Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, Vol. 64, No. 5 (October, 1956).

⁷¹ James M. Buchanan, "An Economic Theory of Clubs," *Economica*, Vol. 32 (February, 1965).

Number of
Suburban
Communities



This diagram simply takes note of the fact that the missing link in our system of local government results from the non-existence of suburban communities of average household income less than approximately \$12,000.⁷² Thus, both of the collective integration strategies would attempt to close this gap, and to expand the ghetto inhabitant's range of residential choice by providing a number of homogeneous "low-income" communities in the suburban periphery. Although both these strategies must be considered superior to any of those which would violate the homogeneity conditions of existing suburban communities by interference in local zoning practices, the Kain-Persky solution must be regarded as second-best, inasmuch as it would require temporary Federal intervention in the economic affairs of existing communities during the conversion (tipping) period. Furthermore, one greatly suspects that at least some of the "tipped" suburban residents would suffer uncompensated financial losses, while all would be faced with a reduced number of comparable residential alternatives.

Therefore, the most frictionless integration alternative presently available appears to be that which would require the use of new communities—Industrial Manpower Communities—located in a number of the many unincorporated suburban places still remaining in most metropolitan areas.

The Industrial Manpower Community.—As suggested in the introduction to this section, the Industrial Manpower Community represents an application of the new town concept to the social planning objective of ghetto dispersal through a strategy of collective integration. Although it is clearly impossible to develop anything approaching a detailed plan here, we will nevertheless attempt to sketch out something of a profile for an Industrial Manpower Community whose parameters draw almost exclusively upon the imaginative precedent set by Clarence Stein's Greenbelt Towns during the depression years of the 1930's. The most compelling reason for this selection is that, among the wide variation one encounters in the theory and practice of new towns, Stein's work was singularly unique in his commitment to the creation of (Federally sponsored) low-income new towns which maintained the integrity of the Garden City principles of Ebenezer Howard.⁷³ Indeed, the purposes of the Greenbelt Towns as officially stated were:

1. To give useful work to men on unemployment relief;
2. To demonstrate in practice the soundness of planning and operating towns according to certain garden city principles;
3. To provide low-rent housing in healthful surroundings, both physical and social, for families that are in the low-income bracket.⁷⁴

The three Greenbelt Towns that were actually created (Greendale, Wisconsin, seven miles from the center of Milwaukee; Greenhills, Ohio, five miles north of Cincinnati; and Greenbelt, Maryland, thirteen miles from the center of Washington, D.C.) were "made possible

⁷² This figure, used by Mayor Lindsay and others, is a current one and obviously varies over time and from place to place.

⁷³ Stein quotes the accepted definition of a Garden City: "A garden city is a town planned for industry and healthy living, of a size that makes possible a full measure of social life, but no larger, surrounded by a permanent rural belt, the whole of the being in public ownership, or held in trust for the community." Clarence S. Stein, *Towards New Towns for America* (Cambridge: The M.I.T. Press, 1966), p. 130.

⁷⁴ *Ibid.*, p. 119.

by the Emergency Relief Appropriation Act and the National Industrial Recovery Act, both of 1935.⁷⁵

The Greenbelt experiment, guided by Frederick Bigger, the chief planner of the Suburban Resettlement Division (of the Resettlement Administration), sought as its overall objective:

To obtain a large tract of land, and thus avoid the complications due to diverse ownerships; in this tract to create a community, protected by an encircling green belt; the community to be designed for families of predominantly modest income, and arranged and administered (managed) so as to encourage that kind of family and community life which will be better than they now enjoy, but which will not involve subjecting them to coercion or theoretical and untested discipline; the dwellings and the land upon which they are located to be held in one ownership, preferably as a corporated entity to which the federal government will transfer title, and which entity or corporation will rent or lease the dwellings but will not sell them; a municipal government to be set up, in character with such governments now existing or possible in that region; coordination to be established, in relation to the local and state governments, so that there may be provided those public services of educational and other character which the community will require; and finally, to accomplish these purposes in such a way that the community may be a taxpaying participant in the region, that extravagant outlays from the individual family income will not be a necessity, and that the rent will be suitable to families of modest income.⁷⁶

As it turned out, these objectives were most fully realized in the case of Greenbelt, Maryland, which, on 3,300 acres of Federally acquired land, admitted its first 3,000 residents (average family income: \$1,250) in the years 1937-38. The town plan for Greenbelt is shown in Figure 3, and its relation to Washington, D.C., with its suburban periphery in Figure 4.

⁷⁵ To trace the Federal role to its conclusion: "By executive order of September of that year (1935) the President established the Resettlement Administration and prescribed its functions in regard to the Greenbelt Towns. Since then the administration of these communities has been successively transferred to various federal agencies: in December 1936 to the Secretary of Agriculture, under whom it operated as a separate unit of the Department, the name of which was afterwards changed to Farm Security Administration; in February 1942 the President transferred all housing developments which did not relate chiefly to farming to the National Housing Agency, afterward the National Public Housing Authority, and now the Public Housing Administration. In 1949, as a result of special legislation for that purpose (Senate No. 351), the towns were to be disposed of by sale, with first preference to veterans and present tenants and present tenants groups organized on a non-profit basis." Stein, *ibid.*, p. 119.

⁷⁶ *Ibid.*, p. 120.

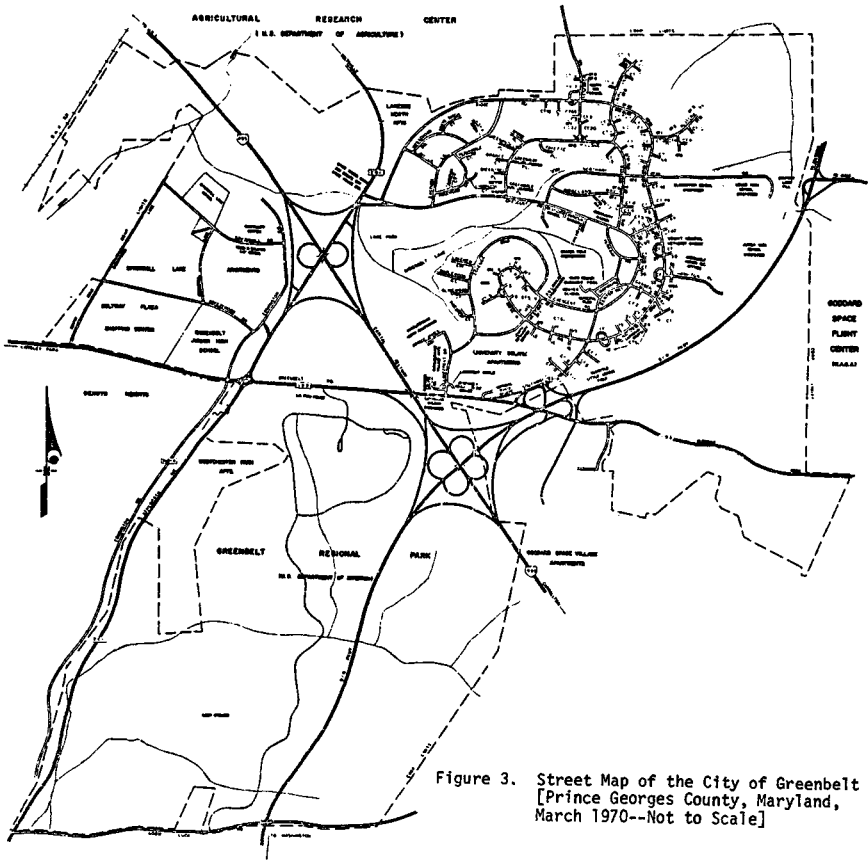


Figure 3. Street Map of the City of Greenbelt
 [Prince Georges County, Maryland,
 March 1970--Not to Scale]

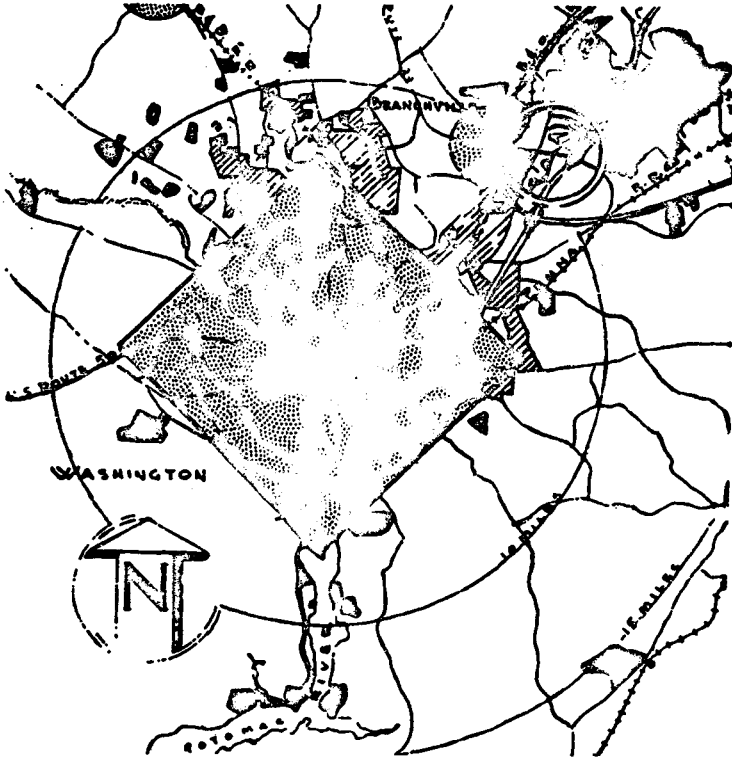


Figure 4. Regional Map Showing Relation of Greenbelt to Washington, D.C.

Source: Richard P. Burton, "The Suburban Crisis and Industrial Manpower Communities: A Social Planning Proposal," in *Hearings Before the Subcommittee on Urban Affairs of the Joint Economic Committee, Congress of the United States, Ninety-Second Congress, 1st Session, Part 2, Invited Comments, 1971, p. 218.*

During its period of Federal guardianship, and especially during the war years, the population expanded as additional homes were constructed under carefully controlled density standards. And, throughout the past 20 years under the auspices of private development, Greenbelt has gradually attained a population size of 18,199 with an average (adjusted gross) income of \$7,671.

Thus, with but a few exceptions, the case of Greenbelt (whose acclaim as an example of successful regional planning by the Federal Government has been somewhat lost in the fame of the Tennessee Valley Authority) offers a highly pertinent, experimentally tested prototype for the Industrial Manpower Community. Note, however, that while it offers a model of *low-income* community formation, further experimentation would be required in order to establish the viability of the Industrial Manpower Community as a mechanism for integration. If proven successful, the objective of ghetto dispersal through

collective integration could ultimately be realized by their planned replication, i.e., by establishment of a *network* of these prototypes within the metropolitan community system. The exact number, size and location for the Industrial Manpower Communities, as in the case of Greenbelt, would be heavily based on an analysis of the metropolitan labor market and suburban industrial location trends.

Finally, we hope that the above sketch has been sufficiently graphic to differentiate the Industrial Manpower Community from the unsavory image of the worker-exploited "company town," or from a series of slum-ridden, suburban "mini-ghettoes." Any such inferences would result from a failure to fully appreciate the Greenbelt model. Again, quoting Stein:

The fact that the federal government has been the owner of Greenbelt and the landlord of practically all of its citizens might give the impression that it is a "freak" town. On the contrary, the citizens take at least as active a part in determining civic policies as in most small American municipalities. Their local government, the Town (now the City) is under a City Manager directly responsible to it and the Mayor. The only difference between it and other Maryland municipalities with managers is that all voters have been tenants of the single owner of all taxable property, the U.S.A.⁷⁷

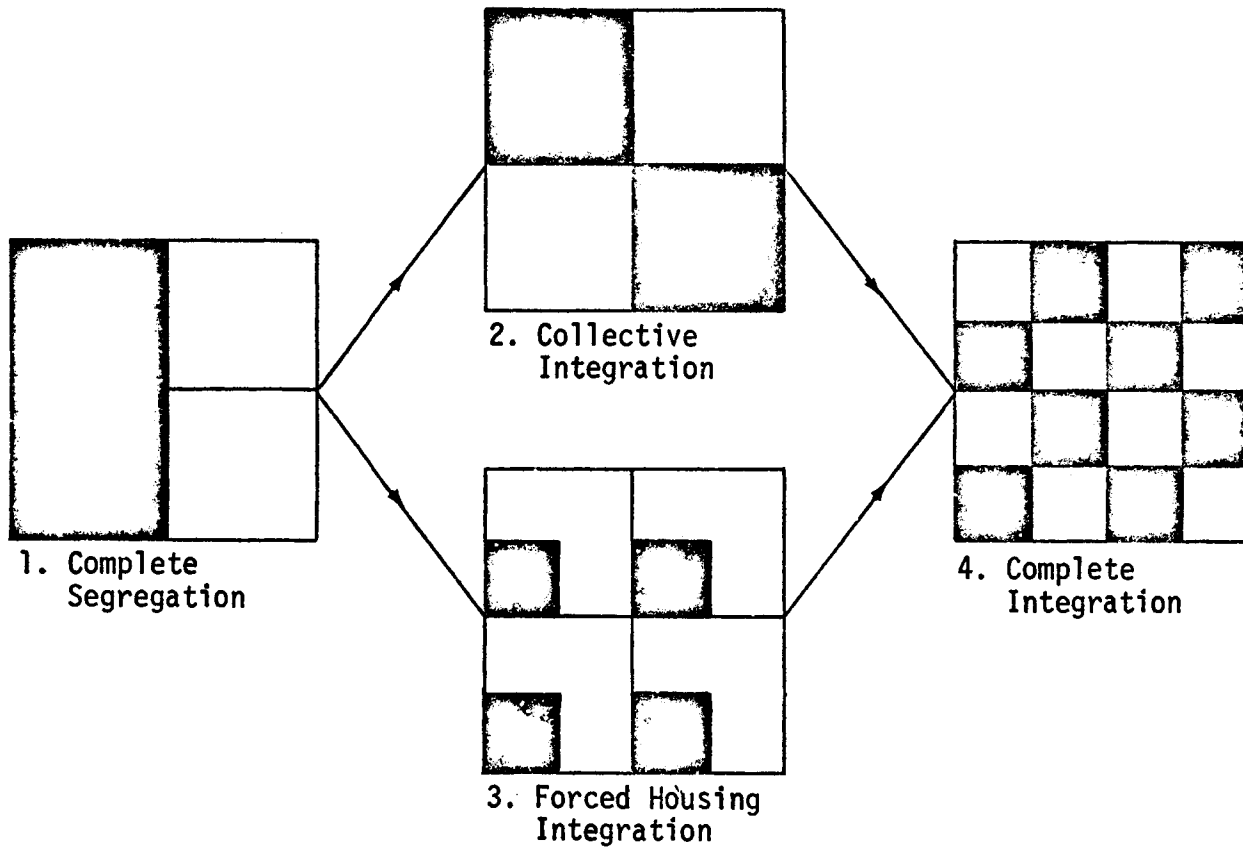
Thus, on the company town score, corporate or business ownership of residential property is clearly ruled out; and, to prevent the Industrial Manpower Community from lapsing into the condition of a "mini-ghetto," we have the incubation period of Federal guardianship to maintain low-density and adequate maintenance conditions, and the fact that the home-rule political character of the Community is such that it is no different in that respect from any other homogeneous suburban community. A third factor inhibiting slum conditions would be the simple, but powerful proviso that each household must have an income sufficient to pay rent equal to the cost of the maintenance of its housing.

In conclusion, the contemporary assault on suburban exclusion has focused on attacking residential zoning practices of suburban communities. Zoning practices are, however, one of the principal foundations of our polycentric system of local self-government in the metropolitan area. Deprived of their right to zone, suburban jurisdictions will, in effect, become central city neighborhoods—just as powerless, as in need of "neighborhood participation," and as subject to the community-disruptive play of the speculative builder that has given shape to the congestion, hyperdensity and decay of our contemporary urban environment. In other words, suburban zoning remains as the only obstacle to those forces which threaten simply to reproduce the central city land-use and social organization patterns within the suburban periphery, the only barrier to the urbanization of suburbia.

Nonetheless, the "white barrier" to urban expansion paradoxically remains the "white noose" of suburban exclusion. Thus, in view of the desirability of suburbanization of the black (relative to socially destructive perpetuation of urban renewal), our attention turned to an evaluation of alternative strategies which can be illustrated by reference to the following simplified⁷⁸ residential integration patterns.

⁷⁷ Stein, *op. cit.*, p.168.

⁷⁸ Although these patterns do not take minority/majority conditions into account (nor is the geometry of pattern 3 consistent with the others), they nonetheless serve to illustrate the basic principles involved.



In this diagram, the two basic dispersal strategies discussed in the foregoing pages are represented by patterns 2 and 3: collective integration and forced housing integration. And, as argued above, implementation of these strategies, which describe alternative transitional states between the limits of complete segregation, i.e., the prevailing residential conditions shown in pattern 1, and complete ("salt and pepper") integration (pattern 4), would require:

(1) Partial use of existing communities (forced housing integration); (2) full use of existing communities (collective integration); (3) use of new communities (collective integration).

While it was suggested that all of these strategies would: (1) Ease the suburban low-income housing shortage, (2) relieve population pressure on the central city ghetto, which would greatly improve the possibilities of effective urban renewal, (3) ease the fiscal pressure on the central city, (4) provide access to suburban jobs on an equal opportunity basis; *only* the collective integration strategies would: (5) obviate the need for forced housing integration in existing suburban communities, (6) preserve, not disperse, black political power; whereas *only* the use of new communities would: (7) ensure a density-controlled residential environment for low-income human development with access to light, air and open space, (8) establish a basis for planned suburban development, and (9) obviate the need for interference in the economic affairs of existing suburban communities.

Given the relative advantages of establishing new communities, therefore, the Federal organization of Industrial Manpower Communities is proposed as a ghetto dispersal strategy distinctly preferable to that fashioned by HUD. Although our search uncovered no exact precedent for this kind of social planning, a near approximation was discovered in Clarence Stein's Greenbelt which offers a Federally financed and incubated prototype for low-income community formation. As a plan for the implementation of ghetto dispersal through collective integration, however, it was suggested that this Garden City-inspired model requires development and testing under actual experimental conditions. No amount of *a priori*, non-experimental research can hope to substitute for actual construction of an Industrial Manpower Community, based upon a carefully articulated, interdisciplinary plan. Such experimentation would provide the laboratory conditions necessary to empirically record suburban acceptance and ghetto demand for this new concept in governmental organization, measurements without which it would be impossible to establish the entire range of costs and benefits of the Industrial Manpower Community relative to other dispersal strategies.

As Herbert Gans has keenly recognized:

It appears that the (planning) profession is being split into progressive and conservative wings: the former calling for social planning to reduce racial and economic inequalities, and the latter defending traditional physical planning and the legitimacy of the middle-class values.⁷⁹

By this definition, our proposal for the Federal creation of Industrial Manpower communities doubtlessly qualifies as an exercise in social planning; but, given the spectre of the urban crisis and the advance of urbanization, is it not also critically in defense of "traditional physical planning and the legitimacy of the middle-class values?"

⁷⁹ Herbert Gans, "Social Planning: Regional and Urban Planning," *International Encyclopedia of the Social Sciences* (New York: the Macmillan Company and the Free Press, 1968), p. 131.

C. LACK OF CITIZEN INVOLVEMENT IN MUNICIPAL AFFAIRS

Perhaps the most urgent appeal for improved citizen participation has been manifest in the contemporary grassroots demands for "neighborhood government" within the central city sector of the metropolitan area. This movement, akin to the demands for local home rule in pre-metropolitan society, is in line with a growing appreciation of the impact of spatial concentration of population growth and the consequent inability of (outmoded) governments to respond effectively to public needs, an appreciation recently registered by the Commission on Population Growth and the American Future:

Our political institutions were designed originally to govern a much smaller society, organized and oriented differently from what we have today. These institutions have changed as the society has changed. They have demonstrated remarkable flexibility and adaptability, but they also have shown some serious inadequacies. Are they capable of accommodating still more population growth in the future?

The answer to this question depends in part on maintaining and improving citizen participation and representation.⁸⁰

In the preceding pages we have offered two metropolitan development strategies which seeks to improve governmental responsiveness through the process of adaptive decentralization. Yet, if "most state boundaries are a blatant anachronism, having no relation to either existing population distributions or the geographic impacts of present market failures,"⁸¹ then the jurisdictional boundaries of most of our major central cities are surely subject to the same criticisms. While local municipal government in these cities was perhaps "close to the people" during the period of the drafting of our Constitution (e.g., the population of Philadelphia was 30,000 in 1787), some 200 years of urbanization has produced a situation in which 26 cities now contain more than 500,000 inhabitants, six of which exceed 1,000,000. Two major results have been (1) the gradual formation of large "neighborhoods" or communities within the central city, and (2) the centralization of municipal authority engineered by the municipal reform movement of the late 19th and early 20th century, a movement which was:

. . . concerned with overcoming corruption and governmental inefficiency by concentrating responsibility within the formal structure of urban governments, and, in so doing, destroying the power and influence of the political party machines of their day. To accomplish these goals, they fought for and (for the most part) achieved centralization of authority in the hands of the chief executive, a mayor or city manager; professionalization of public employees through the merit system; and acceptance of the concept of nonpartisan expertise, which required a clear separation between policy making and administration.⁸²

The deterioration of governmental proximity caused by these two forces evolved to such an extent that:

During the 1960's the inability of many municipalities to respond adequately to demands for more and better public services resulting from the urbanization of our nation, and the growing role of the federal government in dealing with problems that were traditionally local responsibilities, were accompanied by a sense of citizen powerlessness and frustration.

⁸⁰ The Commission on Population Growth and the American Future, *Population and the American Future*, Washington, D.C., Government Printing Office, March, 1972, p. 56.

⁸¹ Dennis C. Mueller, "Fiscal Federalism in a Constitutional Democracy," *Public Policy*, Vol. 19 (Fall, 1971), p. 593.

⁸² Donna Shalala, *Neighborhood Governance: Issues and Proposals*, National Project on Ethnic America, The American Jewish Committee (New York, 1971), p. 2.

Many citizens, especially the poor and minorities, felt they were unable to gain access to the "system" and to influence decisions affecting their lives either through the bureaucracy or the ballot box. In the wake of declining services and persisting bureaucratic remoteness, they became more and more apathetic and alienated.⁸³

Thus, over the last decade, a new municipal reform movement has emerged whose objective is clearly defined: the quest for community (neighborhood) control. The movement has already turned up a number of strategies which the ACIR has classified under "three progressively greater degrees of decentralization: territorial, administrative, and political."⁸⁴ Territorial decentralization involves various kinds of interactions between city hall and neighborhood citizens but, as opposed to administrative decentralization, no delegation of substantive policy making or discretionary authority of the type that includes the establishment of neighborhood councils or boards, appointment of neighborhood managers, or the creation of little city halls and multi-service centers is granted.

Even these courses of action, however, have been met with considerable scorn; Milton Kotler, for example, contends that they are based on "trickery:"

It is easiest to meet the demand of new power with gimmicks, which endeavor at the same time to embrace and resist the interest of self-rule. Government has the capacity to mix all elements and conjure up pretended solutions. It has the logic to argue from false causes as well as true causes. Thus it is that governments often say that demand stems from other than its true sources, or that some contrived method will meet the true causes, when in fact it will not. So long as these gimmicks that refuse to meet the issue of self-rule and equality are promises of action, they may convince new power, for along with new power there is a lot of hope and innocence which can be played on. When promises are not fulfilled, we know from experience that the gimmick simply fails to work. This only aggravates the struggle for power.⁸⁵

Curiously enough, Kotler's reasoning does not lead him (directly) to a strategy of political decentralization in which the central city is partitioned into smaller, autonomous municipalities with independent revenue bases. Instead, he opts for the establishment of Federally funded "neighborhood corporations," *private* (non-profit) institutions which receive transfers of authority over neighborhood concerns from the city government. Kotler's concept of "creative federalism" thus involves the most extreme form of decentralization—privatization—in which the Federal Government would forge direct relationships with private neighborhood corporations, bypassing not only State government but the cities as well.

The principal reason why Kotler favors the neighborhood corporation over the "gimmicks" of territorial and administrative decentralization seems straightforward enough. He is concerned with the plight of low-income neighborhoods, and he suggests that their major problems derive from an unfavorable "balance of payments" situation:

The effort (the neighborhood corporation) is to reverse the present flow of resources out of low-income neighborhoods to absentee landlords, absentee businessmen or to other institutions which exist outside the ghetto. The hope is to provide a means by which investment by community people in the local economic

⁸³ Advisory Commission on Intergovernmental Relations, *The New Grass Roots Government?* (Washington, D.C., 1972), p. 1.

⁸⁴ *Ibid.*, p. 3.

⁸⁵ Milton Kotler, "Two Essays on the Neighborhood Corporation," *Urban America: Goals and Problems*, Subcommittee on Urban Affairs of the Joint Economic Committee, Congress of the United States (August, 1967), p. 177.

activities would bring and keep scarce resources in the neighborhood, thereby improving the community's general economic condition.⁸⁶

Thus, home-rule separation from the city (on neighborhood issues) is justified. But what is not so evident, however, is why Kotler ranks privatization ahead of political decentralization as a means of separation.

It is only after a considerable sifting of this argument that his position on these alternatives becomes somewhat less opaque (but never quite clear). He seems to argue that total separation of neighborhood from central city is not justified on grounds that the city provides important inter-neighborhood services of a coordinating type and, thus, the basis for a division of labor through the creation of a public/private, two-level system.⁸⁷ However, in the very next breath, we are startled to discover that:

Thus far, we have been speaking about the neighborhood corporation as a private legal structure to which public authority can be transferred. The practice of this transfer and the delegate agency of the neighborhood to city departments and agencies will lead to a further step of government reorganization; the neighborhoods and city government will have a common interest in making the neighborhood structure a public corporation. Accomplished by city ordinance, this move would represent a basic change in municipal constitution, recognizing as it would the necessity of local territorial authority as a fundamental element of city government. It will move the option of political power for the poor away from the futility of group pressures and toward a practical foundation in local sovereignty and self-rule. The city will become a federated system of government, dividing authority between itself and the local neighborhoods and involving these structures and interests in a common constitution.⁸⁸

Voila! The neighborhood corporation, as it turns out, is only an evolutionary step to political decentralization, a transitional form that is (apparently) necessary to establish direct links between neighborhood and the Feds (because, initially, the city would not be favorably disposed to granting political autonomy to neighborhood units).

Thus, we have the case for political decentralization as set forth by Kotler. We concur that it is a good case—well grounded in the American tradition of local home-rule and, in combination with the proposals developed above (Metropolitan States and Industrial Manpower Communities), it should go far in the direction of reestablishing citizen participation in municipal affairs. Yet, even though his goal of greater citizen participation in municipal affairs and his strategy of neighborhood government corresponds exactly to our own, we still have some serious misgivings with regard to his concepts of intergovernmental relations.

The first of these concerns centers upon his choice of the city as the appropriate object of federation. While Mr. Kotler has accurately pointed to the failure of city boundaries to accommodate the needs of individual communities (neighborhoods), he somehow assumes that the territorial limits of the city are appropriate to their inter-community (collective) needs. Such an assumption clearly disregards the spatial structure of modern metropolitan society and its major socio-economic characteristic: community interdependence. Obviously, the inner-metropolitan, low-income communities (neighborhoods) have important stakes in public functions that extend well beyond artificial

⁸⁶ Donna Shalala, *op. cit.*, p. 6.

⁸⁷ Milton Kotler, *op. cit.*, p. 188.

⁸⁸ *Ibid.*, p. 189.

city boundaries into the outer (suburban) reaches of the metropolitan area, functions that include transportation, jobs, housing, recreation, etc. These vital non-local interests may be accounted for in an appropriate area-wide institution just as their local interests are to be recorded in neighborhood government. We would therefore amend Mr. Kotler's plan for governmental reorganization to the extent that cities would be replaced by our proposal for Metropolitan States as the most logical object of federation.

This amendment brings us to our second reservation with Kotler's approach: his contention that local (city) government can create local (neighborhood) governments.

Relative to administrative decentralization and privatization, Kotler clearly recognizes the value of political autonomy ". . . in order to secure continuing resources and revenue from municipal, State, and Federal taxations."⁸⁹ However, for some unknown reason, he believes that this separation can be "accomplished by city ordinance," in spite of the fact that almost anyone who has taken a course in high school civics knows perfectly well that local governments are creatures of the State, and that local home-rule charters can only be granted by act of State government. While this may or may not be a "bad" law, it exists among the most important of the powers of the States and, in the present context, it cannot be ignored because of its crucial implications for the goal of political decentralization.

Briefly, these implications concern the willingness of State government to grant political independence to central city communities. As presently constituted, we have already shown why there is no reason to believe that State legislatures are going to respond to the interests and political aspirations of central city residents. Moreover, we have shown also why a plan for converting to Metropolitan States *would* be more responsive to those interests. Thus, if political decentralization of the city is the goal, we have another important reason for rejecting the city as the object of federation.

In conclusion, we hope that our efforts have indicated that political decentralization of the central city and the organization of Metropolitan States represent mutually consistent strategies in the adaptation of our public institutions to present-day population distributions. Those who persist in the belief that these social distributions are not radically new (and that our urban problems which derive from them are capable of easy solution) will doubtlessly see the strategies as radical ones. On the other hand, the increasing number of policy analysts who interpret the evidence otherwise will recognize the strategies as logical cornerstones basic to a new federalism for metropolitan America.

D. URBAN GROWTH (SPRAWL) AND DECAY

The fourth element in our metropolitan growth framework concerns the problems associated with what Downs has alluded to as the two "urban frontiers": "One is the *Frontier of Deterioration* in older central cities and suburbs, especially in ghetto areas. The other is the *Frontier of Growth* on the periphery of built-up portions of our metropolitan areas."⁹⁰ Obviously, any national metropolitan growth policy

⁸⁹ *Ibid.*, p. 189.

⁹⁰ Anthony Downs, "Alternative Forms of Future Urban Growth in the United States," *Journal of the American Institute of Planners* (January, 1970), p. 5.

that disregarded these phenomena would be seriously incomplete, for we know that the problems of urban growth (sprawl) and decay are beginning to take on widespread, if not epidemic, proportions. For example, as illustrated in Figure 5, it is clearly evident that unchecked metropolitan sprawl promises to megalopolize the nation to such extent that :

The projected geographical extent of the great metropolises of 2000 is difficult to envision. Fourteen areas will exceed 1,000 square miles in land area (only two did in 1960) ranging upward to 4,900 square miles in the Los Angeles Basin and 4,300 square miles in New York-Northeastern New Jersey. In 1920, 11 urbanized areas covered at least 100 square miles each; in 2000, 124 separate urbanized areas are projected to reach this extent.⁶¹

⁶¹ Jerome P. Pickard, "Is Megalopolis Inevitable?" *The Futurist*, (October, 1970), p. 152.

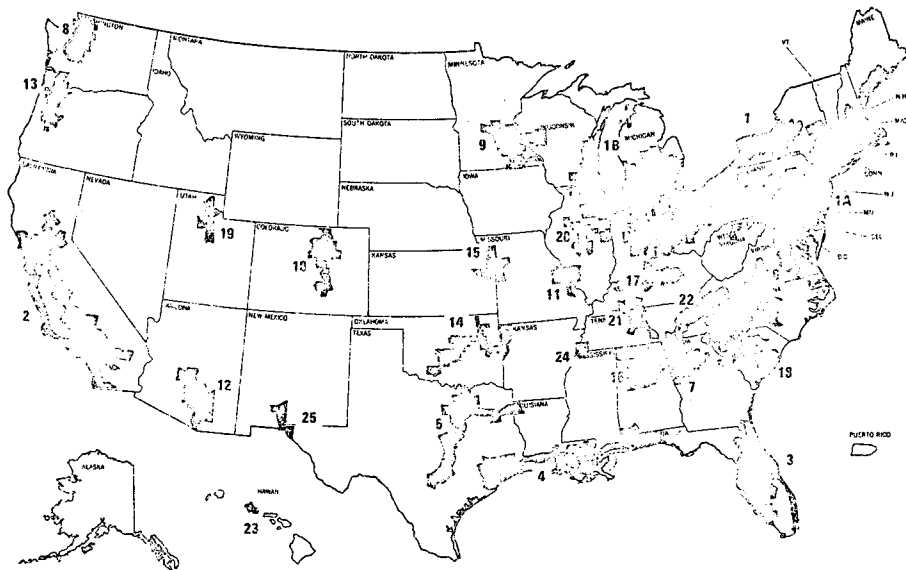


Figure 5. Urban Regions: Year 2000

- | | |
|---------------------------------------|----------------------------|
| 1. Metropolitan Belt | 13. Willamette Valley |
| 1.a. Atlantic Seaboard | 14. Central Oklahoma— |
| 1.b. Lower Great Lakes | Arkansas Valley |
| 2. California Region | 15. Missouri—Kaw Valley |
| 3. Florida Peninsula | 16. North Alabama |
| 4. Gulf Coast | 17. Blue Grass |
| 5. East Central Texas—Red River | 18. Southern Coastal Plain |
| 6. Southern Piedmont | 19. Salt Lake Valley |
| 7. North Georgia—South East Tennessee | 20. Central Illinois |
| 8. Puget Sound | 21. Nashville Region |
| 9. Twin Cities Region | 22. East Tennessee |
| 10. Colorado Piedmont | 23. Oahu Island |
| 11. Salt Lake | 24. Memphis |
| 12. Metropolitan Arizona | 25. El Paso—Ciudad Juarez |

Based on 2 child family projection

Source: *Population and the American Future*, The Report of the Commission on Population and Growth and the American Future, U.S. Government Printing Office, Washington, D.C., March 27, 1972, p. 33. (Originally in Jerome P. Pickard's "U.S. Metropolitan Growth and Expansion, 1970-2000, with Population Projections," prepared for the Commission in 1972.)

The profligate frontier ethic that has given rise to metropolitan sprawl has its analogue in the spread of urban deterioration and decay:

The great urban slums and ghettos spread and impacted, and new ones began appearing in the older, closer suburbs. Everywhere the process of forming the slum-ghettos was essentially the same. Into an already decrepit neighborhood would come one minority family, then another, sometimes, in their poverty doubling up in the same apartment. The owner of the first building would begin to see other tenants leave, cut back on maintenance, and a seemingly inexorable cycle of decay and racial change would grip his building and its neighbors.⁹²

Yet, these unsavory land-use conditions are more than just analogous—they are highly interconnected, even though they appear to be independent due to the institutional fragmentation of city and suburb in the metropolitan area. Thus, “most public policies treat these frontiers as completely separate from and totally unrelated to each other” rather than “to use the dynamic economic expansion of suburban growth as a major input to solving inner-city problems.”⁹³

Insofar as urban decay is concerned, we believe that our strategy for ghetto dispersal through the construction of Industrial Manpower Communities would be quite sufficient to arrest, and to eventually eliminate the problems—if coupled with a redirected urban renewal effort. This redirected urban renewal effort would have two major purposes: (1) constructing Industrial Manpower Communities for the relocation of low-income center city residents and (2) rebuilding the cities. It must be stressed, however, that even though such a tack makes use of the suburban sector as a “major input to solving inner-city problems,” it falls considerably short as a total strategy for peripheral metropolitan growth (sprawl).

The importance of developing planned strategies for the accommodation of metropolitan growth derives from two important considerations. The first has already been alluded to in the forecast estimates above which strongly suggest that the lion's share of future growth in the United States will take place in the existing metropolitan areas. These estimates are consistent with the recent work of Alonso⁹⁴ and Downs⁹⁵ which take serious issue with those earlier, more immature visions of a national urban growth policy that would have relied almost exclusively upon a population redistribution strategy implemented by the development of new towns and cities beyond the commuting range of any of the existing metropolitan areas. Although they cited several reasons, the principal thrust of their arguments were: (1) the financial cost of building new settlements would be too great, relative to the costs that are likely to be incurred by the expansion of existing settlements, and that (2) hinterland locales for major settlements are hopelessly unrealistic adjustment alternatives to future growth because of the diffused structure of both private and public decision making authority in the United States.

These considerations, while not entirely closed to debate, are nevertheless persuasive, and should be given much more weight than the current Administration is inclined to do in their emphasis on “urban-rural balance.” Donald Canty's comments here are particularly instructive:

⁹² Donald Canty, *op. cit.*, p. 31

⁹³ Downs, *op. cit.*, p. 5.

⁹⁴ William Alonso, “The Mirage of New Towns,” *Public Interest*, Vol. 19 (Spring, 1970), pp. 3–17.

⁹⁵ Downs, *op. cit.*

On the surface, it (urban-rural balance) is an attractive idea, even aside from its obvious political utility. It promises to correct the irrationality of "75 percent of the people living on 2 percent of the land," to quote one of its advocates' favorite statistics. This, of course, is a purpose shared by David Rockefeller and others in proposing that some of the growth be siphoned off into a network of large new cities, built from scratch.

But beneath the surface, the idea of fashioning an urban growth policy mainly to achieve urban-rural balance is a dangerous one. It would amount to a diversion of resources from where the people are to where the land is.

Moreover, such a policy would not work, according to the near unanimous counsel of demographers and the experience of every industrial nation that has tried to stay or divert the growth of large metropolitan areas. Russia, with all of its centralized state powers, has been trying without success since the mid-1930's to halt the growth of the Moscow area. And Britain, with its advanced planning and new-towns policies, has experienced the same frustration with the London area.

Rural development is worth undertaking for its own sake, as are new cities (if only as laboratories of urban innovation). But it is sham or delusion or both to label either "urban growth policy." Any such policy must focus upon metropolis, where the needs and people are now—and where the bulk of the impending population growth inevitably will occur.⁶⁶

The second reason for developing planned strategies for metropolitan growth is simply that we cannot afford to hand over the complete spatial allocation of this growth to the "market" as we have done in the past. Instead of a "policy" of sprawl, with its well-documented characteristics of fragmentation, low-income exclusion, overpriced and aesthetically monotonous housing, lack of open-space conservation, automobile dependency, etc., etc., we would contend that a national metropolitan growth policy worthy of its name must begin to concentrate on *planned* land-use alternatives. As a beginning, let us identify these *ex ante* kinds of alternatives by referring to the classification scheme developed by Downs for land conversion on the metropolitan periphery:

Planned peripheral growth on the edges of the continuously built-up portions of metropolitan areas. It has two forms:

(a) *Peripheral planned-unit-development* (under planned-unit-development type of control).

(b) *Peripheral new cities* (under comprehensive planned, city-wide type of control).

Satellite growth beyond the continuously built-up portions of existing metropolitan areas but within commuting range of them. It has three forms:

(a) *Scattered satellites* (under planned-unit-development type of control).

(b) *Satellite new cities* (under citywide type of control but not contiguous to existing smaller communities).

(c) *Satellite expanded cities* (under citywide type of control but contiguous to existing smaller communities).⁶⁷

Simplifying somewhat, we find that we are faced with essentially two major options: (1) the choice between new communities and new cities, and (2) the choice between satellite and non-satellite (planned peripheral) settlements. The choice between new communities or new cities seems clear enough: both will probably be needed. But, on several important counts, we would place particular emphasis on the need for

⁶⁶ Cauty, *op. cit.*, p. 34.

⁶⁷ Downs, *op. cit.*, p. 4.

new cities. First of all, if we are to successfully accommodate the expected metropolitan population growth of some 70 million by the year 2000 on a planned basis, the number of new communities (30,000–85,000), as opposed to new cities (100,000–500,000), required by the major metropolitan areas would be astronomical. Secondly, in the provision of infrastructure and public goods, there would be considerable economies of scale to be realized in the construction of new cities. But perhaps the most compelling reason for a new cities approach centers on the question of employment. New cities constructed on the metropolitan periphery would be in a much better position than new communities to accommodate the millions of jobs that will be generated by the anticipated population increase over the next 30 years. This is so because the principal focus of new communities is essentially dormitorial; and, even if this were not the case, their relatively small size would limit the agglomeration forces necessary to deflect central city industrial growth (i.e., to level out the employment density function). Thus, a new cities policy would also go far in the direction of reducing the principal cause of congestion in the metropolitan area—the concentration of employment in the central city.⁹⁸

Turning to the choice between satellite and non-satellite (planned peripheral) settlements, we need only point to the rather obvious fact that land assembly becomes a far more manageable process beyond the continuously built-up portions of metropolitan areas. This would especially apply to the case of satellite cities where land availability and land costs loom relatively large in the picture.

E. INADEQUATE AND UNEVEN PUBLIC RESOURCES

Thus far, the analysis contained in our national metropolitan growth framework has identified four major metropolitan problem areas and has yielded a like number of institutional strategies for dealing with them—Metropolitan States, Industrial Manpower Communities, Neighborhood Governments, and Satellite Cities. For the most part; these considerations complete our discussion, yet in one important respect they do not.

We have yet to examine fiscal aspects of our current problems and the fiscal implications of our recommended strategies. If our proposals followed the *ad hoc* programmatic response conventional to the current approach to metropolitan problems, it would be just as conventional to recommend marginal increases in Federal financial support to cities. However, we have seen that such an approach underestimates both the (institutional) character and magnitude of the problems, and the consequent need for significant departures from incrementalism. We would, therefore, be remiss if we failed to note that our recommendations require not only major institutional change, but also major infusions of public resources into metropolitan areas. In this section, therefore, we will examine the fiscal aspects of our current problems and the fiscal implications of our proposed strategies.

⁹⁸ It is important that the Committee be aware of the fact that such a metropolitan growth policy is currently being implemented in France on a very large scale. Their "deflection pole" strategy involves the construction of nine satellite cities to be situated within commuting range of four metropolitan areas: Paris, Lyon, Marseille, and Bordeaux. The first—Evry, located 25 kilometers south of the Paris region—is near completion, and is designed like each of the others to accommodate a population of 500,000 by the year 2000.

The current fiscal patterns in metropolitan regions have two major defects: (1) the *unevenness* between the requirements for local public goods and services and available local public finances within the metropolitan region; and (2) the *inadequacy* of local public finances available to the metropolitan region as a whole.

Uneven Public Resources

Short of major institutional reform, there is little that can be done about the first of these defects which does not, on one hand, exacerbate the problem or, on the other hand, lead to further extensions of "direct federalism," thus undermining the principles of federalism in the attempt to solve urban problems.

Clearly, the most serious local fiscal strains in metropolitan regions occur in the central cities of our large industrialized metropolitan regions. As Robert Reischauer puts it:

. . . the fiscal outlook of state and local governments is much more bleak in particular states and cities than it is in the aggregate. For the prosperous suburbs and the states without large urban centers, the outlook may be fairly promising. On the other hand, in areas with large low-income populations and in congested and deteriorating central cities, the situation is desperate and likely to get worse.⁹⁹

What is the central city to do to correct this desperate situation? Increase taxes on central city residents? Perhaps, but in the absence of corresponding tax increases in surrounding suburban jurisdictions, this would, not unnaturally, lead to further exodus of those individuals and businesses mobile enough to leave. Impose taxes (e.g., commuter taxes) on those suburban residents who use the central city as a place of work or recreation? Perhaps, but the likely response, if not declared unconstitutional, is to reduce mobility and accelerate metropolitan "sprawl." Turn to the State for financial assistance? Perhaps, but the States have clearly not demonstrated their responsiveness—nor are they likely to do so in a situation where State legislatures reflect rural/suburban coalitions against which the central cities are relatively weak. Turn to the Federal Government for assistance? Perhaps, but the Federal Government has structured access to the Treasury through a labyrinth of categorical programs which simultaneously heightens the difficulty of obtaining financial support and increases the reliance of both city and Federal officials on "direct" approaches thereby accentuating the trend toward centralism.

This, however, is not a particularly original list of fiscal difficulties arising from current institutional arrangements. Almost everyone knows about them, and some even propose solutions. The most frequently mentioned solution, of course, is some form of a Federal revenue sharing system with a mandatory pass-through of shared funds to the beleaguered central cities. Indeed, this is the major solution recommended in the *Report*.

We agree with the views expressed in the *Report* and most proponents of revenue sharing on the need for such a plan of fiscal assistance; our fear is that Federal revenue sharing will simply not work within the present institutional context. Campbell had it right when he said:

⁹⁹ Charles L. Schultze, Edward Fried, Alice M. Rivlin, Nancy H. Leeters, *Setting National Priorities, The 1972 Budget* (Washington, D.C.: The Brookings Institution, 1971), p. 143.

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

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

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

In other words, what I am saying is the Federal Government does not fulfill its responsibility by simply providing financial assistance.¹⁰⁰

Nowhere is the importance of our institutional approach and the recommendations flowing from it more clear than in dealing with the unevenness of local public resources in metropolitan regions. Our recommendations for the creation of Metropolitan States in major metropolitan regions (and two-level governments in small urban areas) would help achieve balance in each of the following ways:

(1) By providing for a governmental unit which corresponds to the spatial configuration of the metropolitan population permitting inter-jurisdictional coordination and comprehensive planning for the provision of public goods in the entire metropolitan region;

(2) By internalizing many of the externalities (with respect to individual local jurisdictions) at the Metropolitan State level;

(3) By yielding a more uniform fiscal structure through the availability of State taxing powers, coupled with the relatively enhanced representation of the central city in the Metropolitan State legislature; and

(4) By providing a comprehensive recipient of Federally shared funds—the Metropolitan State government (or two-level government in smaller areas) would be a sensible recipient of any Federally shared funds, as opposed to attempting to deal with the present multiplicity of local governments in our metropolitan areas.

In short, our institutional recommendations, even without additional Federal funds, would go a considerable way in the resolution of the problem of uneven public resources in the metropolitan region and, in addition, would provide an area-wide government to utilize any Federal funds received in the interests of the entire metropolitan region.

Inadequacy of Public Resources

The second major aspect of the metropolitan fiscal problem is whether or not the *total* amount of public resources is sufficient to provide for needed public goods and services. As discussed above, the

¹⁰⁰ Alan K. Campbell in *Regional Planning Issues*, Part 1, Hearings before the Subcommittee on Urban Affairs under the Joint Economic Committee, Ninety-first Congress (1970), p. 37.

chronicle of problems associated with increased ghettoization and apartheid plus urban decay and sprawl certainly suggests that past fiscal arrangements have been both quantitatively inadequate and qualitatively misdirected. Moreover, the projections of future metropolitan growth cited above suggest these fiscal problems are likely to get more, rather than less, severe if we continue to deal with them as we have in the past. As in the case of the problem of uneven resources, the most frequent suggestion for remedying this defect is Federal revenue sharing—sometimes coupled with proposals for a Federal assumption of some current State and local expenditures, e.g., for welfare.

But gaps between requirements and expected revenues are notoriously hard to define. However, some estimates have been made. For example, Musgrave and Polinsky have estimated a gap between the revenue and expenditure requirements of State and local governments of \$6.5 billion as early as 1975.¹⁰¹ Reischauer estimates that this gap will be \$9.4 billion in 1976.¹⁰² Frankel provides a similar estimate; and suggests a more fundamental issue:

There is little doubt that state and local governments, in the aggregate, need more money. Their expenses have increased more than twelvefold since World War II—to an estimated \$132 billion—more than three times as fast as spending by the Federal Government of individual citizens. By 1975, presuming roughly the present range of obligations, the state and community budgets will total about \$200 billion, and between \$6 billion and \$10 billion of that amount will be lacking.

But none of this tells us anything about who actually needs money, or how much. And only by the crudest possible standards of accounting do these figures alone justify a massive Federal dole. To define the “needs” of state and local governments we ought to have some idea of how much and how fairly they tax their own citizens. We ought also to have some common standards to suggest which level of government should properly pay for different kinds of services.¹⁰³

These gap estimates are defective, from our point of view, in two ways. First, they are predicated on *ex post* incrementalism, that is a continuation of our past program responses to metropolitan problems is assumed. Secondly, they cannot hope to substitute for politically recording citizen demand and identifying metropolitan needs that can only be accurately realized by the creation of viable metropolitan governments. Hence, our recommendations for the creation of Metropolitan States are crucial. Metropolitan States would provide the political forum in which such issues could be raised. They would also enjoy State taxing powers, which go beyond those currently available to metropolitan regions, so that they could directly attack the issue of the overall inadequacy of urban financial resources.

Our own strategy recommendations for metropolitan growth policy, however, in addition to the creation of Metropolitan States, go well beyond incrementalism. We have argued above for the construction of Industrial Manpower Communities for the suburban accommodation of people with low incomes, for the construction of Satellite Cities within commuting distance of major metropolitan regions to accommodate expected urban population growth, and for a redirected urban

¹⁰¹ Richard A. Musgrave and Mitchell Polinsky, “Revenue Sharing—A Critical View,” Discussion Paper #128, Harvard Institute of Economic Research, Cambridge (August, 1970), p. 5.

¹⁰² Schultze, *op. cit.*, p. 141.

¹⁰³ Revenue Sharing Is a Counterrevolution,” Max Frankel, *The New York Times Magazine*, April 25, 1971.

renewal effort to rebuild our existing cities. The large-scale expenditures required for these activities (if undertaken) are likely to result in even larger gaps than the above estimates indicate. Therefore, our formulation of metropolitan growth policy clearly requires Federal revenue sharing to financially implement our other proposals. On the other hand, we would emphasize that these financial requirements do not alleviate the necessity for direct Federal assumption of costs associated with *national* problems, e.g., the provision of a minimum income level for all Americans, maintenance of full employment, price stability, and economic growth. Similarly, our proposals do not address the issue of the Federal role in meeting the local fiscal requirements of nonmetropolitan growth policy.

In conclusion, the creation of Metropolitan States alone would significantly improve the chances of solving the problems of uneven public resources within metropolitan areas and their inadequate resources overall. Nevertheless, we still see a critical need for supplementing Metropolitan State revenues with Federal revenues in the implementation of our overall recommendations. Federal revenue sharing, however, which simply reinforces the existing institutional chaos at State and local levels, is unlikely to move us very far forward in the solution of our metropolitan problems.

IV. SUMMARY AND CONCLUSION

Part II of our testimony has attempted to lay out a comprehensive framework for national metropolitan growth policy in five distinct but interrelated parts. Overall, the framework represents an institutional approach, one which argues that responsibility for the solution of spatially limited urban problems rests with *all* levels of government—Federal as well as State and local. It was emphasized, however, that many of our States and localities are hopelessly out of spatial alignment with the major economic and demographic distributions of modern metropolitan society. Thus, as indicated clearly by the proposed strategies, our framework concluded that the revitalization of these institutions is a necessary condition to the resolution of urban problems and, as such, indispensable to the formulation of coherent metropolitan growth policy.

But the concept of revitalizing State and local government as an integral part of U.S. metropolitan growth policy is obviously not unique to this presentation; indeed, Congressman Moorhead of this Committee has recently stated:

We have outlined the beginnings of a national urban growth policy in the Housing and Urban Development Act of 1970. Our panel represents the next step in the discussion, the colloquy, that must be continued if we are to define such a policy and develop the implementing programs. The Federal government should articulate objectives, design standards, provide inducements to state and local governments to carry out this growth policy. Local institutions should be strengthened because their performance is the key to the achievement of coherent development.

On the surface, this kind of reasoning, with its position on institutional reform, seems highly consistent with the point of view expressed in this paper. Yet, in its appreciation of governmental structure, this well may not be the case. Why? Because the statement above very much seems to imply that a *linear* (unitary) model of political au-

thority, as contrasted with a *federal* model of divided and limited rule, is best.¹⁰⁴ Thus, what *is* unique to our analysis is the *extent* to which our strategies would “strengthen” State and local government. They would go well beyond those which favor the old remedies of “modernization” or “efficiency” in government, administrative decentralization, and other devices in pursuit of a more well-oiled unitary system of “direct federalism.” In short, our version of a national metropolitan growth policy would favor strategies for the adaptation of federalism to metropolitan society primarily through the creation of Metropolitan States and the political decentralization of the central city. This “new federalist” approach would be prerequisite to a redirected urban renewal program, which would include the construction of Industrial Manpower Communities, Satellite Cities, and Federal revenue sharing. As can readily be seen, this set of activities is tailored to the problems of modern metropolitan society and provides the basis for a *metropolitan renewal program*.

It is important to note that both approaches recognize the contemporary breakdowns of American federalism; ours, however, would abandon the machinery, not the principles of federalism. Conversely, the proponents of direct federalism would sacrifice the principles and attempt to make the old machinery work. And, of course, these attempts to respond to the problems of an urbanizing society without altering the constraints imposed by a set of basic institutional arrangements which have existed for nearly two centuries are well-known—even in the District of Columbia :

The top policy making level in Washington has become so bogged down in administrative detail and responsibility, so disorganized that for decades policies have been neither consistent nor coordinated. Execution of policies by the administrative apparatus has been adversely affected because the administration has been concentrated in Washington far from where the people, their problems and their aspirations can be known and dealt with rationally. Information has simply not filtered up from the bottom to Washington, nor orders flowed back to local communities with the necessary speed, efficiency, and effectiveness. The organization of government has not kept pace in many other ways. The same programs turn up in many different bureaus and departments. The requirement at the grassroots is for coordination between water supplies, sanitation, roads, highways, housing, education, and other services of government, but from locality to Washington these are divided between a morass of bureaus and agencies to which the individual or the local group must appeal in an endless series of paper shuffling processes. Local government officials face the same senseless complexity. The result is a despairing search for political messiahs and magic nostrums like revenue sharing.¹⁰⁵

Thus, for some time now, our (direct) attempts to solve urban problems have been frustrated and defeated by massive institutional failure, a condition admirably recorded in 1970 by the President’s State of the Union Address :

The time has come to reverse the flow of power and resources from the States and communities to Washington, and start power and resources flowing back from Washington to the States and communities . . .

The fact is that we have made the Federal Government so strong it grows muscle-bound and the States and localities so weak they approach impotence.

¹⁰⁴ For a superb analysis of why this occasionally becomes the prevailing view in the professions of politics and public administration, see: Vincent Ostrom, “Operational Federalism: Organization for the Provision of Public Services in the American Federal System,” *Public Choice*, VI (Spring, 1969), pp. 1-17.

¹⁰⁵ Report of the Subcommittee on Urban Affairs of the Joint Economic Committee. *Restoration of Effective Sovereignty to Solve Social Problems*, Congress of the United States (December, 1971), p. 2.

Unfortunately, the Administration's response to this recognition has been less than admirable, i.e., it has recommended the twin strategies of revenue sharing and the administrative decentralization of the Executive Branch (as designed by the Ash Committee). The shortcomings of such a plan are obvious: without a concurrent restructuring of the machinery of State and local government, revenue sharing and the streamlining of the Federal Government would merely extend the operations of direct federalism and would preserve intact the artificial divisions of a fragmented society.

In conclusion, therefore, we find ourselves most in agreement with the recent remarks of Joseph Califano¹⁰⁶—remarks that have been met with "thunderous silence." After noting that:

The notions of decentralization and the distribution of government power remain practical imperatives to limit the power of the central government and thus provide a political structure that will permit the enhancement of our democratic values. But our experience over the past decades makes it increasingly doubtful whether we need 50 states with their existing boundaries to achieve this balance; and the empirical evidence of domestic programs frustrated by fragmentation establishes beyond reasonable doubt that our nation and its people would be far better off with more rational local jurisdictions than the haphazard menagerie of some 25,000 cities and counties that stifle social and environmental progress.

Mr. Califano went on to suggest that:

It may now be time for our scholars and foundations—to say nothing of our national Congress and Executive—to confront systematically and head on the issue of how the country should be organized to preserve the balance between central and local government, and at the same time encourage the establishment of sensible regional and local boundaries that will facilitate, rather than impede, the resolution of urgent national problems and the achievement of worthy political and social goals.

As the nation's Bicentennial draws near, we are also convinced that reconstituting the machinery of American federalism rates high as a national priority. It has already been realized in most of the Western industrial nations, most recently in the U.K., Italy and France, that conversion from unitary to federal systems is essential to meeting the public requirements of metropolitan societies. Unfortunately, our conversion process has been moving in the opposite direction. It is for this reason that we have focused on an institutional formulation of national metropolitan growth policy, and have offered the foundations for a new federalism for metropolitan America.

¹⁰⁶ Joseph A. Califano, Jr., "How Should We Change Central and Local Governments?" *Washington Post*, January 30, 1972, p. D8.

COMMENTS ON NATIONAL GROWTH

(By Jay W. Forrester, Germeshausen Professor, Massachusetts Institute of Technology)

The country is rapidly becoming aware of the environmental, economic and social pressures that are being generated by growth of population and industrial activity. Such pressures develop as growth begins to fill the available natural environment. The stresses from growth do not become conspicuous until growth begins to impinge on its many limits. Growth was able to continue without negative consequences as long as we had an excess of farm land, natural resources, energy, and pollution dissipation capacity. But once these limits began to be approached, pressures started to rise. As growth continues, the pressures from the consequences will increase ever more rapidly.

In response to these pressures created by growth encountering the various national limits, Congress requested and the President submitted a "Report on National Growth 1972." Against a national history in which growth has been strongly encouraged, the report is a break with tradition when it recognizes that many of the nation's difficulties are being created by growth. But, as I pointed out in the keynote address for the American Public Works Association in Minneapolis on September 25, 1972 (text included as an annex to these comments), the report fails to come to grips with the growth issue. The President's report still seems to suggest that the difficulties arising from growth can be alleviated without having to control the underlying cause. In so doing, the theme follows the "quantity with quality" viewpoint expressed in the title of an earlier report.

But the issue is no longer "quantity with quality" but instead is "quantity versus quality." As population grows and the production of goods is more and more limited by environmental capacity, the material standard of living will level out and then decline. As population and industrialization expand, crowding will increase, environmental damage will continue, and economic and social aspects of the society will gradually deteriorate. All of this means a declining quality of life as population and industrialization continue to become denser in the available space.

The "Report on National Growth 1972" perhaps moves as far as is now politically feasible toward questioning growth. It does identify the symptoms of growth. It does suggest we must do something about those symptoms. But it does not face the issue of doing something about the causes of the symptoms.

On the matter of growth as the *cause* of the problems discussed in the report, the report is most misleading. It suggests that growth can continue without detrimental consequences. It suggests that the government must find ways to continue and to encourage growth. This is quite incompatible with the ultimate need to slow and stop growth so that the quality of life can be kept as high as possible.

The report is a transitional document. It identifies the undesirable consequences of growth but does not face the cause itself. One might hope that the next bi-annual report from the President to Congress would address the question of how long growth can continue. It should also face the inherent trade-off between quality and quantity. It should examine the time span necessary for moving into an equilibrium in population and industrial activity. It should begin to discuss the quality of life that can still be retained after the unavoidable growth occurs that will take place during the transition time between now and when equilibrium can be established.

CONTROL OF URBAN GROWTH

(By Jay W. Forrester)

KEYNOTE ADDRESS, AMERICAN PUBLIC WORKS ASSOCIATION,
MINNEAPOLIS, MINN., SEPTEMBER 25, 1972

The theme at this meeting of the American Public Works Association is "A Balanced Approach to Community Development." What does it mean? Ten years ago, "community development" would certainly have meant community growth. But, today community development might imply emphasis on the economic health of the community, or concern for a broad array of issues we call the quality of life. The phrase "community development" is one of those ambiguous terms that means what the listener wants it to mean, and reflects our uncertainty about the future of urban living. The theme speaks of "A Balanced Approach," but the program of the meeting is essentially technological. That too reflects our national attitude and our dependency on technology for the solution of any problem that arises. There are sessions on equipment, drainage, solid waste, transportation, water supply, buildings and grounds, roads and streets, and administration. But nothing in the program suggests the close coupling that I believe exists between the strictly public works function and the worsening social stress that are beginning to face our cities.

Public works administrators are concerned primarily with the technology of urban living. For more than a hundred years, the improvement of technology has been the route to improvement in urban living. Public confidence in technology is deeply ingrained. When there is a problem, the country begins by seeking a technical solution. The reasons are twofold. First, technical approaches in the past seem to have succeeded. Second, technical programs are usually easier to visualize, organize, and execute than are changes and improvements in the psychological, social, economic, and ethical aspects of our existence.

But the faith in technology is being clouded by doubt. Technology has been improving while at the same time social conditions have been worsening. Many people are beginning to wonder if there may not be a connection between the two. Is it possible that the time is past when better technology automatically means better living?

The evidence of faltering confidence in technology is everywhere. People are objecting to more highways because our roads and turnpikes have not reduced the total time spent in travel. Sewer extensions are being questioned because they imply more houses marching across

the remaining open area. Urban transit systems are being questioned because they go hand in hand with economic segregation of the population and the decline of the central city. Taxes are rising, but the technology purchased by taxes seems to be losing the battle.

Is it possible that our social system has changed since the days when improved technology did lead to improved living? Can a social system undergo changes in its apparent character so that yesterday's *solutions* to problems become the *causes* of tomorrow's problems? I suggest that indeed such changes in the behavior of our social system are possible, and that they are occurring.

A social system can change its behavior when the restraints under which it operates become different. In the past, the production of material goods was determined by and limited by the availability of capital and labor. To say that production is determined by capital and labor, implies that it is not determined by or limited by anything else. Our traditions and rules of thumb have been developed in a period when the inputs to production from nature were, for all practical purposes, unlimited. There was no significant shortage of agricultural land, water, natural resources, energy, or pollution dissipation capacity. But times have changed. In every direction production is now being limited by the maximum capacity of the natural environment. When the constraints shift from human effort, in the form of labor and the creation of capital, to a different set of limits, the entire character of the social system can seem to change. Our economic system is undergoing such a transition. Under the new conditions, remedies that worked in the past are apt to be disappointing.

The change to a new kind of behavior in our socio-economic system is a consequence of population and economic growth. In the past, when land and natural endowments were unlimited compared to our needs, no pressures were reflected back from nature as a result of exponential growth. But as the natural limits are approached, reflected pressures develop ever more strongly. More and more effort is used in overcoming the limitations rather than, as earlier, producing effective human benefit. For a while, by expending enough energy and physical effort and capital, the barriers set up by nature can be pushed back. But if we follow the route of fighting nature's limits we will exhaust ourselves. The limits can be pushed some, at ever increasing cost, but they cannot be eliminated.

The underlying cause of today's social pressures is growth.¹ The changing attitude toward economic growth shows how completely our world is changing. Until ten years ago, everyone promoted growth. Boosterism was the central theme. States had development commissions to promote industry and to attract population. Towns and cities had chambers of commerce to promote growth. But times have changed.

In the present transition period the prevalent attitude is to accept growth with resignation as a burden to be borne. But that resignation is giving way to opposition. More and more there is active resistance to growth. Oregon, Vermont, Colorado, California, Florida, and Delaware have, in various ways, taken steps to limit the expansion of population and industry.

¹ Forrester, Jay W., *World Dynamics*, Wright-Allen Press, 238 Main Street, Cambridge, Mass.

Not only is the national attitude faltering toward growth as the solution to social problems, but the country is also unclear on where to expect leadership in setting new social directions. Is the leadership for facing the fundamental issues of society to come from the national government or from local leadership? Can the national government set new directions, or is it limited to attempting minor improvements on the old patterns?

The ambiguity in national government leadership is illustrated by the "Report on National Growth 1972" from the President to Congress. The report acknowledges the multiplicity of problems associated with population and economic growth. But it nowhere faces squarely the need for slowing down those processes that are creating ever more difficult problems. In noting the difficulties associated with growth, the report uses such phrases as—

... responding to the challenges of growth ... coping more effectively with growth ... to deal with the problems of growth. ... Increasing population in metropolitan areas has intensified problems of air, water, and noise pollution and other forms of environmental degradation. Forests, streams, swamps, shorelines, wetlands, open space, and scenic areas have been consumed by metropolitan development. ... The problems associated with growth, by any definition, include many of the most intractable social and governmental concerns of this country.

But the report is politically unable to depart from the past national tradition of depending on growth for the solution of all problems. Rather than clearly facing growth as the cause, and raising the issue of stopping growth as the long-term solution, the report pays homage to the national idol of growth in such phrases as—

... formulating a growth policy. ... Population growth recovered rapidly in the 1940's. ... Urbanization also benefited the Middle Atlantic States; after 1900, they were able to reverse their steadily diminishing share of the total population. ... This growth, in the form of population changes, technological development, economic expansion, and individual initiative, will almost certainly continue during the foreseeable future. ... The Federal government can do much to set the tone and provide leadership and new direction for the Nation in preparing for growth. ... This is especially true in the economic area. Fiscal and monetary policy, prudently conducted, can do much to keep the Nation's economy growing at its full potential. Similarly, Federal support for research and development can help accelerate the pace of technological advancement, which is so necessary to a growing economy.

So, the Federal policy at the moment is, in effect, to attempt to relieve the pressures that result from growth while at the same time attempting to accelerate that growth. This is not said as a criticism of the national administration.

Our national political system does not permit a national administration to exercise effective leadership in new directions that break sharply with past traditions. Until new trends in thought are well established and widely recognized, there is no constituency to support a national government in a major reversal of past social beliefs. Leadership in small things can come from the national government. Leadership in big things must start with individuals and local governments.

The United States is now in one of those major periods of reorientation that occasionally face a society. Probably not since the founding of the country and the writing of the national Constitution has so much been at stake and so much unfettered and innovative thinking been necessary. The clichés, the folklore, and the Horatio Alger stories of the past must be shaken off as we face the fact that further growth,

far from solving problems, is the primary generator of our growing social distress. But there is reason for hope and confidence.

The issues are being faced squarely by many individuals, groups, and even to some extent by cities and states. Many are beginning to see that the rising social and natural pressures will make it impossible to maintain the present quality of life if population and industrialization continue to grow. Instead of running ahead of the growth wave, it is becoming clear to many that ways must be found of facing the issue and controlling the expansionary forces that are coming to dominate society. The implications are staggering. The ramifications will extend into corporate and governmental organization, into the legal structure, and into values, goals and ethical beliefs.

The detrimental consequences of continued growth are appearing not only as environmental damage. In fact, environmental damage from growth is probably one of the lesser threats to society. The greater threats may be psychological as frustration rises, as the individual perceives himself as powerless to affect his future, and as discord increases. Growth is bringing pressure on every facet of existence.

Embedded in our folklore is a belief that larger size leads to greater economic efficiency. Up to a point, that probably has been true. But now in cities, even medium-sized ones, the economies of scale no longer favor additional growth. The cost per capita for the operation of a city rises steeply as the total population and the population density increases. At some point, and the largest cities have arrived at that point, the rising costs pull down the vitality of the entire socio-economic process until further growth is impossible.

When costs from growth rise faster than benefits, we find ourselves in the position where "the faster we run, the behinder we get." Many people are beginning to recognize the futility of solving problems by further growth but, strangely enough, there is as yet little attention to the possibility of "catching up by stopping." If we could slow the growth of population and population density in a city while adopting policies to generate continual renewal and revitalization, it would be much easier to increase the standard of living and the quality of life. But under the existing circumstances, improving the services of a city leads, not to improvement in quality of life, but instead, to larger size with the additional services being swallowed up by more people who demand more of the municipal administration.

Why can public services not get ahead of demands? Why do the best of intentions for improving a city lead, instead, to greater social pressures, more commuting delays, increased drug addiction, higher crime rates, and greater welfare loads? The answer lies in what we have come to call the "attractiveness principle."²

The "attractiveness principle" states that, to any particular population class, all geographical areas tend to become equally attractive. Or perhaps more realistically stated, all areas tend to become equally unattractive. Why do all areas tend toward equal attractiveness? It is because people move from unattractive areas to areas of greater attractiveness. I use "attractiveness" to encompass every aspect of a city that contributes to its desirability or undesirability. Population movement is an equalizing process. As people move toward a more attractive area, they drive up prices and overload the job opportunities,

² Forrester, Jay W., *Urban Dynamics*, M.I.T. Press, Cambridge, Mass.

the environmental capacity, the available housing, and the governmental services. In other words, rising population drives down all of the characteristics of an area that made it initially attractive.

To illustrate the attractiveness principle, imagine for a moment the ideal city. Perhaps the ideal city would be one with readily available housing at low cost, a surplus of jobs at high wages, excellent schools, no smoke or pollution, housing located near one's place of work, no crime, beautiful parks, cultural opportunities, and to this list the reader can add his own preferences. Suppose such a city existed. What would happen? It would be perceived as the ideal place to live. People from everywhere would move into the ideal city until the advantages had been so swamped by rising population that the city would offer no net attractiveness compared to other locations.

There is a necessary and fundamental compromise that must be accepted between growth and quality. To hope otherwise is to delude oneself. A White House report carried the title "Toward Balanced Growth, Quantity with Quality." The phrase "Quantity with Quality" is inherently a contradiction. It is a political transitional phrase that lies between the old concept of "growth is good" and the future realities in which growth is seen as the fundamental cause of rising social problems.

When there are no geographical or environmental limits, economic growth can run ahead of population growth to increase the public well-being. During the growth phase, the many goals of society tend to be independent of one another and can be separately pursued. In the past, if an individual wanted more personal freedom, he could move to the unsettled frontier, while at the same time improving his standard of living by farming rich and virgin agricultural land. But as space fills up, all of the social goals begin to interact more strongly with one another. More and more the system begins to offer only trade-offs and compromises. If one wants a higher population, he must accept less personal freedom. If there is to be more industry, there will necessarily be more government regulation and more social groups to intervene in each step and action. If agriculture is to become more capital intensive, there will be more pollution and more long-term damage to the productivity of the land. As population rises against the environmental limits, there will necessarily be higher unemployment and more welfare with rising governmental costs that divert resources away from additional capital investment.

There is a fundamental conflict between quality and quantity, after quantity has grown beyond a certain point. It appears that the United States is now beyond that point. Further growth in population and industrialization means declining quality. How is the compromise between quality and quantity to be struck? Is it to be done uniformly for everyone, or is there to be a local choice between quality and quantity? Returning to the theme of this meeting, "balanced development" means the choice between quality and quantity.

A society has many goals. These impinge on one another more and more heavily as an economic system approaches the end of growth, enters the transition period, and eventually moves into some form of equilibrium. The multiple goals have the characteristic that no one of them can be maximized without unacceptable losses in one or more other goals. Some of the goals are material, other are social and

psychological, but they all impinge on one another. We want freedom, but not at the expense of extreme economic hardship. We want to build more housing, but cannot forever at the expense of agricultural land. We want more capital investment to increase productivity and control pollution, but not to the detriment of governmental services.

Many people seem to assume that control of growth will circumscribe our freedoms but that continued growth will not. Nothing could be further from the truth. The fallacy is illustrated by a paragraph again taken from the President's "Report on National Growth 1972," where we find :

In many nations, the central government has undertaken forceful, comprehensive policies to control the process of growth. Similar policies have not been adopted in the United States for several reasons. Among the most important of these is the distinctive form of government which we value so highly in this country. Ours is a *federal* system, with powers shared between the States and National Government. This system preserves the ability of citizens to have a major voice in determining policies that most directly affect them. This voice is sustained by keeping government close to the people.

But it is becoming more and more apparent that growth in population, industrialization, pollution, unemployment, welfare costs, inflation, and imbalanced trade is undermining local and state freedom. The symptoms resulting from growth are being attacked mostly from the national level with the result that national policies and the terms of national funding impose nationally-determined values on all areas. National laws to cope with the results of uncontrolled growth restrict local choice. The higher the social stresses from growth become, the more governmental machinery will be assembled to fight the symptoms. On the other hand, control of growth can be done in many ways, some of which would also destroy freedom, but other ways can be devised to save freedom. However, the alternative of continued growth runs only in one direction—toward less individual and local freedom.

A whole set of pressures are now beginning to inhibit growth. The country faces an oil shortage. Pollution is no longer merely an industrial problem; to reduce pollution created by the individual, his automobile now has less performance, more maintenance, and higher gasoline consumption, and that in turns makes the oil shortage worse and our national dependence on other countries greater. Pollution has also become a major issue in agriculture as fertilizers and the wastes from animal feed lots pollute rivers and lakes. At the social level, rising crime, drug addiction, and mental stress, and community breakdown are all exerting pressure against further growth. Many pressures are developing to stop growth, some we can influence, others we cannot. A most important question is how we would like to have the growth-suppressing pressures distributed.

Pressures to slow the growth process will continue to rise. The pressures will tend to develop from every direction. Some of the pressures can be alleviated. But do we want to alleviate, where we can, the pressures arising from growth? Or, do these pressures serve a valuable purpose?

Unless ever-rising exponential growth can go on forever, and that is generally accepted as impossible, then some set of pressures will eventually stop growth. From whence should the growth-suppressing pressures come? Should the pressures be distributed throughout our society or should they be concentrated in only a few places within our socio-

economic system? This choice between concentration or distribution of pressures is of the greatest importance. The question arises because we have the power to alleviate pressures in some sectors of the society but not in others. If we alleviate pressures where we can do so, it will inevitably lead to a further rise in those pressures that we cannot control. The way we react to present pressures determines the nature of future pressures.

One set of pressures can be alleviated by technological means. We are very good at handling technology, and can eliminate those pressures if we wish. A second set of pressures can be alleviated by economic means, and those we know less about but can still influence. A third set of pressures are of a social nature—crime, civil disorder, declining mental health, war, drug addiction, and collapse of goals and values. These are the ultimate pressures with which we do not know how to cope.

If we alleviate the pressures that can now be overcome, those pressures make no contribution to slowing the growth process. Growth then continues until higher pressures are generated in other sectors. This process has been going on. The first pressures to arise were dealt with technologically by increasing building heights, improving transportation, bringing water from greater distances, developing new sources of energy, and improving medical treatment. As a result of such technological successes, growth continued until a variety of economic malfunctions began to appear—rising unemployment and welfare, worsening balance of trade, and inflation. To a small extent, the economic pressures have been alleviated and their consequences delayed. Growth has thereby continued until social deterioration has begun to manifest itself in serious ways.

In this sequence of technology solving one problem only to produce an insolvable problem later is buried the reasons for the anti-technology attitude that has begun to develop. In the past, technology appeared to be solving our problems. The technologists became self-confident. The public came to depend on them. The attitude took root that all problems could be solved by an ever-improving technology. But instead, the rising technology, with its consequent growth in population and industrialization, has carried the society to a complexity and a congestion that is producing rising symptoms of distress in the economic and the social sectors. The very fact that technology succeeds in meeting its narrow goals produces greater difficulties in other parts of our social system. The anti-technology feeling grows because of the repeated cycle in which pressures develop, technology produces an excellent solution within its narrow self-perceived goals, the social system becomes more compressed and frustrating, and the public perceives that the overall quality of life has failed to respond to the technical solution. The failure to satisfy society results because meeting the subgoals of the technologist is less and less likely to truly enhance the combined composite value of all the social goals. For each technical goal that is improved, some social or economic goal is forced to decline.

Growth has continued past the point where sub-optimizing is satisfactory. Sub-optimizing means the meeting of a local goal without attention to consequences in other parts of the system. During the past period of our industrial growth, the various facets of the technical-

socio-economic system were sufficiently uncoupled that sub-optimizing was satisfactory procedure for decentralization. Sub-optimizing allow different groups to pursue independently their own ends, with confidence that the total good would thereby improve. But as the system becomes more congested, the solution of one problem begins to create another. The blind pursuit of individually laudable goals can create a total system of degraded utility.

What does this discussion of technology and social goals mean for the American Public Works Association? It means that in the past those who deal with the technological aspects of urban life have been free to sub-optimize. The public well-being was increased by the best possible job of drainage, waste disposal, transportation, water supply, and the construction of streets. But no longer is it true that improving each of these will improve a city. By solving each of these technical problems the technologist becomes a party to increasing the population of a city and the densities of population. He starts social processes that eventually reduce the quality of life. The public is recognizing that improved technology is not bringing an improved society. As a result, men who have sincerely dedicated their efforts to the public good, but perhaps have not foreseen the diversity of social consequences, have already begun to feel the backlash of public criticism.

So far I have developed several propositions. First, pressures are rising to inevitably stop growth. Second, the national commitment to growth is too strong for the national government to lead in a new direction until a broad constituency has already formed in the country. Third, if the nature of growth is to be recognized, and if experiments are going to be carried out to find a satisfactory way of moving from growth into equilibrium, leadership must come from the local and state levels. Fourth, technical accomplishments no longer offer a basic solution to social problems, instead, technology, as now being used, is often the cause of rising social difficulties. Fifth, all cities do at all times tend toward equal attractiveness. Given this set of propositions what freedom of action is left to a city?

A city can choose, to a substantial extent, the mix of pressures under which it wishes to exist. There are many components of urban attractiveness and if one of these is decreased, others can be improved. One cannot create the ideal city. But one can create certain ideal features if he is willing to compensate for these by intentionally allowing other features to worsen. In the past, we have improved the technological aspects of cities and have thereby unintentionally caused many of the economic and social characteristics to deteriorate. There are many facets to a city. There are many things that the public and an urban administration can do. One thing they cannot do is to produce the perfect city. They can, however, exercise a wide choice between imperfect cities.

I suggest that a valid goal for local urban leadership is to focus on improving the quality of life for the residents already in the city, while at the same time protecting against growth that would overwhelm the gains. In short, one might maintain the attractiveness for the present residents while decreasing the attractiveness to those who might inundate the system from the outside.

Such statements, I recognize, lead to ethical and legal controversy. I am saying that a city should look after itself first. Its own welfare should come ahead of concern for others who are taking no steps to solve the fundamental problems for themselves. If enough cities establish successful policies for themselves, there will be two results, First, a precedent will have been set for coping with the fundamental underlying source of difficulties. Second, the larger the number of areas that solve their problems for themselves, the greater will the remaining uncontrolled growth impinge on the other parts of the country, and the more quickly will the nation face the long-range issues of stress arising from excessive growth.

So what can a city do? It can influence its future by choosing between the components of attractiveness. The attractiveness components of a city fall into two categories according to whether they operate more forcefully on quality of life in the city or on inward migration and growth. These two categories are the "diffuse" and the "compartmentalized" characteristics of a city. The objective should be to maximize those diffuse characteristics of the city that improve quality of life while controlling the compartmentalized characteristics that can prevent expanded population and population density that would defeat the improvement for present residents.

The diffuse characteristics, such as public safety and clean air, are shared equally by all, their effect is not limited to particular individuals, and they apply alike to present residents and those who might move in. The compartmentalized characteristics of a city, like jobs and housing, are identified with particular individuals; they can be possessed by present residents but are not necessarily available to others from the outside.

Every diffuse characteristic of a city that makes it more attractive for the present residents will also make it more attractive for those who might move in and who would increase the population and density. Therefore, every improvement in the diffuse categories of attractiveness must be accompanied by some worsening in the compartmentalized categories of attractiveness to prevent self-defeating growth. The attractiveness characteristics of a city should be categorized in terms of whether they affect all residents or primarily potential newcomers. For example, the vitality of industry, a balanced socio-economic mix of population, the quality of schools, the freedom from pollution, low crime rates, public parks, and cultural facilities are all desirable to present residents. If there is no counterbalance to restrain an expanding population, such attractive features tend to be self-defeating by causing inward migration. But the compartmentalized characteristics of a city primarily affect growth without necessarily reducing quality of life for present residents. The number of housing units and the number of jobs tend to be compartments in the sense that they have a one-to-one correspondence with individuals rather than each being shared by all. The absence of an unoccupied house and/or job can be a strong deterrent to in-migration, without necessarily driving down the internal quality of life.

I see no solution for urban problems until cities develop the courage to plan in terms of a maximum population, a maximum number of housing units, a maximum permissible building height, and a maximum number of jobs. A city must also choose the type of city it wants

to be. To become and remain a city that is all things to all people is impossible. There can be many uniquely different kinds of cities, each with its special mix of advantages and disadvantages. However, the policies that create one type of city will destroy another type. A choice of city type must be made, and corresponding policies chosen to create the required combination of advantages *and disadvantages* that are characteristic of that type. One might have an industrial city, a commercial city, a resort city, a retirement city, or a city that attracts and traps without opportunity a disproportionate number of unemployed and welfare residents as some cities are now doing. But there are severe limits on how many types of cities can be created simultaneously in one place. When the choices have been made, and when effort is no longer dissipated in growth, there will be an opportunity to come to grips with social and economic decay.

Why do I bring this message to the American Public Works Association? Because the members are at the center of the two most important issues I have raised. First, leaders in public works are the custodians of the technological aspects of the urban environment. Those responsible for the physical aspects of a city can continue to solve the technological subgoals of roads, water, waste, and transportation and thereby sustain the growth process and cause a continual shifting of pressures into the social realm of rising crime, increasing psychological trauma, growing welfare costs, and accelerating community breakdown. Or, they can move to reverse what in the past we have considered good, but is good no more, and help halt further expansion of that part of our technological base on which the urban crisis is growing. A second reason for these issues to be important in public works comes from the unique influence that public works has over what I call the compartmentalized characteristics of a city. Public works actions directly affect the number of streets that are built, the number of houses that will be erected, and the number of industrial locations that are established. Such physical actions, backed up by zoning and municipal policy, determine the kind of urban growth and whether or not there is to be growth. Through the judicious use of, and indeed the appropriate limitation of, water supply, drainage, building heights, waste disposal, road building, and transportation systems, a city can influence its future.

The reader may be thinking that planning and controlling the size and composition of a city and the migration to it are undemocratic or immoral. It may even seem that I am suggesting control where there has not been control before. Neither is true. Every city has arrived at its present size, character, and composition because of the controls that have been exercised in the past. By adding to the water system, sewers, and streets, a city has, in effect, decided to increase its size. By building a rapid transit system a city is often, in effect, deciding to change the composition of its population by encouraging new construction in outlying areas, allowing inner areas to decay, and attracting low-income and unskilled persons to the inner ring at the same time that job opportunities decline. In other words, control on growth and migration has been exerted at all times. But the control has often been unintentional, with unexpected and undesirable results. The issue is not one of control or no control. The issue is the kind of control and toward what end.

The interurban control of population movement is the internal counterpart of international control of population movement. Except for the legal, coercive, psychological, and economic deterrents to human mobility, the standard of living and quality of life of all countries would fall to the level set by the population group that accepts the lowest standards. No group can be expected to exert the present self-discipline necessary to limit population and the environmental demands of industrialization unless there is a way to keep the future advantages of the present price from being swallowed up by inward migration. If the control of international movement of population is ethical then some intercity counterpart must also be ethical. Or, if the justification is only that of practical necessity, then the internal necessity arises in a country that is reaching its growth limit without having established a national means to implement a compromise between quantity and quality. Between nations, countries exert restrictions on population movement that are not allowed internally between urban areas. Even so, the policies of each city have a powerful effect on mobility and on the resulting character of the city. Because controls are implicit in every action taken and every urban policy adopted, a city should understand the future consequences of its present actions. A city affects its local choice between quantity and quality mostly by how it handles the diffuse versus the compartmentalized components of attractiveness.

The difference between diffuse and compartmentalized control of urban population can be illustrated by two extremes of policies that might govern the availability of water. Depending on how it is managed, the availability of water might be either a diffuse or compartmentalized control on growth. Consider a city with a limited water supply—more and more this will be the actual situation. To illustrate diffuse control, one could distribute water freely and equally to everyone, both present and future residents. New houses could be constructed, new industries could be encouraged, growth could be continued, and the water could be divided among all. If no other growth limits were encountered, growth would continue until the low water pressure, occasional shortages, and the threat of disaster from drought had risen to the point where out-migration equaled in-migration. Under these circumstances, net growth would have been stopped, but the equally-distributed nature of the water shortage would have reduced the quality of life for all residents. The water shortage would be diffuse; it would be spread to all, former residents and newcomers alike. Alternatively, the opposite water policy illustrates compartmentalized control. Building permits and new water connections could be denied so that water demand is constrained to lie well within the water supply. Water would be available to present residents, but not to new. Under these circumstances, quality of life for the residents would be maintained, but growth would be controlled.

I believe that such choice between present and future residents is inherent to a practical solution of our urban problems. Unless control through such self-interest is acceptable, and ways are available to implement it, there is no incentive for any city or state to solve its own problems. Its efforts will be swamped from the outside. All will be

pulled down while the nation continues to debate the issues endlessly and acts on symptoms rather than causes. There must be freedom for local action, and the consequent differences between areas, if social experiments are to lead to better futures and if there is to be diversity in the country rather than one gray homogenized sameness. Local areas must be able to control their destinies in different ways and toward different ends, if there is to be any meaning to the President's hope of preserving "the ability of citizens to have a major voice in determining policies that most directly affect them."

If people are to influence the policies most affecting them, it follows that policies will be different in different places and the resulting tradeoffs between growth and quality of life will be different. If there is to be any substance to local choice, there must result differences between localities.

In the policies for a city that I am proposing, the ethical and legal issues are substantial. A city, in looking after its own well-being, will, no doubt, be accused of being selfish because it discriminates against non-residents. But what are the alternatives? Must it discriminate against its present residents? Must it discriminate against its own long-term interests? Must it be forced to take only a short-range view of its future? Must it be a party to delaying the day when the nation faces the fundamental choice between quality and quantity? Our past policies have not been so successful that they should persuade us against new experiments.

If a sufficient number of cities find new ways of controlling their own destinies in spite of national policy and what other cities do, then pressures to work toward the long-term well-being of the country will be quickly generated. If some cities and states take effective steps to establish an equilibrium with their natural surroundings, and to maintain a viable and proper internal balance of population and industry, then the remaining growth in the country will quickly descend on those communities and states that have taken no such action. A national consensus to establish a viable balance with the capacity of the environment will quickly develop out of the contrasts that will be established between those who have and those who have not dealt with the basic issues of overcommitment.

In summary, I believe that the country is now heading more deeply into economic and social difficulty. Technological solutions will no longer suffice. There is no national consensus strong enough to support an effective national policy nor to insure national leadership in solving the problems that are arising from growth and overcommitment of the nation's long-term capability. But, fortunately, the problems are solvable piecemeal at the local level independent of other areas and independent of the national government. Local action can set a precedent for the country as a whole. Those in public works are in a uniquely influential position for exerting that leadership.

Revised October 1, 1972.

METROPOLITAN GROWTH AND THE NATIONAL GROWTH REPORT

(By Herbert M. Franklin, Director, The Potomac Institute, Inc.,
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Unlike the great cities of Europe, which developed over hundreds of years, many American cities have gone from cow pastures or trading posts to giant metropolitan complexes in little more than a single century. America today is a metropolitan nation. In the foreseeable future it will become even more so.

Yet if the metropolis has in fact become the heartland of America, it can hardly be said to exert much of a hold on our emotions. We are apparently unwilling to love the metropolis even as we are unable to leave it.

To some extent this explains the strong anti-urban bias present in discussions of national urban growth policy. Frequently the search for such a policy is cast in the guise of an effort to find some formula by which we can turn the clock back to a more rural, or at least a less urban, past.

In 1970, when the first census takers went forth on horseback only five percent of the nation's population lived in the 24 places of 2,500 or more. Only two of those places, New York and Philadelphia, with populations over 25,000 each, could be considered major cities.

By the dawn of this century one-third of the nation's people lived in places over 2,500. Today we are not only urban—we are metropolitan. Census estimates that by the end of the century some 225 million people—85 percent of our total population—will live in metropolitan areas. Over half the nation's people now reside in areas of a half million or more; and four out of ten Americans live in metropolitan areas of one million or more. By the end of the century, six out of ten will live in these largest urban complexes.

In general, the larger and older the metropolitan area, the greater the share of growth for the suburbs. By 1985, if present trends continue, nearly half of the nation's total population will live in suburban parts of our metropolitan areas, and only one-fourth in central cities. Virtually all the increase in metropolitan population in the decades ahead will accrue to the suburbs.

The 1970 Census confirms that as metropolitan America has become more suburban it has also become more segregated. Over the 1960-70 decade the vast majority of central cities had an increase in the black proportion of the population. The suburbs showed little change in racial composition.

If these trends persist, blacks and other nonwhites, now 22 percent of central city residents, by the year 2000 will comprise 40 percent of that population. The larger the central city, the larger the gain in the black population in the last decade.

Over half of black families in central cities live in poverty neighborhoods. This urban poverty is quite different from its rural counterpart in a major respect. An individual measures his wellbeing against a social standard he sees around him, not against some official measure of income deprivation. As the President's Commission on Income Maintenance observed, "When the median income is growing rapidly, those above it will perceive the poor differently, and the poor living on an unchanged income will view their lot differently . . . As the general American standard of living improves, the poor will become progressively worse off by comparison with some norm. The poor—defined by an unchanging scale—will be struggling for social survival even after the problems of physical survival have been solved . . ."

Consequently, the internalized norm—what disadvantaged people themselves believe is poverty, and how the relatively affluent regard the poor—is an important ingredient in the psychology of urban policy.

Even urbanites of good will and compassion may shrug off the presence of rotting neighborhoods with the observation that cities have always had richer and poorer neighborhoods. The fact today, however, is that an income-determined section of a city is likely to be so large that residential stratification is likely to be strengthened and sharpened over time.

Metropolitan America today is thus in a process of social and economic division which lies at the heart of our problems of urban growth. Managing that growth will require new institutions, and balancing competing interests as crucial to the future of the nation as those which led eventually to the drafting of a new Constitution to supplant the old Articles of Confederation. We cannot begin this task unless we disabuse ourselves of some of the more crippling urban myths.

The first is the *myth of the crowded city*. The assumption behind many prescriptions for urban ills seems to be that there is little wrong with metropolitan life that fewer people would not cure. But a closer look at metropolis suggests that it is not nearly as congested as it may seem, and that congestion is not the basic source of urban problems.

Our growth rate, according to recent data, is close to zero population growth. It is worth remembering in this connection that, had the U.S. growth rate of the Civil War years continued, we would be a nation of 900 million people in year 2000, not the expected 300 million at most.

Even a declining population growth rate will require substantially more jobs, schools, housing and open space over the next decades. The growth in population, however, is hardly the problem. The problem is related rather to the distribution of the population in economic and social terms and our readiness to pay for dealing with transportation, housing, and job dislocations flowing from maldistribution rather than the total number of people.

Words like "megalopolis" conjure up images of people piling up on top of each other in densely crowded cities. Density is technically the number of people occupying a given land space. In this sense density is in fact diminishing in U.S. metropolitan areas and, to a lesser degree, in Europe.

There is no clear evidence that densities as such cause public health or criminal problems. The tenants of a luxury apartment building on Manhattan's East Side do not suffer from the high residential densities in that area; but in a virtually abandoned neighborhood on Detroit's East Side, six people living in two rooms suffer from the baleful effects of overcrowding.

Decreasing densities, in fact, do pose metropolitan problems. The waste of land occasioned by leapfrog development is matched by the waste of capital on water and sewer lines, roads and other elements of urban structure.

Migration myths also stymie policy-development to manage urban growth. From time to time it is said that the best way to "defuse the population" bomb would be to "anchor" the rural population and spur the growth of smaller towns by attracting immigrants who otherwise would move to large metropolitan areas.

In the 1930s a witness before a committee of the House of Representatives intoned: "The vast population must depart from the congested industrial centers and cities and once again become self-sustaining on our vast and fertile farms, pasture and prairie lands." This ancient belief in part stimulated the Homestead legislation of the 1860s.

The staying power of the notion that urban problems can be addressed effectively by luring or diverting people away from large cities is worth pondering. Anti-urban nostalgia explains some of it. It is also possible that this is a sophisticated version of hostility to "newcomers" which has marred all great migrations in our history: certainly the black rural-to-urban migration of the past decades has not gone unnoticed (and many proponents of reducing the size of cities are themselves confirmed urbanites who would be unlikely to be the first to move to the country).

In terms of its impact on metropolitan America, however, the rural-to-urban migration is over. The last year to show more than a one million loss of farm population was 1962; five years later it was half of that. Intermetropolitan migration and the influx of foreign-born people now exceeds rural-to-urban migration.

Year 2000 projections indicate that of 81 million additional metropolitan residents, nonmetropolitan in-migrants will account for only four million, while immigrants from other countries will number 10 million.

Proposals that aim to ease urban growing pains by reducing rural-urban migration are addressing a problem that no longer exists for cities.

Closely allied to the earlier myths is the *myth of reversing urbanization*. This policy objective would not stop at the goal of preventing rural-to-urban migration—it would seek to lure people out of the cities.

The efforts in countries with far greater central powers over land development and industrialization have not reversed the growth of large cities and the increasing urbanization of the population. Perhaps the most drastic attempt has occurred in China, where vast authoritarian powers have been employed to influence the location of people, including the forced transfer of workers. Perhaps the only real "success" in the world has been achieved in unique circumstances by Israel. In 1949 about 48 per cent of its then much smaller population (900,-

090) lived in three major cities, 26 percent in other towns, and 26 percent in the countryside. By 1970, the distribution of its 3 million people—most of this increase the result of immigration—changed to only 30 percent in the three major cities, 52 percent in towns, and only 17.5 percent in the countryside. The circumstances which enabled this conscious policy of town settlement to succeed are probably unique.

Urbanization is occurring most rapidly in the developing nations. Of the world's 36 largest urban "agglomerations" as defined by the United Nations, 17 are in developing nations.

The older values we cherish as a nation, therefore, must be realized not in rural isolation but in a metropolitan setting. National growth policy must focus on metropolitan growth.

It seems apparent that the President's "Report on National Growth, 1972" recognized the metropolitan reality but refused to come to grips with it. A key sentence in the Report sums it up: "There is no place in our country for any policy which arbitrarily dictates where and how our citizens will live and work and spend their leisure time."

This is meant to eschew the development of any new national policies which purport to determine or affect residential opportunities. The problem is that public policies now exist which *do* arbitrarily dictate where people may live, and corrective action to overcome them is required. In other words, this single sentence turns our major urban growth problem on its head.

The rural-to-urban and eastern-to-western migrations of our past saw people moving to improve their economic condition. National policy encouraged these migrations in the conviction that opening up greater opportunities for individual advancement would stimulate national economic growth.

Our latest migration, from central city to suburb, differs in significant respects from these earlier movements. It stems not from economic motives, but the desire of relatively affluent city families for what they regard as a more attractive and secure urban environment. Unlike public policy governing earlier migrations, which satisfied a need for cheap labor, existing public policy increasingly cuts lower income economic groups off from economic and environmental opportunities.

Thus, lower income groups find their residential opportunities diminishing in the central city by the removal of older housing from the inventory through abandonment, highway and other public works construction and the conversion of core areas to commercial uses. At the same time they find the doors to suburban opportunity are closing because of "no growth" and "slow growth" policies in metropolitan areas.

The need for greater access to suburban housing opportunities for lower-income Americans is premised on three different rationales. The first—or "job access" rationale—is related to the need to compete for jobs which are flowing to outer city locations. A second rationale might be described as "tax base equity." In the words of a *Chicago Tribune* editorial, "the residents of a suburb that welcomes industry but not its employees are trying to take the best of both worlds." Executive Order 11512 and certain provisions of the proposed 1972 housing bills recognize the "job access" and "tax base equity" principles.

But compelling as these arguments are, there is a more fundamental reason for requiring the removal of local barriers to low- and moderate-income housing: the geographic mobility and freedom of residential choice of American citizens is a basic right that no locality should unilaterally be permitted to fetter.

In the Great Depression of the 1930s, impoverished farmers from the dust bowl—the “Okies”—set out to make a new life in California. Those who had earlier settled there tried to protect their California paradise from later arrivals by stationing guards to prevent “indigents” from crossing the border. The Supreme Court held such restrictions unconstitutional as violative of the right to travel. The principle might more clearly be described as “the right to migrate and settle.”

Job location, therefore, cannot be the only criterion for determining whether low-income people ought to be able to find decent housing throughout a metropolitan area. Since many central city families with central city jobs may wish to live in suburban locations, opening up options for them is a matter of fundamental right as well as better urban planning. Yet we have encouraged the development of public policies which inevitably exclude lower-income Americans from moving freely for environmental or economic reasons in metropolitan areas.

Public policies inflate the cost of land and thus directly impact on housing costs. (The President’s Fourth Annual Report on National Housing Goals is the first such report to omit any reference at all to this critical issue.)

The market for land is hardly a “pure” private market. Indeed, few “private” markets are as intimately affected by public decisions as the land market. The location of highways, sewers, and key public facilities such as airports, schools, and parks all indirectly affect land values. And public decisions such as zoning and subdivision approvals directly affect such values.

These latter policies are publicly adopted and enforced without the participation of those negatively affected—the people who are foreclosed from living in a jurisdiction. “Power to the people who got there first” is an operative political principle of urbanizing areas.

These policies are implemented through time-honored techniques:

1. *Underzoning for residential use.* Communities, competing with one another for development which will enhance their local real estate tax base, reserve excessive amounts of land for nonresidential uses. In some cases, school boards have been known to urge local planning and zoning authorities to restrict the amount of land available for residential development to keep down increases in the school-age population.

2. *Inadequate planning and zoning for multi-family residential use.* The prevailing mythology that the ownership of a single-family house either instills or reflects moral virtues which are not present among apartment tenants tends to restrict the availability of land for higher-density residential use. In some instances, the animosity against multi-family development is based less on claims of moral superiority than on fears of an increased child population and resultant school taxes, increased traffic congestion and the assumption that apartment development will ruin the community’s scenic or historic character. It pro-

ceeds on the further assumption that apartment dwellers, whose property tax is hidden in the rent, will be less vigilant against "extravagant" school or other local government spending than will the single-family home owner who is hit at one time for a whole year's property tax.

3. *Bedroom count limitations.* A more sophisticated device to discriminate against those who do not live in single-family homes is the limitation on the number of bedrooms allowable in multi-family development. By reducing the average apartment to between one and two bedrooms, some jurisdictions contrive to accept only those apartment dwellers who are childless, or young couples (with a preschool child) who are upwardly mobile, or smaller families generally. This permits some mix of housing type without diminishing the community's official discrimination against children, large families, and lower-income groups.

4. *Large-lot residential zoning.* Even where single-family homes are the prevalent or exclusive residential style, a community may require the land area used by each home to be so large that it effectively puts a high floor under the value of the home by increasing the cost of the site. A related form of economic exclusivity is a requirement for excessive floor areas. The National Commission on Urban Problems reported in 1969 that almost half of the communities it surveyed imposed minimum floor area requirements. In addition, where most of the undeveloped land in a locality is zoned for large lots, the price of the smaller lots in comparatively short supply rises unreasonably. Of all potential restrictions on land use, "large lot" zoning may prove most costly to a community over the long run. The demand for housing is not limitless, and as prices rise there may be a "trade off" between falling housing quality and rising land prices. In addition, the installation and maintenance of roads, water lines, and other facilities will offset the presumed short-term economies of requiring excessive floor areas and land for housing.

5. *Discrimination against Federally-subsidized housing.* A community may engage in none or all of the foregoing practices and try, nevertheless, to exclude Federally-assisted lower-income housing. The rationale behind total opposition by a locality to any subsidized housing is explained by a leading zoning authority, Richard Babcock: "The present rubric of zoning law tends to accelerate the concentration of low-income housing in the community that takes any. It is easier legally to exclude all subsidized housing than to hold it to a managed program—just as it is safer to keep out the first gas station at the intersection than to try to keep out the second or third." Some communities, to avoid outright discrimination against such housing, may relegate it to the least desirable locations.

In a number of cases, Federal courts have set aside local regulations that were intended to, or had the effect of, discriminating against proposed low- and moderate-income housing developments. Such developments would have increased housing opportunities for racial minorities. Some observers believe that the courts in these cases are fashioning an important rule of law: that a locality has an affirmative duty to make adequate provision for the housing needs of its racial minorities; and that this rule applies with greater force where such persons are being displaced by public action. Racial motives may not

be overtly evident in many cases of discrimination against subsidizing housing. But since every subsidized development is potentially open to minority citizens, the exclusion of such housing has a racial impact—and it is this impact which is legally significant. The rule may be in the process of extension to protect the rights of *nonresident* minorities, an important step in freeing up the “right to travel” for the interstate migrant. Under the Civil War amendments to the U.S. Constitution, it is clear that Federal courts will show special solicitude for the rights of racial minorities. It may be up to the state courts to address directly the economic motives for exclusion.

Economic motives for local public policy are now being strengthened by ecological rationales. The twin goals of protecting environmental values and achieving a better distribution of goods and services in a metropolitan society can be reconciled. But reconciliation cannot result simply from literally preserving green pastures for the affluent.

The real or feared pollution of the ground water has in recent years become a convenient reason in some localities for preventing or slowing residential development. Some communities believe that, if residential growth can be slowed or halted altogether, they can avoid the additional costs and effects of growth such as roads to handle increased traffic, schools to educate more children, plants to treat more sewage.

In April 1972, for example, the city of Livermore, California, a San Francisco suburb east of San Francisco Bay, enacted a law that would shut off building permits if any of three conditions exist: double sessions in public schools, failure of sewage treatment plants to meet regional water quality standards, or the rationing of water supplies to the existing population. Other small towns in California have also voted to suppress population growth by refusing to rezone at higher densities or by setting outright limits to population growth. The voters of Boulder, Colorado almost approved in 1971 an amendment to the city charter calling for regulations and policies to stabilize ultimate population of that city to 100,000.

Courts have begun to wrestle with the problem. Some observers believe that state courts may ultimately declare “no growth” strategies illegal. The most advanced legal opposition to the “no growth” strategy has come from a “conservative” state court, the Supreme Court of Pennsylvania. In two separate cases the court has found “no growth” zoning to be unreasonable. Its language in one case has been widely quoted:

... communities must deal with the problems of population growth. They may not refuse to confront the future by adopting zoning regulations that effectively restrict population to near present levels. It is not for any given township to say who may or may not live within its confines, while disregarding the interests of the entire area. If Concord Township is successful in unnaturally limiting its population growth through the use of extensive zoning regulations, the people who would normally live there will inevitably have to live in another community, and the requirement that they do so is not a decision that Concord Township should alone be able to make.

The basic principle laid down by the Pennsylvania court is that “zoning is a tool in the hands of governmental bodies which enables them to more effectively meet the demands of evolving and growing communities. It must not and cannot be used by those officials as an instrument by which they may shirk their responsibilities.”

By contrast, in May 1972 New York's highest court ruled that the town of Ramapo could enforce "slow growth" landuse controls by barring residential subdivisions in the jurisdiction pending the provision of sewers and drainage facilities, schools, roads, recreational areas, firehouses on a time schedule designed to divert growth to other jurisdictions and away from the verdant open land controlled by the town.

It is difficult to draw the line between landuse controls intended to slow growth and those intended to bring higher fiscal returns. The U.S. Supreme Court, which upheld the local power to zone in 1926 and has not dealt with it since, has left open the question of whether this power might be used to maximize local revenues by closing the locality's doors to additional residents.

Thus the demands of equity and "ecology" have come into conflict, a conflict which is sharpened because there exists no process for rationally resolving it at the local level. For example, in Suffolk County, Long Island, separate Federal court actions have sought both to foreclose further housing development and to increase it. An environmental group has sued all of the local governments in the county to prevent further issuance of building permits because, they assert, profligate development is ruining the water quality on the Island. By contrast, civil rights groups have tried to prevent construction of a large Internal Revenue Service facility in the County on the basis of an inadequate supply of housing for low- and moderate-income workers. The Court did not enjoin the almost completed building, but it did order affirmative relief to increase the housing supply. The legitimate objectives in both cases could have been accommodated only through overall reform of landuse controls in the region, reforms that are designed to manage urban growth.

In the absence of such reforms, local governments will be under pressure to accede to whichever interests seems stronger at a given time, regardless of the impact on regional and national housing and environmental goals. It appears that the foes of *any* development are increasingly strong. For example, the number of areas experiencing sewer moratoriums is significantly increasing. These moratoriums reduce the land available for residential development and inevitably drive up the price of that which is available.

The metropolitan "sewer crisis," on the other hand, could provide a new opportunity for managing urban growth by encouraging cluster development, preventing construction in flood plains, wetlands or other ecologically sensitive areas, and by assuring a wider economic mix of housing. This, again, would require the creation of new instruments of land planning and development.

In the light of these local policies, it is apparent that the major urban growth policy question facing the United States relates to the better management of metropolitan land to meet both ecological and housing needs.

Existing fragmentation of landuse controls in our metropolitan areas can be faulted on several grounds. This fragmentation:

Frustrates a more efficient arrangement of land uses in the regional economy;

Trammels the social and economic opportunities of many American families;

Denies participation in decision-making processes to those directly affected by them;

Frustrates the more equitable allocation of economic benefits and burdens within metropolitan areas.

If this diagnosis of our major urban growth problems is correct, the first Presidential report on national urban growth policy was actually issued under another name in June 1971. Entitled "Federal Policies Relative to Equal Housing Opportunity," it denied the existence of any national interest in the policies of economic exclusion practiced by many localities. The report was quite specific in giving free rein to local housing policies regardless of their impact on regional or national needs. A "hands off" policy was in effect adopted in that statement.

This approach was then in effect adopted in the "Report on National Growth" issued months later. It comprises a little more than a comprehensive list of state and local initiatives that have the barest potential connection with a coherent national urban growth policy.

Some of the initiatives, like general and special revenue sharing, are wholly neutral on the spatial patterns of human settlement. Two are listed, however, which merit special attention because they illustrate how Federal neutrality on social aspects of urban growth is not mirrored by a similar passivity on other facets of growth policy.

The Administration's national landuse policy proposals, emanating from the Council on Environmental Quality, reveal a laudable preference for limiting local landuse controls to preserve ecologically sensitive land and water resources. The reforms it proposed would enable developments of regional benefit, such as airports, solid waste disposal plants and power plants, to be located under procedures which would insert the states into decision-making.

At the same time, however, the Report promotes a quite separate Federal power plant siting bill, which clothes the power generating industry with new Federal protection from local governments and environmental interests which have made the location of such facilities so difficult. Under this bill the Federal government would be empowered to issue guidelines controlling state agencies who would in turn select optimum sites for power plants and large transmission lines. The Federal government would itself, however, establish such power plant siting agencies where the states failed to act. Power plants, like subsidized housing, are not popular in many localities even though they are required to serve regional needs. There is an obvious Federal interest in preventing the limitation of the nation's energy supply by arbitrary local exclusionary landuse policies.

These same Federal interest in preventing an artificial supply of housing, particularly for low- and moderate-income households, finds no expression in the report. The national policy contemplated is thus one of active intervention for some but certainly not all of our growth requirements.

It is the function of such reports to draw the attention of the Congress to problems and potential approaches to their solution. Had this report addressed the real problems of managing urban growth it would have dealt with at least the following issues:

1. How can the Federal interest in assuring an adequate supply of low- and moderate-income housing be harmonized with the existing state and local powers controlling the use of land?
2. How can new instruments of planning and development guide the use of metropolitan land to produce socially and ecologically responsible living environments?
3. How can such instruments be organized to balance the needs of an urban region with legitimate local interests?

These issues suggest a range of institutional reforms not even touched upon in the Report. Some of these include:

1. Metropolitan planning for housing subsidies to assure a "fair share" allocation.
2. Limitation of unilateral local control of land for social housing.
3. Creation of metropolitan land and development agencies to guide urban growth, through investments in water and sewer lines and advance land acquisition.

The development of any national policy requires, in addition, the creation of a national planning capability. It is significant that the Report mentions, in passing, the National Resources Planning Board, an agency which went out of existence during the Second World War.

Comparing reports of the NRPB—especially its excellent report on the problems of urban growth issued in 1937—with the President's report of 1972 indicates how little progress has been made in 35 years to give urban problems serious, ongoing professional attention at the highest level of government.

URBAN PLANNING AND TAX REFORM CONSIDERATIONS

(By Arthur L. Grey, Chairman, Department of Urban Planning,
University of Washington, Seattle)

These remarks are in reference to the committee's on-going interest in national growth and particularly its consideration of the first annual report submitted by the President in accordance with the Housing and Urban Development Act of 1970. That was a notable legislative enactment, a gratifying reassurance to all of us whose closest concerns are with the problems of urban environment and the bearing upon the general welfare. The 1970 law signified we had reached a new maturity in facing the realities of our circumstances as an urban nation. It matched our national purpose to otherwise overwhelming national problems.

To turn a new corner resolutely and without backsliding to former and outdated attitudes in effecting public policy changes on important questions is rare, if ever possible. Thus, I do not think that we need to be unduly discouraged at the uneventful circumstances since the passage of the law in December 1970.

However, it is evident that the Report of National Growth submitted by the Executive Branch in February is not really responsive to the spirit of the 1970 law and its concern for the consequences of random growth of communities.

What appears to be the most striking deficiency of the Report is its acceptance of this random pattern as (a) very largely inevitable and (b) expressing fundamental popular preferences. Indicative of this judgment, which appears to me to dominate the report, is specific comment on trends of metropolitan suburban population growth which concludes the section on population density (p. 15): "There is no reason to believe that the trends exhibited between 1960 and 1970 will not continue through the 1970's." The continuation of these trends of the last decade into the future cannot be accepted with equanimity, yet the tenor of the whole of the National Growth Report appears to be attuned to the sentence just quoted.

Before writing further, I should identify my own interests and qualifications: I am Professor and Chairman of the Department of Urban Planning at the University of Washington in Seattle. Recently, I concluded a year's residence in the Greater Los Angeles area as John C. Lincoln Visiting Professor of Urban Land Economics at the Claremont Colleges. I shall return to comment further upon (a) the urban growth problems of Southern California and (b) the interests of the Lincoln Foundation.

My colleague from the University of Washington, Dr. Alan Rabinowitz, has recently appeared before the subcommittee on housing in behalf of our national professional organization, the American Institute of Planners. Among the important points made by Dr. Rabinowitz is, I think, this observation:

The process by which change and improvements will come to the urban scene is all important. . . . Planners are people who want to help this process. A planner is not interested in making a plan to be imposed on the system. He is someone equipped to help the process of democratic decision-making.

Planning and Random Growth

This point of view is at variance with the belief conveyed by the report that existing trends express what is best and what people prefer for the future. Early, the dissatisfaction which led to the passage of the 1970 law shows a belief that other choices can be made. Dr. Rabinowitz' point is that the process of planning is to help the public bring into reach of possibility other alternatives from which we may be driven away if we only consider present trends.

I mentioned that, until recently, I was temporarily living in the Los Angeles area. Specifically, in the town of Claremont, some 30 miles east of downtown Los Angeles. By coincidence having nothing to do with my recent visit there, I assisted in preparing a land use plan for this community some 17 years ago. This was planning based upon widespread public participation, as described by Professor Rabinowitz. Gratifyingly, in the intervening years, many of the specifics of that plan and the spirit that emanated it has continued.

In 1955, there were only the slightest sullyng intimations of smog and rapacious sprawl. In 1972, from my office in Claremont, on selected winter days, I had a magnificent view of the San Gabriel mountains which beset Los Angeles County. However, most of the time a stranger would look in disbelief if told there were mountains so near, such is the pervasive envelope of air pollution that wafts across the Los Angeles Basin.

The air space of the Los Angeles area has been overcommitted, probably irrevocably. This is not for lack of advances in the efficient use of energy but because of growth with only token regard to the cost to the atmosphere. That overcommitment is steadily expanded, despite claims to the contrary, thus mortgaging beyond conceivable hope of requirement future accomplishments of technology. The dull ooze of the air pollution problem across the national landscape will require a sterner confrontation with the process of random growth heedless of atmosphere capacity.

Claremont sits as a tiny island of relatively orderly growth, in a vast sea of urban sprawl, ever threatened with extinction in the main. Citrus groves and vineyards have disappeared as urban growth proceeded, not just because the land was needed for growth, but because no effort was made to conserve it for agriculture and the scattered pattern of urban development and the attendant appreciation of land values were uncongenial for continued farming even if the land were not built upon.

Taxation and Urban Growth

My visit there at the Claremont Colleges was sponsored by the Lincoln Foundation. This non-profit trust was established by John C. Lincoln who was persuaded by the ideas of the philosopher and economist, Henry George. The contemporary relevance of George's ideas is, it appears to me, that he advocated the use of taxes, operating upon people's self-interest and preferences, to influence the use of land in ways more nearly consistent with the general public interest.

Four years ago, the National Commission on Urban Problems, headed by former Senator Paul H. Douglas, concluded its monumental work with a final report entitled *Building the American City*. I think it noteworthy that the commission, especially in a minority addendum on this subject, subscribed to by its chairman, called for a fuller application of taxation reflective of the ideas of Henry George. In February, the President in his message on the environment advocated that taxation of air pollutants (specifically sulphur) be levied on the emitting source. I understand that this has received active study in the Joint Economic Committee.

It seems clear that the realization of a better America than is portended by current trends will not be regulatory fiat alone. The record of air pollution control, where variances for the regulations persist with impunity show this. Elsewhere, in the work of the Douglas Commission it was similarly made evident that regulation of land use—"zoning"—has worked indifferently.

We should be turning wholeheartedly to a reform of the property tax tending to reshape it into a more effective system of incentives and disincentives for influencing the pattern of urban land use and future urban development to give substance to zoning. Instead, this issue is being largely ignored in proposals to provide property tax relief.

In other words, the approach of using differential charges advocated by the Administration in the case of air pollution, should be, but is not, being applied by extension to urban land use and growth problems.

Elements To Be Included in Balanced Growth

Zoning is a regulatory process, relying upon administrative procedures within a framework of law to accomplish orderly, efficient, rational and satisfying community physical development.

Two objections greet efforts to strengthen land use regulation by bringing it within the purview of the price system: One is the objection that if the use of the environment is undesirable, then it should be categorically banned and the public welfare should not be trifled with by a payment of money. Another is that this is an unwarranted interference with the rights of private property.

The fault of the first objection is evident in the appalling ineffectiveness of the zoning process, unsupported as it now is by publicly imposed financial incentives and disincentives. There is ample evidence of changes in zoning being "sold" by errant public officials, or more subtly, by an exchange of favors.

The second objection is no doubt often offered sincerely, but there is no reason why a privilege in regard to development which can greatly increase the value of an owners property should be conferred without substantial participation by the community which confers this opportunity.

The power to zone, instead of pursuing the objectives stated earlier, can be the power to prematurely destroy needed housing, to inflict blighting elements on a neighborhood, to impose disruptive scales changes (traffic volumes, street widths, loss of amenity to existing useful improvements of property), and erratic loss of productive agricultural space and natural environment.

A price commensurate with the likely private benefits that will accrue from a change of land use with rezoning will assure that the

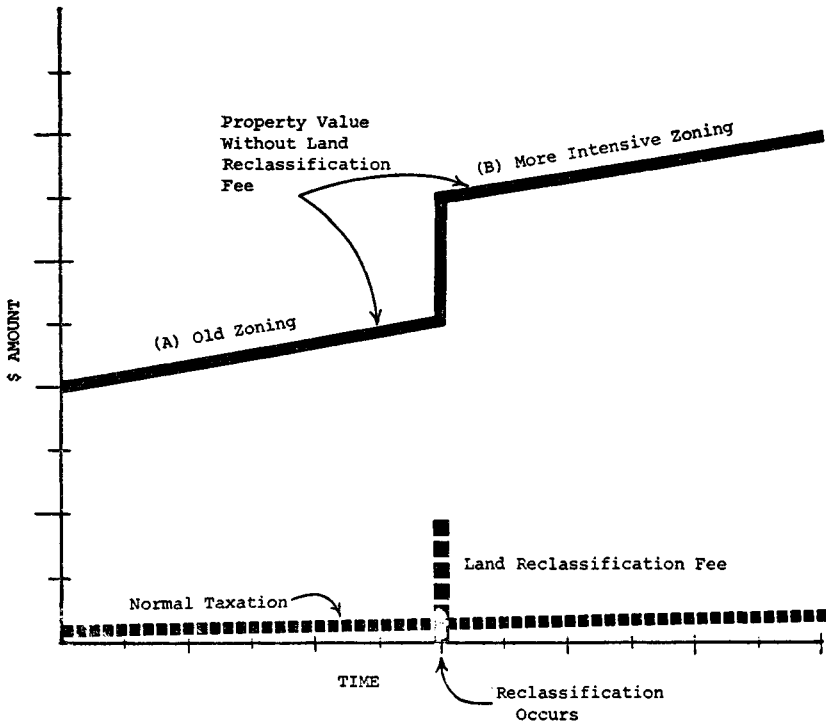
proposed change is a serious undertaking and not merely a strategem for a speculative windfall, banking on the expectation that a change to more intensive zoning will garner a higher sales price. In another form, this is the objection Henry George expressed to land speculation:

Space, a resource whose value is socially created, is deployed principally for short run gain and with scant regard for community interest.

Unless planning and zoning achieve a different balance to the forces of community interest and private advantage, they are only a wasted effort.

Were a land reclassification fee imposed, reflective in some measure of (1) the expected financial gain to the owner—or (2) the anticipated added cost to the community, this would surely reduce the pressure of largely speculative changes. The added costs consist of (a) increased expense of public services or (b) adverse effects upon neighbors or community in the use and enjoyment of their property and public facilities.

The following diagram illustrates the relationship between land reclassification, normal taxation, and a land reclassification fee:



The land reclassification fee would be, in effect, the price for obtaining a zoning change to a more intensive use. The fee, rather than a permanent rise in property taxes, might have a greater possibility of adaption and has merit of calling attention specifically to the benefit conferred by land reclassification. The rate of land use change will be

reduced because the land reclassification fee will have the effect of lowering the post-rezoning value of land below the level of B, which is without the fee.

These remarks apply to any shift to a more intensive use from open land through highly developed commercial projects, but they apply most strongly to the latter which tend to represent the most pernicious and redundant form of incursions on community stability and quality.

How does this relate to new communities? The problem with past outlying growth was that it proceeded on the basis of lower standards to induce land sales and development. The outlying community, until at least a certain stage of maturity, is a kind of Gretna Green of urban planning—it gets the action because rules are absent or less stringent, rather than for inherent good as far as the pattern of metropolitan growth is concerned. In the future, we should strive to develop ground rules of community growth and development which are consistent, rather than sources of further problems.

Urban expansion has taken place largely at the expense of agricultural surroundings, since from the very beginning many communities derived their livelihood from an agricultural base. How far this can go is revealed in one of the first photographic images obtainable from the Earth Resources Terrestrial Satellite launched in July, 1972. In a picture taken over a portion of Central California, the essential outline of San Jose, California, is readily apparent. This locality was at one time one of the most famous fruit growing districts in the world. In this picture one can see that the fruit orchards have all but disappeared in the voracious spread of urban growth which has blanketed over these rich alluvial soils. A differential tax policy conducive to the preservation of such land on agricultural use can be an important guide for carrying out a national growth policy. It can discourage urbanization where it is not in the national interest and by limiting such short lived alternatives promote expansion where it is desirable to occur.

Viewed historically, the new community is a strangely American phenomenon. Not only do the random settlements that marked our Western expansion come to mind, but also our idealism that guided the founding of utopian communities, especially in the 19th Century. It is thus a very daunting spirit which dominated the first annual national growth report because it concludes that present trends of metropolitan growth inhospitable to significant new community development have a quality of inevitability. Given the innumerable difficulties of our central cities and metropolitan areas we can scarcely settle for the counsel that what we can expect must be largely some more of the situation associated with our present troubles. The purpose of the report required by the 1970 law is not to tell us what will happen if we sit on our hands, but to show us how we may work for a different and better result.

The proposed National Land Use Policy Act would establish a significant basis in the form of state programming for advancing the objectives of the 1970 Housing and Urban Development Act. However, future settlement policy in a country so mobile, so spacially bound together, as we are (and we shall become much more so by the end of the Century) cannot be determined without a guiding national rationale. Trifling new community development can, of course, occur.

But we are beyond the scale when the building of model suburbs will suffice. That was an exemplary activity in the past. What we need to consider in our present age is where major new communities can most feasibly be situated, what their physical structure and social institutions should be and how we can bring this about.

Finally, toward what ends are regulation, taxation, federal subsidies, and moral suasion to be used in regard to urban growth and development? What plans should we make? The annual reports in implementation of the 1970 law should confront this question. Indeed, the 1970 Presidential staff report entitled *Toward Balanced Growth: Quantity with Quality* said that "The major lesson to be extracted from the substantive problems reviewed here (in that report) is the high desirability of an explicit growth policy with a relatively long-term perspective."

A national policy for urban growth must essentially be a compromise. That is, it must be a balanced judgment reflecting the several elements of (1) the limits on the supply of air, water, land and other natural resources, (2) the alternative costs of different patterns of development, (3) the opportunities afforded for productive employment, (4) the growth of economic productivity, (5) the transference to our successors of an environment not despoiled by preceding generations, (6) the maintenance of a healthful environment including regard for mental health, (7) security stability and continuity in urban life, (8) a personally fulfilling life for an expanding share of the population, (9) a wide range of personal choice.

I am convinced that it is possible to give some specifications to these points and to construct proximate objectives, which will take account of the main conflicts that exist among them. Such an outline will necessarily be flexible. This has generally received too little attention. I am surprised that the witnesses before Congress when the Ashley Bill was under consideration said very little about criteria of the desirable or optimal size or characteristics of urban communities.

It is, however, impossible to contemplate any meaningful kind of national growth policy if the cumulative effect of federal expenditures on the size, shape, and extent of our urban communities is not a consideration in their allocation. Almost a generation ago Miles Colean published a study which analyzed the impact that federal expenditures (then largely sec. 203(b) mortgages) were having in forming the urban environment. Much of what has happened was desirable—permitting a better way of life for millions. But the cumulative consequences of continuing present trends without substantial modification is deeply disturbing. It is an interstate problem, a national problem with critical elements that cannot otherwise be approached. The private individual, business organizations, local governments, and the states are all "locked in" to a counterproductive process of urban growth, just as firmly as we were locked into the congestion of the central cities before federal support initiated a massive breakaway for the suburbs.

I wish to add my voice to those who will urge that we keep faith with the objectives of the 1970 law and develop the techniques required to do so.

“REPORT ON NATIONAL GROWTH 1972”: A REVIEW ARTICLE

(By Philip M. Hauser, University of Chicago)

This Report, transmitted by President Nixon to the Congress of the United States, is the first biennial Report on National Growth as required by section 703(a) of the Housing and Urban Development Act of 1970. It was prepared by the members and staff of the Domestic Council Committee on National Growth, which Secretary George Romney of the Department of Housing and Urban Development served as Chairman. As the first of a series of Reports required by law, it marks a significant milestone in the ever expanding role of the Federal Government, which, from now on, will be reviewing, evaluating and, presumably, guiding national growth. Embraced by the concept “national growth,” judging from the Report, are virtually all elements of the American society and economy including population size, distribution and composition; social development, including education, welfare, ethnic and racial intergroup relations, and new community development; economic growth in general, including regional, urban-rural and metropolitan growth, and in specific sectors such as land use, housing, transport, finance and power; and growth of government itself—national, state and local. Attention is focused, as may be expected, on the problematic aspects of growth and on growth policy.

Of the Report’s five chapters, after a brief “Introduction,” the first is concerned with “Population Growth and Distribution.” It summarizes national population growth from 1790 to 1970 with consideration of the components of growth—fertility, mortality and immigration. It also gives an overview of national population distribution from 1790 to 1970, including a review of internal migration patterns for the total population and for blacks. This chapter has separate sections on rural to urban population shifts and on metropolitan area growth and composition.

Chapter II is mainly a discussion of “The Challenge of Balanced Orderly Growth.” It outlines the problems associated with growth including consideration of the decline of rural areas and small towns, the changing role of the central city, racial and economic concentrations, environmental and transportation problems, and rising land costs. It discusses the pros and cons of a “single comprehensive growth policy” pinpointing the issues which arise, and it points to a possible division of labor between the Federal and local governments in “meeting the challenges of growth.”

Chapter III summarizes “Recent State and Local Actions to Influence Growth.” It outlines “recent trends in the involvement of states in the growth process” covering the emergence of such state bodies as departments of urban affairs, housing finance agencies, urban develop-

ment corporations, environmental control agencies, and land use control agencies; and it points to state concerns with new communities, financing of urban functions and problems of housing, mass transport, education and modernization of local government. Chapter III also presents the various forms of interstate cooperation—voluntary groupings, multi-state compacts, Federal-multi-state compacts, Federal-state commissions and Federal corporations cutting across state lines.

Chapter IV presents a picture of "Administration Actions to Deal with the Challenges of Growth." It briefly summarizes "past Federal involvement and concentrates on the present Administration program initiatives." It describes thirteen areas of such initiatives, including proposals for strengthening the Federal systems, rural development, transportation, national environmental policy implementation, the use of Federal land, housing, new community assistance, planning requirements, "A-95" reviews, Federal property insurance programs, planned variations, annual arrangements, and property tax reform.

Finally, Chapter V contains "Administration Recommendations to the Congress." Its "legislative initiatives" include those for: government reorganization, revenue sharing, expanded rural credit, planning and management assistance, national land use policy, powerplant siting, tax policy to conserve natural and cultural values and welfare reform. The "Summary" in this final chapter expresses the judgment that "progress toward enactment of many of these legislative proposals—and especially toward reorganization of the executive branch—has been discouragingly slow."

This first of the biennial series of Reports on National Growth is not the first Report of this Administration on the subject. In 1970 a report entitled *Toward Balanced Growth: Quantity with Quality* was released by the White House as a product of its "National Goals Research Staff" (NGRS). This report was motivated, as explained by President Nixon, by the fact that: "In seven short years, the United States will celebrate its 200th anniversary as a nation. It is time we addressed ourselves, consciously and systematically, to the question of what kind of a nation we want to be as we begin our third century" (p. 219).

It was the function of that Report (NGRS) as set forth by the President "to assemble data that can help illumine the possible range of national goals for 1976—our 200th anniversary." The NGRS was to deliver a report "by July 4 of next year, and annually thereafter, setting forth some of the key choices open to us and examining the consequences of those choices" (p. 221).

The President's anticipation of the action of the Congress in setting in motion the preparation of the Report, "Toward Balanced Growth . . ." was short lived. A second NGRS Report was never published and the staff was disbanded. In fact, then, the present *Report on National Growth 1972*, is the second report of this Administration focusing on national growth. As for the first Report, its aim, as stated in the statute, is "to assist in the development of national policy" not to "enunciate" such policy. This Report, as stated in the "Introduction," "makes no claim . . . to present a single comprehensive national growth policy for the United States" (p. X).

Yet the Report does embody a set of values, mainly implicit, that precludes the establishment of a comprehensive national growth policy. Its "philosophy" explicitly stated is that it is "based on a respect for diversity and pluralism" (p. X). It assumes without examination that "no single policy, nor even a coordinated set of policies, can remedy or even significantly ameliorate all of our ills" (p. X).

As in the first Report this one takes it for granted that "balanced and orderly growth" are "twin objectives"—thus setting forth objectives with respect to process rather than substantive ends. Also, as in the earlier Report, this one sets no specific goals or targets—a practice that leaves quite open the question of to what ends national growth is to be directed.

This first of the biennial reports marks the beginning of a systematic effort to:

I. Understand the forces that are shaping the communities in which we live and work;

II. Articulate some of the challenges that must be confronted as the Nation responds to the challenges of growth;

III. Identify recent developments at the State and local level for coping more effectively with growth;

IV. Identify major actions of the Federal Government undertaken to deal with the problems of growth; and

V. Advance recommendations for Federal action to strengthen the Nation's ability to deal with the challenges of growth more effectively.

A chapter, as has been indicated, is devoted to each of these five objectives. Their content has been described above. A critique of their content follows.

This Report then, as the Administration's earlier report on national growth, can be faulted for failing to face up to the need for evaluating national priorities, setting broad national goals—and, thus, providing at least broad guidelines for national growth. For example, although the Report provides descriptive data on the distribution of blacks and their concentration in central cities in metropolitan areas, it is eloquently silent about the failure of this Nation to provide equality of opportunity for blacks and other minorities, which accounts for the pattern of concentration and segregation. It, of course, refrains from the usage of the word "racism" contained in the *Report of the National Advisory Commission on Civil Disorders*—a report which has been studiously ignored. It uses instead careful language in stating that "the trend is due in large part to economic and social forces which have limited the availability of housing for blacks and minorities outside the central city area" (p. 23). It, for understandable reasons, does not mention this Administration's superb non-leadership on the integration front in respect of suburban residence and housing. Should it be a policy of national growth to prevent the accelerating trend to an apartheid society? One would have hoped that at least the question were raised even if, understandably, no affirmative answer is given by this Administration in an election year.

Similarly, the Report describes at various points (e.g., p. 22) the economic segregation which characterizes our metropolitan residential patterns but, consistently, does not raise any question about the great inequality in income distribution in the land and, in the main, ignores

the plight of the "poor." This posture may be consistent with this Administration's edict to the Bureau of the Census to substitute "low income" for "poverty" in its annual report on poverty in the United States. Should national growth policy have as an objective more equitable income distribution? Again one would have hoped that at least the question had been raised.

To be sure, the Report does include three short paragraphs on the Administration's "welfare reform" proposal before the Congress. But in describing the proposal it fails to even raise the policy questions about it, consideration of which has blocked its passage to date. Should "welfare reform" contain punitive provisions for the poor? Is proposed "welfare reform" consistent with vetoed educational legislation and appropriations that will affect the welfare load in the coming generation? Is "welfare reform" an adequate substitute for programs designed to prevent welfare in a racist society which, by failing to provide equality of opportunity for minorities for education, the acquisition of vocational skills, jobs and adequate income flow, guarantees a permanent and increasing welfare load? Should it be a goal of national growth greatly to reduce, if not to eliminate, the need for welfare?

In respect of population growth it is significant that this Report does not even have a single reference to the recently released Report of the Commission on Population Growth and the American Future. That Report, the product of two years of labor by a Commission appointed by the President and headed by John D. Rockefeller III, contained a number of proposals for guiding national population growth policy and should have served as a major item for at least discussion in the national growth report under review. Since it was lightly treated and in part refuted by the President, it can be understood why it is ignored in this Report.

Finally, in respect of the Nation's housing it is significant that although a number of references are made to housing (pp. 36, 40, 60), nowhere in the Report does one find a comprehensive treatment of the problems relating to the supply and quality of housing and to major housing policy considerations in the private and public sectors. This omission is truly an astonishing one in light of the fact that the Report was required by Title VII of the 1970 Housing and Urban Development Act. It may be inferred from this benign neglect that the Nation's housing stance will remain one of promising much and delivering little.

Consideration of the "program initiatives" and "legislative initiatives" discloses a number of commendable directions. But also disclosed is their discrete and uncoordinated character and unforgivable omissions. The uncoordinated character of the initiatives set forth are, of course, consistent with the Administration's emphasis on its philosophy—"based on respect for diversity and pluralism" (p. X); and its uncritical acceptance of the historic character of our federal system. Although the report appropriately recognizes that it is necessary to determine "the proper level of government to influence growth," its ideology and political commitment do not provide an open mind in making the determination.

The Report's explanation of why the United States has not undertaken "forceful, comprehensive policies to control the process of

growth" (p. 30) as central governments in other nations have done is in part pathetic. Understandably one reason is our inherited federal system. But to state that "another important reason for lack of a single dominant growth policy is the sheer size of our Nation" is little short of laughable. Without agreeing with the form or substance such central policy has taken in the People's Republic of China or the U.S.S.R. it is clear that sheer size has not prevented them from adopting comprehensive national growth policies. Also subject to question is the explicitly stated assumption that in order for "citizens to have a major voice in determining policies . . ." it is necessary to keep "government close to the people." This is a mystical article of faith hardly consistent with the political facts of life in the United States.

Do the minority groups in the United States have a greater voice in Washington or in Alabama, Colorado, Arizona or Chicago? Is the people's voice in respect of conservation of natural resources, environmental degradation, organized crime, consumer exploitation, public assistance, social security, automotive safety, special interest lobbying better heard in State capitols and city halls or in Washington? To be sure, there is much for State and local governments to do in behalf of national growth but this Administration's record is clearly one of maximizing the role of local government as an article of faith in the merits of the federal system in its 19th and 18th century form.

Implicit throughout the report in the Administration's conviction that a strong central government is in itself an evil and that the more the Federal Government devolves upon State and local governments the better off the Nation will be. This implicit assumption is a fine example of the razor sharp 19th and 18th century ideology and values uncritically accepted by this Administration which fails to recognize that the United States is today characterized by a 20th century demographic and technological reality which has eroded many of the basic tenets of historical agrarian America to which it still subscribes. Examples of such 19th and 18th century values are manifest in a number of explicit postures of this Administration such as the repetition of the ethnocentric shibboleths that we must be "No. 1"; that a "welfare state" is a pejorative concept; that the right to bear arms is a fundamental civil right; that day nurseries for working mothers are a threat to the family; that a strong consumer protection agency in the Federal Government would undermine the free enterprise system; that military force can resolve international conflicts of interest; that a balance of power foreign policy is required; that the world-wide ring of military bases is essential for national security.

The Report does state that: "In some cases, the Federal Government is the only body with the capability to assure balanced and orderly growth" (p. 31). It goes on to say "this is especially true in the economic area" (p. 31). Is it not equally true in such social areas as civil rights, public school education, equality of opportunity for minorities, adequate housing, resolution of the "urban crisis," elimination of organized crime, abolition of poverty, and investment in human resources, in general? Is the sorry role of state and local government in these and other fundamental areas to be ignored in the interest of the federal system tradition? Furthermore, although the Report recognizes in a mild way the chaos that afflicts metropolitan areas and its fragmented local government inherited from 18th century England,

it does not regard this as a serious enough problem to make it a matter of national growth policy. It does include "revenue sharing" as a legislative initiative in recognition of the problem of virtual state and municipal government insolvency. But it does not point to the issues, especially in respect to the way in which state and city governments are to be involved, that have stalled that legislation.

Finally, it is something less than enchanting to discover that this Report has not a single reference to the Vietnam horror. Is it possible that our Vietnam engagement has nothing to do with national growth?

In general, the Report may be characterized as recognizing some problematic aspects of national growth but avoiding even mention of major problems, some of which threaten the viability of the nation. Furthermore, its initiatives are without exception too little, too late and too subordinated to the shackles of its 19th and 18th century value system. Its proposals, including its "bold" ones, are more consonant with the Administration's "Southern strategy," frontier psychology, big business orientation, "strict constitutional constructionism" and romantic nostalgia for the good days of the 19th century than with the reality of the 20th century demographic and technological world we have evolved.

On the technical side the Report evidences some obvious errors and weaknesses. For example, the decimal point is wrongly placed in Table 2 (Natural Increase); it is naive to state that in respect of the birth rate "there is no reason to believe that it will increase appreciably in the 1970's" (p. 6); it is amateurish to state that the increase in life expectancy at birth "has been one factor in the rather dramatic decline in the death rate" (p. 6), a statement not unlike President Coolidge's observation that the unemployment rate was high because so many people were out of work; it is either wrong or confusing to use "urbanized population" both in the sense used by the Bureau of the Census and in other connotations (pp. 17, 19, 20). Furthermore, it is less than insightful not to recognize that the relatively low growth rate of metropolitan areas with populations of two million or more may be evidence of diseconomies of scale above that population level—a proposition that requires investigation and that would have significant implications for national growth policy if true. Similarly, it is a blind acceptance of the past that leads to such a conclusion as that attributed to the President that "the growth which this nation will inevitably experience in the coming decades will be healthy growth only if it is balanced growth—and this means growth which is distributed among both urban and rural areas" (p. 25). After two intercensal decades in which more than half of the counties of the nation lost population, the facts would seem to warrant further research and consideration rather than such a quick conclusion based on the economics and life style of the past.

It is ironic that an Administration obviously addicted to the past has been the first required by law to look into the future and provide biennial systematic Reports on National Growth. The Congress is to be commended for passing such legislation and the President, for not exercising his quick-draw veto power in signing it. But the required report as a guide to national policy remains more of a hope for the future than a significant tool for this Administration. Given the sense of national priorities that this Administration has displayed by its

legislative proposals and executive vetoes it is perfectly clear that it is and will remain oriented to the past not the future; and that the only solace that those who have entered the 20th century can find at the present time lies in the fact that this Administration can retard but cannot prevent this nation entering the 20th century before the onset of the 21st.

Sooner or later, and the sooner the better, some administration will set forth, after careful and comprehensive deliberation and widespread citizen participation, a set of national goals toward which national growth policy can be directed. Until consensus is achieved on such goals the writer, in summary of an earlier contribution for a Congressional Committee¹ is listing such a set of proposed goals that may well be considered as possible amendments to the Constitution as an "Urban Bill of Rights."

Every person in the United States is to have the right to:

1. Opportunity, freedom and security to enable him to achieve optimal development;

2. A physical, social and political setting for effective socialization, including formal education, to enable him to acquire the basic skills, the saleable skills and the civic skills to assume the obligations and responsibilities as well as the rights of citizenship;

3. Opportunity for maximum length of life in good health;

4. An environment controlled in the interest of society, physical and social, free from pollution and adverse population densities and including adequate housing;

5. Opportunity for employment commensurate with his education and skill assuring him an adequate and uninterrupted income flow, preferably for services performed;

6. Knowledge and means of limiting family size in a context consistent with family, community, national and world welfare;

7. Equality and impartiality in the administration of justice in a manner to protect the interests of society even while safeguarding the interests of the person;

8. A system of governance, federal, state and local, consistent with the realities of the metropolitan order and based on democratic principles including representative government and majority rule;

9. Full access to the fruits of economic growth and the benefits of science, technology and the arts;

10. Opportunity to live in a peaceful world in which all conflicts of interest are resolved by adjudicative means, not physical force including conflicts on the international as well as the domestic front. This means among other things the renouncement of war as an instrument of national policy—even at the expense of subordinating national sovereignty to international organizations and forms of government.

Should the American people give consideration to such a set of goals or develop a different set? If not these then to what goals should national growth policy be directed?

¹ Philip M. Hauser, "Twentieth Century National Goals in the Development of Human Resources." U.S. Congress Joint Economic Committee, *Federal Programs for the Development of Human Resources*. Joint Economic Committee, Vol. 1, Washington, D.C.: Government Printing Office, 1968, pp. 38-51.

REPORT ON NATIONAL GROWTH 1972: AN ASSESSMENT

(By Dr. Frank E. Horton, Dean for Advanced Studies,
University of Iowa, Iowa City, Iowa)

Title VII of the 1970 Housing and Urban Development Act required the President to "utilize the capacity of his office" and other agencies within the executive branch of the federal government to prepare a biennial *Report on Urban Growth*. The stipulated purpose of this report was to "assist in the development of a national urban growth policy." The *Report on National Growth* does not claim to "enunciate" such a policy, and as a consequence, fails to adequately "assist in the development of a national urban growth policy."

Prior to an assessment of the body of the *Report*, it is desirable to focus on the meaning of "the twin objectives of balanced and orderly growth," since they appear to provide the driving force for the content of the monograph. Balanced growth is defined as "growth which is distributed among both urban and rural areas." The important term which is left only partially defined is growth. The President's *Report* refers to the distribution of growth without explicit definition of whether or not the concern is with economic growth, population growth, rapid conversion of land from less extensive to more intensive uses or some combination of these. Given the road to formulate comprehensive federal policies, it is exceedingly important to articulate the basic indices of growth for it is this concept upon which a national urban growth policy should focus and its potential impact be evaluated.

Balanced growth refers not only to growth but also to the geographic distribution of that growth between rural and urban areas and in relation to the availability and appropriate use of resources. There is little question that rural areas require varying degrees of attention, but it may be exceedingly unwise and inefficient to attempt to revitalize every declining rural area in the country. The United States is an exceedingly urban nation with a resounding majority of its population residing in cities and towns. As such urban and urbanizing areas should receive urgent attention from the executive branch of the federal government. The Congressional mandate recognized this fact as evidenced by its request for a "national urban growth policy."

Orderly growth, the second of the twin objectives, is given no definition but it does include "overcoming the problems associated with past growth and preventing their repetition in the future." This term may imply that chaotic growth has been the root cause of many of the urban problems which exist today. Since the executive branch is responsible for the coordinated action of federal agencies it would appear important that an analysis of the impact of various agency actions on urban growth be attempted. That is, to what extent does the federal establishment contribute to "chaotic growth" and alternatively what

federal policies can provide for orderly growth. There can be little question that federal programs have affected the rate and location of economic and population growth in the U.S.

The term orderly growth implies a set (or sets) of priorities which order growth in a temporal and spatial sequence. That is, when and where growth is to take place. However, the *Report* tells us that balanced growth deals only with where it should take place and only in the vaguest geographic context. This question must be addressed explicitly before it will be possible to formalize a policy of orderly urban growth. The need for research to help identify goals and policies and methods for implementing them is clearly necessary. It is interesting to note that nowhere in the *Report* is there a call for needed basic and applied research into numerous urban problems. The remainder of this statement will discuss each of the chapters in the monograph.

CHAPTER 1—POPULATION GROWTH AND DISTRIBUTION

The stated purpose of this chapter is to "understand the forces that are shaping the communities in which we live and work." Unfortunately, the chapter is descriptive in nature and while it is a reasonably accurate description of population distribution and population shifts from 1790 to 1970, no attempt has been made to define the relationship between the described population shifts and past and existing federal programs. That is, there is a lack of emphasis on the understanding of population shifts. Clearly, such identification is necessary if the executive branch is to focus on policy areas which affect population distribution. No one would quarrel with the fact that federal policy or the lack thereof has in fact been a causal factor in population distribution and redistribution throughout the history of the United States. A research program, focusing on the impact of these policies on population distribution in the past few decades most likely would uncover important policy tools which could be utilized to implement national population and urban policies.

CHAPTER 2—THE CHALLENGE OF BALANCE AND ORDERLY GROWTH

Of prime interest in this chapter is the call for the "formulation of a single comprehensive national growth policy." However, the *Report* indicates that the policy should be that "government should address itself to alleviating these problems, and, at the same time, adopting policies toward growth that will prevent their recurrence in the future." While this is a laudable aim, it is sufficiently nebulous to evade clear-cut policy definition. This chapter should have provided a framework for the total report. It should have included a clear-cut specification of current critical problems and future areas of concern, the articulation of explicit national goals with respect to them, and a discussion related to policies and necessary implementation to achieve the goals cited. The superficial treatment of problems and the avoidance of any meaningful definition of national goals provides an insufficient basis from which to proceed.

CHAPTER 3—RECENT STATE AND LOCAL ACTIONS TO INFLUENCE GROWTH

In Chapter 3, the *Report* claims that “the nature of growth in America in the years ahead will depend primarily upon the scope and nature of actions taken by state and local governments and upon the countless decisions made by the tens of thousands of individuals in business enterprises.” So long as the federal government does not provide for the establishment of guidelines related to land utilization and the incentive to adhere to them, there can be no coherent national urban growth policy because local option in the control of land use prevents it. Land must be treated as a national resource and almost total freedom by private enterprise to use those resources only compounds the problem by preventing adherence to local growth policies as well.

Scott Greer has noted that “the free movement of the factors of production means that the economy, most basic in structuring the city, is beyond local control; that in-out migration, most basic in creating the cities human structure, is beyond local control; and finally, a capital for new development and maintenance is also beyond local control.” In order to avoid this impasse, the federal government must take the initiative to outline acceptable and viable courses of action for state and local governments. While the *Report* views state policies as the “basic building blocks of national policy,” it should be noted that a rational national growth policy can only be achieved if the federal government molds and places these blocks into an appropriate structure.

Much of this chapter is devoted to detailed descriptions of a variety of state level programs. While such a review is informative, such state actions should have been reviewed critically so as to provide an assessment of the utility of these actions, and ways in which the federal establishment could provide positive inputs to programs which warrant them.

CHAPTER 4—ADMINISTRATIVE ACTIONS TO DEAL WITH THE CHALLENGES OF GROWTH

This chapter briefly reviews the past programs of the federal government since the 1930's. The report underscores the initial action of the current administration in its creation of an urban affairs council. It is unfortunate that this body has been in existence since January, 1969 with only minimal output to suggest that it has been effectively carrying out its duties.

The heavy reliance on state and local governments to develop and implement local growth policies leads to many unanswered questions. Reliance on state and local governments to satisfy national growth goals requires a certain degree of caution since existing federal policies, existing local policies and/or the lack of such policies have in fact generated many of the problems facing metropolitan areas. To expect that local government can both define solutions and implement appropriate change, even with revenue sharing, is questionable at best.

One of the areas of particular concern is urban transportation and its role in implementing national urban growth policy. Transportation improvements stimulate urban and suburban development leading to urban sprawl, increase the value of land capriciously, and permit a greater locational choice for human activities. However, it is clear that transportation improvements may be either a blessing or a scourge. Preoccupation with auto oriented transportation facilities can certainly have deleterious affects on the environment and in the utilization of land resources. Successful mass transportation programs tend to alleviate congestion, reduce environmental pollution, and given appropriate planning related to the development of mass transportation links could very well improve problems related to the horizontal development of urban areas and to the more efficient utilization of land resources. While the *Report* recognizes the need for urban mass transportation by underscoring the fact that over \$2 billion have been allocated for mass transit, it is interesting to note that the cost of the Bay Area Rapid Transit System (BARTS) in the San Francisco region alone will cost upwards of \$1.5 billion.

It is true that the BARTS program involves new technological development and as such may have incurred costs over and above the implementation of standard equipment. However, the need for the application of new technology in mass transportation in order that it may successfully compete with the auto requires the application of new technology. Further, the availability of mass transit in and of itself may not be sufficient. Legislative correlaries may be required to reduce auto usage in certain metropolitan areas.

The role of housing in urban growth and development is not discussed by the *Report* notes that "housing production and assistance . . . (have been greatly expanded over the past three years to the highest levels in our history" and that almost 25% of the 2.1 million housing starts in 1971 are for low and moderate income families. However, according to past projections, 25% of the 2.1 million units does not begin to satisfy the need for housing in these income levels.

The lack of adequate housing for low and moderate income families is a well recognized problem in which we are making some progress. As progress continues, the emerging controversial issue focuses on locational suitability. Obviously, racial discrimination tends to manifest itself in locational concentration and local reaction to the construction of low income housing has been negative at the least. While the *Report* recognizes the federal governments commitment to adequate housing regardless of race, it fails to recognize the very real problems associated with an importance of locational freedom and opportunity in housing. The federal government and specifically the executive branch must come to grips with the fact that the "housing problem" is changing from a lack of housing to the adequacy of the location of these housing units in relation to employment opportunities.

CHAPTER 5—ADMINISTRATION RECOMMENDATIONS TO THE CONGRESS

The *Report* recognizes the problems associated with a variety of categorical programs and their implementation in specific communities. The establishment of a Department of Community Development may or may not be an appropriate tool for the advancement and implementation of national urban policy and goals. The current organizational structure, although awkward and diffuse, suffers primarily from the lack of carefully developed and clearly stated policy. Given a lack of direction, bureaucratic efforts are often piecemeal and in some instances even conflict and may well have provided the basis for the emerging urban problems of the 70's. Restructuring of organizations often serves useful purposes, but without clear-cut direction, restructuring may only be a useless exercise.

A great deal is made of the concept of revenue sharing and its implementation. While all the facts, and figures are not available, one thing is certain. The amount of funds available to metropolitan areas will not be sufficient to adequately address major problem areas. Given the pressing needs of states and communities, it is more likely that such funds will be siphoned off into multiple problem areas to provide short-run, stop-gap measures rather than being utilized to effectively deal with the resolution of problems having long-run importance in shaping metropolitan growth and development. Certainly monitoring of the use of revenue sharing funds is appropriate in order to assess the impact of such a program.

Proposed development of a national land use policy is appropriate and necessary. However, a statement that such a policy should exist smacks of rhetoric in the absence of explicit articulation. What are our goals with respect to land utilization? What are we trying to accomplish? Is it basically a search for a conservative utilization of a limited resource? It would appear that the thrust of national land use policy will be carried by the state. To be sure, states have varying objectives which may or may not parallel the needs of the national society. Certainly the implementation of policy will require the development of new legislation to insure such policies are implemented. The federal government must play a major role in the development of national land use policy and work very closely with the state government in order to insure the effective utilization of land resources. However, the federal government must also define objectives of such a policy in order to provide a coherent base for the development of state plans.

CONCLUDING REMARKS

It should be clear from the previous comments, an over-riding concern of this revision is the lack of the development of national goals, definition of policies to achieve such goals, and the apparent willingness to accept fairly trite solutions to numbing social, institutional,

and technological problems. Particularly disconcerting is a lack of a willingness to define research priorities to help in the formulation and implementation of goals. Urban growth and development is an extremely complex process. Changes within urban systems are continuous and massive. Without a clear understanding of the social and economic processes which operate within cities, lofty statements as to the solution of existing problems may bear little resemblance to the fundamental needs of an urban society. What is necessary is a systematic analysis of conditions and the causal factors associated with them. In truth, no policy stated at one point in time will ever be able to address the existing concerns of urban inhabitants as well as long range planning requirements. On the other hand, generalizations regarding national planning issues will never supply the basic elements for constructive change. Basic and applied research is so obviously necessary in population and urban dynamics that to articulate intermediate goals without a subset of those goals focusing on the definition of specific research areas is to assume an understanding of a complex and interrelated set of processes that currently is not at hand.

THE NEED FOR A NATIONAL GROWTH POLICY

(By Vernon E. Jordan, Jr., Executive Director, National Urban League)

Mr. Chairman and members of this Subcommittee, my name is Vernon E. Jordan, Jr., and I am the Executive Director of the National Urban League. I am accompanied this morning by my colleague, Glenn A. Claytor, Director of Housing for the National Urban League.

The National Urban League is a professional, non-profit, non-partisan community service organization governed by an interracial Board of Trustees and founded in 1910 to secure equal opportunity for black Americans and other minorities.

The League seeks solutions to problems of income, employment, education, housing, health and civil rights for the masses of black and brown Americans who want a better way of life. It recognizes that any meaningful and significant changes in these problem areas rest with changing the network of systems which produce black-white disparities.

It works through local affiliates in 100 cities located in 37 States and the District of Columbia, five regional offices, and a Washington-based Department of Government Affairs. These units are staffed by some 2,000 persons, trained in the social sciences and related disciplines, who conduct the day-to-day activities of the organization throughout the country.

Strengthened by the efforts of more than 25,000 volunteers who bring some expert knowledge and experience to the resolution of minority problems, the National Urban League is unique as the only national educational and community service agency which devotes its entire resources to the use of social work and research techniques for bettering the lives of the disadvantaged and for improving race relations.

The National Urban League and its affiliates represent the broadest involvement in housing and urban development of any agency of its type in the United States. One hundred and eighty-four full-time Professionals, in eighty-three local Urban Leagues, are engaged in one or more of the activities of fair-housing, research, home ownership and tenant counseling, and moderate-income housing production, or some other housing and urban development effort.

Of the fifty-five Urban Leagues who have undertaken to provide counseling services to home owners and tenants, twenty-three are under contract to HUD, through its Section 237 Counseling Program. The National Office of the Urban League was recently named as subcontractor for the Housing Allowance Experiment being conducted by HUD. As you know, this demonstration is the test for direct housing allowances. We want to help set a course for allowances at the outset so that this subsidy mechanism can receive a fair test. We are not strangers to HUD's interest-rate subsidy programs either.

Thirty-one Urban League affiliates have over ten thousand units of subsidized housing in various stages of development. In most cases, we will provide management for the multiple-family buildings, or provide assistance to tenants of other community groups who wish to manage these units.

We have also accomplished some of the basic housing research of recent times. Most notable is our published study entitled "*The National Survey of Housing Abandonment*". This study was undertaken jointly by the National Urban League and the Center for Community Change in 1971.

If you have been following the hearings of Senator Hart's Committee on Anti-Trust and Monopoly Legislation, looking into the practices of mortgage-lending and other related institutions in Boston and New York, you will find vivid illustration of the process we describe in our survey of abandonment. The processes described in that survey bear heavily upon our present urban growth process. The process of abandonment in the central city is both a cause and effect of our current irrational urban growth. Much of the older and still adequate housing stock is doomed to abandonment or to urban renewal unless we begin now to intervene in the process.

Urban renewal and abandonment create intense tenant-demand pressures on the next-to-oldest ring of housing. Demand pressures in the next-to-oldest ring chase many of the residents of these areas out to new areas, leaving the next-to-oldest to former residents of the renewal and abandonment areas.

Builders build and financiers finance to accommodate the move outward to new developments. This results in withdrawal of financing from the next-to-oldest ring, and places it in the orbit of renewal and abandonment; and the process goes on and on.

Renewal activity cannot keep up with the expansion of territory left to it. Abandonment occurs in ever-wider core areas of the central city. The people who are left behind in this process tend to be those with the least income, and an inordinate concentration of every known social pathology occurs.

By the year 2000, less than thirty years from now, America will be a nation of some 300 million persons. If our present response to the nation's housing and urban growth problems continues, we can expect a serious decline in the quality of life for all Americans.

Americans have become an urban people, and have exhibited an increasing preference to live within metropolitan areas. Since 1900, our population has increased by over 100%, while at the same time the number of persons living in metropolitan areas increased by over 350%. In contrast to earlier times, most of our recent metropolitan growth has occurred not in the central cities but in the suburban rings. Between 1960-1970, population in central cities, on the whole, grew by about 1.3%. The population in suburban rings, however, increased by over 26%. Indeed, by 1970, central cities had replaced non-metropolitan areas as the slowest growing portions of the country. The fact that 70% of the country's population lives on about 1% of our total land area testifies to the fact that our patterns of growth have been chaotic and irrational. The primary tools used to control the use of land were zoning and subdivision regulations. These tools, however adequate when first initiated, have long since outlived their useful-

ness and now stand as one of the primary barriers to orderly urban growth and the provision of decent housing for all Americans.

In the period 1950-1959, we were producing approximately 1.5 million new non-farm housing units per year. During the period 1960-1969, however, production slipped to approximately 1.4 million units per year. Not only has our production of housing been deficient, but what we have produced has drastically increased in cost. Indeed, it is now calculated that over 60% of all American families are unable to afford the price of a new home; and if housing costs continue to increase faster than real incomes, we can expect an escalation in this figure.

Except for some 500,000 units of federally subsidized housing, almost no low to moderate income housing is being produced. This, in spite of the avowed national goals of 26 million units needed for total production for the decade 1968-78, and a goal of 6 million units of low to moderate income units for the same period. Despite the fact that these goals are conservative, production has never reached these minimum levels. In the last twelve months we have produced only 1.5 million total, and only five hundred thousand low to moderate income units—a figure substantially below the annualized goal for the decade 1968-1978, with no prospect for improvement in sight. Even the presently proposed legislation does not offer substantial relief from this dreary pattern of neglect of our housing and urban growth needs.

The picture is actually worse than cited above. When trying to quantify our stock of sound housing, we have to account for units which we lose, units which become unsound or go off the market for other reasons. In the case of low and moderate income housing, the area of greatest need, we are losing ground, not gaining.

There is enough evidence to conclude that we suffer a net loss of low to moderate income units of housing in America yearly. Our studies indicate that demolition and abandonment of housing in our large cities probably exceeds the national yearly production of low and moderate income units. In a seven-city study of abandonment, we accounted for a yearly loss of over 100,000 units. Most, if not all, of the units were in the low and moderate income range. Add to these an annual destruction in these cities alone of over 26,000 units, due to code enforcement, slum clearance, and highway construction, and it is clear that we are losing ground in this important area.

Of all the elements which influence cost of construction, location, and orderly urban growth, the one element which stands out as the key is *land*. It is for that reason that my recommendations focus on land. We need an entirely new legislative approach.

Such an approach must be geared to the reality that orderly urban growth and sufficient amounts of decent housing cannot occur under our present system. We need a national land-use and urban growth policy, with a National Urban Growth Agency empowered to plan and implement such a policy. We must abandon our indirect, complex, and largely ineffective approach, in favor of an approach which places the problem in its true national perspective. We must recognize the futility of dealing with myriad small units of government which lack the resources, the willingness, or even the comprehension of the problem of urban growth.

There are thousands of overlapping, competitive, narrowly provincial, and even hostile jurisdictions who are unwilling to deal with such problems as decent housing for the poor and low-income families. These smaller jurisdictions are the least logical place for decisions of such national import. We need to begin to view land *as a national resource*. I am not suggesting that all land be removed from the private market. On the contrary, I am suggesting that a small percent of total developable land be set aside for the planned use of land for urban growth, and that such land be acquired in advance of need.

History tells us that the use of land as an instrument of national policy is not new. The federal government is already one of the largest land-holders in the nation. Land has been set aside for defense, parks and other federal needs. Land has been regulated, sold, and even given away, by the federal government for homesteaders and railroads for example. The power to acquire land through eminent domain is a concept of long standing. What we need to do is to further adjust the competing needs of the nation for developable land. Under present speculative policies, the price of land increases on an average of 15% a year; a cost ultimately borne by the consumers of housing. In large part, that speculative cost is occasioned by value added by public improvements.

A National Urban Growth Agency as I have described should have the power to acquire land in advance of need. Such a land-banking phenomena could have the greatest impact in less developed areas standing in the line of potential urban growth. By rationally planning the improvement and development which must inevitably occur, such an agency could maximize the opportunities to create sound and balanced communities, and adjust the competing needs for residential, commercial, and industrial uses.

There is no shortage of models. We need only to look to the European experience of planned communities. A National Urban Growth Agency at the federal level should have broad power to act as a houser of last resort. It should have, as its mandate, both a planning function and an implementing function to act where State or other governmental units are unwilling or unable to respond to such a plan. It should have the power to sell bonds and to build directly, using conventional public funds. It should have the power of eminent domain and the power to override local zoning. It should have adequate funding for operations and should probably be regionalized. It should seek to cooperate with existing units of government but be mandated to act where such units fail to perform.

We must begin now, as we are already behind—nothing short of this type of approach will suffice. We have had enough band-aids on what amounts to a cancer. We lack neither the technology, financial resources, nor the business acumen to house all Americans adequately and to provide for future generations. What we need now is the political courage to create the tools necessary to perform the task in front of us.

“REPORT ON NATIONAL GROWTH 1972”: A COMMENT

(By Robert E. Merriam, Chairman, Advisory Commission on Intergovernmental Relations)

The ACIR, as you know, vigorously supported Part A of Title VII of this legislation. Its main provisions after all closely parallel those incorporated in Title I of H.R. 13217 and S. 3228 (91st Congress, sponsored by Representatives Dwyer and Fountain, and Senator Muskie, respectively)—measures that the Commission staff helped to draft pursuant to basic recommendations adopted in our 1968 report on *Urban and Rural America: Policies for Future Growth*. In that landmark report, the following recommendations were adopted:

To help assure the full and wise application of all governmental resources consonant with the economic and social health of both rural and urban areas and of the Nation as a whole, the Commission recommends the development of a national policy incorporating social, economic, and other considerations to guide specific decisions at the national level which affect the patterns of urban growth.

The Commission recommends that the President and the Congress assign executive responsibility for this task to an appropriate executive agency. The Commission also recommends that the Congress provide within its standing committee structure a means to assure continuing systematic review and study of the progress toward such a national policy.

The Commission further recommends that the executive and legislative branches, in the formulation of the national policy, consult with and take into account the views of State and local governments. . . .

The adoption of these policy positions prompted the drafting of the proposed “Balanced Urbanization Policy and Planning Act of 1969” (H.R. 13217 and S. 3228) and the endorsement we subsequently accorded to Title I of H.R. 16647 and S. 3640 (91st Congress, Representative Ashley and others, and Senator Sparkman, respectively).

In short, we supported Title VII of the Housing and Urban Development Act of 1970 and continue to believe that it constitutes a significant first step in launching a process at the national level that will begin to identify and grapple with the dynamics of urban growth and to hammer out the components of a conscious and concerted national policy.

THE CONTINUING IMBALANCES

Nothing has transpired since 1968 to suggest that the reasons prompting the Commission’s sanctioning of a national policy are any less valid now than they were then. If anything, the rationale for such a policy or policies would appear to be stronger now than it was four years ago. Witness the various findings highlighted in the 1970 Census and in other surveys and studies released in 1971 and early 1972, including the *Report on National Growth* and the *Report of the Commission on Population Growth and the American Future*. These reveal that with regard to recent and future trends of population growth and distribution and of economic development

Location of recent population growth

Metropolitan areas (SMSA's) as a group continue to account for the bulk of the Nation's growth, experiencing an overall 16.6% increase in population during the sixties and numbering 243 in 1970 and 263 by 1972.

Within these areas, 80% of the total population increase during the last decade occurred in the suburbs—especially those on the urban fringe and less than 20% in the central cities; and when growth by annexation is excluded the central city rate slips to four percent of the total hike in metropolitan population.

Total metropolitan population growth was 26 million with about one-third coming from the territorial expansion of existing urban complexes and from the emergence of other communities into urban status and two-thirds the result of population growth within urban areas having constant boundaries.

The giant urban areas (one million plus) experienced the greatest increase (39%) between 1960 and 1970 and those in the 250,000 to one million bracket only slightly less growth (34%).

Regionally, metropolitan areas in the South and West enjoyed greater than national average SMSA growth for practically all size categories, while those in the North Central and especially the Northeastern regions had less than average hikes for all SMSA sizes.

Migration and natural growth (1960-1970)

The sixties witnessed dramatic changes in migration patterns with the Middle Atlantic States picking up only 9,000 persons as a net gain from migration, the East North Central States actually losing 150,000, New England gaining by 300,000, the exodus from the East South Central region tapering off somewhat, and the South Atlantic States more than doubling their immigration total for the fifties (reaching 1.3 million). Not so unusual was the continued migration to the Pacific Coast and Southwestern States (though this was slowing down at the end of the decade for California) and the continuing out-migration from the West North Central group.

Within metropolitan areas (using 1960 boundaries), 74% of the growth was natural increase and 26% was from net migration gains.

In terms of race, there was a net movement of whites out of the North, to the West and South, while blacks moved from the South (1.4 million and chiefly from the non-metropolitan areas) to the West and North; the net effect was an exchange of population between South and North and the West undergoing an in-migration of both whites and blacks.

Within metropolitan areas, the black population of central cities grew by 3.2 million during the sixties, while the white exodus from these same cities accounted for a 600,000 drop from the 1960 figure for this population group; in the suburbs, on the other hand, the white population experienced a 15.5 million jump, while the black populace of these jurisdictions grew by only 800,000 with two out of every three of these new black suburbanites located in one of the 12 largest SMSA's.

Within rural America, the population fell to 26% of the total by 1970, down from 30% in 1960, and the number on farms dropped from 15 to less than 10 million or 18% of our total rural citizenry and five percent of the total population.

Disparities

Comparisons between metropolitan and non-metropolitan areas continue to show rural America far behind in population growth, educational and health facilities, housing and income levels. In 1970, 13.8% of non-metropolitan families were below the official poverty level compared with 7.9% of the metropolitan families; the median income of the former was \$2,000 less than that of the latter; the proportion of high school and college graduates in the rural population was smaller; fewer medical and dental personnel per one thousand of population were found in such areas; and the incidence of substandard housing was three times higher than the metropolitan rate.

Socio-economic comparisons (using 1970 Census data) among jurisdictions within the 72 largest metropolitan areas reveal that 41 of the 72 central city areas experienced an actual decline in their white population and all but three of these cities saw a proportionate hike in their non-white population; that 67 of the 72 outside central city areas were more than 90% white; that on the average, 11% of the central city population was 65 or over, compared to a suburban figure of 8%; that the average central city household income was \$10,211, contrasted with the suburbs' \$11,728; that these central cities had 42% more low income households and 20% fewer high income households than their respective suburbs; that the median value of city owner-occupied housing was \$16,700, while the suburban median value was \$19,800; and that the crime rates in all but one of the 72 core cities exceeded and generally were double those of their surrounding jurisdictions.

Fiscal comparisons among metropolitan jurisdictions in these 72 SMSA's show that per capita central city expenditures on the average exceeded those of suburban jurisdictions by more than \$150 in 1970, with the gap greater in the Northeast and Midwest and lesser in the South and West; that central city noneducational outlays generally were double those of their suburbs; that central city per capita educational expenditures generally were 85% of the suburban level; that suburbs on the average concentrated 50-60% of their budgets on schools compared to the cities' 33-38%; that per capita taxes in 1970 were 30% higher in central cities, with the differential being greatest in Midwestern and Southern SMSA's; that central cities did receive, on the average 16% more per capita intergovernmental aid than their suburbs in 1970; that in terms of State aid and State administered Federal aid, however, in 37 of the 72 SMSA's the suburbs received proportionately more, while direct Federal aid was higher in all but two of the central cities; that with educational aid, 61 of the central cities received less on a per capita basis than their suburbs; and that aid generally accounts for 35-40% of suburban budgets, compared to 27-35% for the central cities.

Local and areawide governmental trends

The dispersion of power and responsibility in all but a handful of our metropolitan areas (SMSAs) is greater today than it was a decade ago, thanks to the growth in the number of special districts (more than 8,000 in SMSA's compared with some 5,400 in 1962) and to disparate Federal-State substate regional efforts in the law enforcement, health planning, manpower, poverty and air pollution areas—and despite the growing need for accountable areawide vehicles that can plan,

program and administer functions requiring multijurisdictional handling.

In a majority of the 114 single-county metropolitan areas, the county has not assumed, or been empowered to assume, the role of an active areawide government performing various municipal-type services on a regional basis.

Overall, half of our counties lost population during the sixties, all of it in rural areas, but few efforts have been made to strengthen or consolidate these eroding local governments. The emergence of multi-county planning and development districts in certain States, however, has constituted a kind of Federal and State response to rural governmental problems.

State and Federal responses

A majority of the States have not used their legal, program, administrative and fiscal powers to alleviate city agonies, to reduce city-suburban disparities, to simplify the meandering jurisdictional map of most metropolitan areas, to strengthen rural counties or to curb anarchic land-use practices.

State tax collections increased by more than 165 percent between 1959 and 1969; 450 new taxes or higher rates were enacted; and State aid to localities nearly tripled during the sixties. But only half of the States are making high or even moderate use of a personal income tax; central cities generally have received a disproportionately smaller share of State aid than have suburbs and rural areas; and a majority of States still do not involve themselves fiscally or administratively in urban development programs.

One major Federal response to the urban crisis during the past decade was a near explosion in the grant-in-aid system with the monies increasing fourfold, the number by at least 340 new programs and the urban sector funds by 258 percent. Yet other trends accompanying this extraordinary development—the varying administrative requirements and formulas in the grants, their duplication, numerous eligible recipients, their heavy reliance on the project approach and their expansion of middle management discretion and influence—resulted in problems of program coordination and top management control at nearly all levels.

The Federal Government has sought to strengthen the multijurisdictional focus of its grant-aided efforts with procedures requiring review and comment by State and areawide officials on certain applications. These procedures, contained in Office of Management and Budget Circular A-95, stem from Section 204 of the Metropolitan Development Act of 1966 (P.L. 89-754) and the Intergovernmental Cooperation Act of 1968 (P.L. 90-577) and cover over 100 Federal grants. Other Federal areawide initiatives include the 701 planning assistance program, economic development districts and at least 11 areawide planning requirements. Nevertheless, the Department of Agriculture, Bureau of Public Roads, Federal Housing Administration, Defense Department, and National Aeronautics and Space Administration have not always considered the economic, migrational, and locational implications of their operations; and the substate regional efforts of the Partnership for Health, Safe Streets, manpower, air pollution and certain other programs have actually added to the pattern of proliferation at the metropolitan and multicounty levels.

Future projections

Approximately 71% of our population was metropolitan in 1970; by the year 2000, the proportion is slated to be 85%.

If our population grows at the rate of two children per family, projections based on recent trends suggest a metropolitan population of 225 million by the end of the century or the addition of 81 million to the 1970 metropolitan population of 144 million.

More than four out of every ten Americans in 1970 lived in metropolitan areas of a million or more; by 2000, and assuming a continuation of present trends, more than six of every ten will be residing in 44 to 50 of these giant urban complexes.

Research by the Commission on Population Growth suggests that even if all of the urban areas in the 10,000-350,000 bracket, which enjoyed higher than average growth rates during the sixties, were to grow by 30% over the next three decades, they would only absorb approximately 10 million of the growth that otherwise is expected to occur in the largest SMSA's (using the two child projection). Moreover, most of these areas are now or would be by the year 2000 near or within urban regions.

THE NEED FOR A COHERENT POLICY

These various findings suggest basic cleavages—conflicts, if you will—in our governmental and social systems. The causes of these cleavages can be found in metropolitan areas that are fragmented in all but a handful of instances; in growing fiscal, social and racial disparities among the local jurisdictions in these areas; in widening population, economic and opportunity gaps between urban and rural America; in growing but uneven State involvement in local and substate regional affairs despite an increasing need for more direct State leadership and fiscal commitment to a range of local and areawide jurisdictional and servicing goals; in a multiplication of Federal assistance programs with a parallel proliferation of management difficulties; in the continuing ambivalence of the Federal Government on the question of what its real role is in our Nation's metropolitan areas; and in the prospect of a future population growth that is mostly slated for existing metropolitan areas.

These are challenges that this generation of policy-makers can not ignore and they help explain why more and more people are calling for an articulate national urban growth policy with the Federal, State and local governments, along with the private sector, joining in a concerted effort to mitigate certain adverse effects of current and projected urbanization trends. Such was the basic position taken by the Advisory Commission on Intergovernmental Relations in its 1968 report on *Urban and Rural America: Policies for Future Growth*.

THE BASIC ACIR POSITION

In deliberating on that report, the Commission weighed the pros and cons of urging such a policy and concluded that "on balance a national policy to deal with urban growth would be desirable." It stressed the diseconomies of scale involved in continued urban concentration, the locational mismatch of jobs and people, the connection of urban and rural poverty problems, and urban sprawl. It took special note

of the effect of these developments on the declining health and vitality of many of our largest cities. The Commission recognized that urbanization, in effect, is the outgrowth of countless public and private sector decisions. But it also recognized that certain Federal legislation—in some cases, going back to the thirties—has exerted a significant influence on the direction of urban and economic growth: suburban development has been subsidized, central city rebuilding has been directly or indirectly supported, the farm economy has been under varying degrees of governmental regulations and subsidy, and depressed areas and regions have been given various forms of support. Not to be overlooked are the patterns of DOD and NASA contract awards and installations. Moreover, the critical role of State and local governments was fully understood, given their direct responsibility for influencing (or failing to influence) the location of industry and people through control over land use and their effect on community environment, which increasingly conditions site location decisions. For all these reasons, the Commission concluded that a national policy was necessary and desirable in preserving and strengthening the American federal system. More precisely, it called for “immediate establishment of a national policy for guiding the location and character of future urbanization involving Federal, State, and local governments in collaboration with the private sector of the national economy.” The basic goal of such a policy would be “influencing the movement of population and economic growth among different types of communities in various ways so as to achieve generally a greater degree of population decentralization throughout the country and a greater degree of population dispersion within metropolitan areas.”

THE NEED FOR A PROCESS

At both the Federal and State levels, the Commission focused on developing the organization and procedures for formulating and implementing growth policies. Hence, our focus on Title VII of the Housing and Urban Development Act of 1970 and on developing mechanisms that will provide a framework within which relevant policy issues can be decided and conflicting departmental decisions and proposed actions resolved. At the present, no real attempt is made to mesh various Federal agency decisions having an impact on urban growth, whether they relate to the location of Federal installation and projects, the geographic location of recipients of Federal contracts, the granting of tax and other incentives, or the approval of grant-in-aid assistance for a wide variety of projects.

At the State level, the Commission also stressed certain institutional and procedural reforms, including the coordination by an appropriate State agency of State, multi-county, metropolitan and local planning, and relating such planning to regional and national considerations; conformity of programs and projects of State agencies to the State urbanization plan; and formal review by an appropriate State agency for conformance with the State plan of metropolitan area and multi-county plans and of those local comprehensive plans, implementing ordinances, and projects having an impact outside the jurisdiction's borders. The Commission recommended that multi-county planning agencies be assigned responsibility to review applications for Federal

or State physical development project grants in nonmetropolitan as well as metropolitan areas, and that the State legislatures provide within their standing committee structure a means to assure continuing, systematic review and study of the progress toward a State policy dealing with urban growth.

The Commission also urged Congress and the President to reassess the policies and structure of existing and proposed Federal-multistate economic development commissions as they affect the geographic distribution of economic and population growth and the Public Works Committees of the Congress are grappling with this issue at the present time in their reassessment of the Title V commissions established pursuant to the Public Works and Economic Development Act of 1965. In these various ways, the Commission recognized that the development of a national policy on urban growth, involving the various levels, is as much a matter of beefing up and redirecting existing governmental institutions and mechanisms and of reorienting and coordinating existing program efforts in light of certain urban growth goals, as it is a question of launching new programs.

SOME SPECIFIC PROGRAM COMPONENTS

This is not to say that the Commission ignored the latter problem. They did not. In the 1968 report, a number of options were cited in Chapter VI for consideration by policy-makers in the economic, human resources, physical development and land use areas. A partial checklist of these proposals is included as an appendix to this statement. These still merit attention, since most of them have yet to be enacted. All of the State-oriented proposals, it might be noted, are set forth in model draft bills contained in our *1970 Cumulative ACIR State Legislative Program*.

RECENT DEVELOPMENTS

But what has happened since the issuance of this ACIR report in 1968?

During the period 1968-1970, various developments occurred that suggest that this ACIR report did have an impact and that various decision-makers and public bodies believe that balanced growth is or should be at the top of the Nation's domestic priority agenda. Witness the following:

The National Committee on Urban Growth Policy, organized in the fall of 1968 and jointly sponsored by the National Association of Counties, the National League of Cities, the United States Conference of Mayors and Urban America, Inc., concluded that impending urban growth represented a threat to cities, suburbs, and rural communities alike. The Committee defined the threat as successive urban crises which destroy the very fabric of society. In its report, it called for a national urban growth policy and a new mechanism in the executive branch to serve as a focal point on matters dealing with urban growth and recommended that the Executive Branch and the Congress formulate a national policy designed to coordinate and guide a variety of programs which would insure a more rational pattern of urban growth.

One of the first acts of the Nixon Administration was the signing

by the President on January 23, 1969 of an Executive Order establishing a Council for Urban Affairs with functions which included, among others, actions to “—insure that policies concerning urban affairs shall extend to the relations of urban, suburban and rural areas, to programs affecting them, and to the movement of population between them.” The Urban Affairs Council was later included in the Domestic Council established July 1, 1970.

In May 1969, Daniel P. Moynihan, then Assistant to the President for Urban Affairs, pointed out in a definitive statement that the burgeoning of domestic programs—from 45 to 435 in the eight years from 1960 to 1968—tended to fractionate, not solve, the urban problem and that a coherent response in terms of a national urban policy was required to meet the crisis. Moynihan called upon the Federal establishment to become sensitive to its “hidden,” sometimes conflicting policies implicit in the many urban programs and defined the fundamentals of a broad urban policy ranging from urgent efforts to overcome the poverty and social isolation of minority groups in cities to corrective action against destructive migrational patterns.

Three organizations representing local general purpose units of government—the National Association of Counties, the National League of Cities, and the U.S. Conference of Mayors—adopted policy resolutions in 1969 urging development of a national urbanization policy. The thrust of these policy statements recognized that growth and social disarrangement had caused severe national problems; they called for a broad-gauged and concentrated attack by all levels of government.

President Nixon in his State of the Union Message of January 22, 1970, noted the claim raised by some that a “fundamental contradiction had arisen between economic growth and the quality of life, so that to have one we must forsake the other”; he rejected this argument with a call for the development of a national growth policy. “Our purpose,” he stated, “will be to find those means by which Federal, State, and local governments can influence the course of urban settlement and growth so as to positively affect the quality of American life.”

In July 1970, the Administration’s National Goals Research Staff submitted a report to the President entitled, “Toward Balanced Growth: Quantity and Quality.” While it basically sought to define various public issues, to analyze the debates over them, and to probe alternative sets of consequences, the report also had a particular theme—“that of seeking means by which the country can find preferred ways of growth and development.” The report concluded that an explicit growth policy is desirable, but cautioned that what will emerge will be a “package of policies consistent with one another,” each geared to meeting one or more national objectives, and each resulting from decisions of governments and the people.

The National Governors’ Conference in mid 1970 adopted a series of policies dealing with national urban growth. These wide-ranging policies covered 17 different areas dealing with growth related problems. One labeled, “The National Population Growth and Distribution Policy,” underscored the “rural-urban balance of needs and regional potentials.”

In August 1970, the Council on Environmental Quality in its First Annual Report recognized the basic relationships between national growth, land use and the quality of the environment. The Council urged action to begin shaping a national land use policy. The Administration sought to carry out this recommendation by introducing a National Land-Use Policy Act of 1971, now under consideration by the 92nd Congress.

The Agricultural Act of 1970 took the first steps toward establishing the principle of rural-urban balance in the provision of government services. Federal executive agencies are directed by the Act to establish procedures for locating new facilities in areas of lower population density.

The 1970 Federal-Aid Highway Act recognized the need to demonstrate the effect of highway improvements on economic growth centers. A provision of this Act may set a precedent for establishment of new criteria which reflect growth effect in highway development.

Finally, in 1970 Title VII of the Housing and Urban Development Act of that year expanded significantly HUD's initial "New Communities" legislation and launched the process which produced the report which is the subject of these hearings.

Despite these developments, considerable ambiguity still surrounds the subject of urban growth and the approach to hammering out policy components—not to mention the development of a real process for hammering out these components. Nothing perhaps reveals these trends as clearly as a chronicle of Federal and State efforts in this area during the year 1971:

Pursuant to the Agriculture Act of 1970 (P.L. 91-524), the President on March 1 submitted the first report on Federal efforts to provide rural development assistance. The report cited the ways that the Administration's new package of domestic legislation would aid rural America.

As required under this Act, the Secretaries of Agriculture and Housing and Urban Development (HUD) identified the assistance provided non-metropolitan planning districts. Their report showed that 38 States had delineated substate planning and development districts, \$3.6 million in HUD comprehensive planning assistance grants had been disbursed to 155 non-metropolitan districts during Fiscal Year 1971 and about three times this amount had been received under other Federal programs.

In his second manpower message to Congress, the President on April 7 set forth a number of policy recommendations to surmount rural manpower dilemmas including: relocation, income maintenance, expanding rural job opportunities and improving the functioning of the rural labor market.

Early in the year, a new Subcommittee on Rural Development was established within the Senate Committee on Agriculture and Forestry. It saw active service during the remaining months as numerous rural development bills were exposed to hearings.

The Farm Credit Act of 1971 (P.L. 92-181), passed by Congress and signed by the President late in the year, provides for an updating and moderate expansion of the cooperative farm credit system.

The Comprehensive Health Manpower Training Act of 1971 (P.L. 92-157) includes incentives directed toward improving the availability of health personnel in rural and ghetto areas.

The Economic Opportunity Amendments of 1971 (S. 2007), as vetoed by the President in early December, contained the controversial child care program. In addition, they would have combined special impact and rural loan programs into an innovative community economic development program.

The President's National Land-Use Policy bill (S. 992) and Senator Jackson's proposed National Land and Water Resources Act (S. 632) were subjected to Senate hearings. Both would assist States in taking the initiative in comprehensive planning, encourage or require State land-use control to implement planning decisions and stipulate Federal review of State planning endeavors as a condition to further planning grants.

Draft regulations relating to the new Community Development Corporation, set up by the 1970 Housing and Urban Development Act (P.L. 91-609), were issued in July and six new community projects had received Federal pledges of assistance by the end of the year.

As a step to improve the housing supply, the Department of Housing and Urban Development launched a campaign to upgrade and modernize building codes which, in many jurisdictions, prohibit the use of new building materials and factory-built housing and thus limit new approaches to meet housing needs. By the end of December, 20 States had enacted statewide codes for industrialized housing which supersede local codes. HUD set an end-of-year deadline for code improvement in certain cities, some of which had been told that they faced the loss of urban renewal grants for noncompliance.

All of the three major bills relating to existing central city renewal and metropolitan development were probed in House and Senate Banking and Currency Committee hearings, but no final action was taken in either body.

Senate hearings were held on the proposed National Coastal and Estuarine Zone Management measure in July, but Senate floor action was not expected until 1972.

The Appalachia and Title V regional development commission programs were renewed for four and two years, respectively. The measure included a small, accelerated public works program.

The implication of unplanned and uncontrolled development generated various efforts at the State level in 1971 to limit or control growth.

The governor of Oregon called for zero growth in his State. Both seriously and jokingly, he asked visitors not to take up residence in Oregon. Hawaii's commission on population was in the process of drafting a report for submission to the legislature in 1972 that will deal with the distribution and stabilization of population growth. California adopted the Tahoe Regional Planning Agency's preliminary plan that seeks to set a population limit of 220,000 for the California-Nevada Lake Tahoe region.

The Florida legislature abolished the entire million-dollar promotional budget of the State's commerce department while, in Colorado, the governor publicly opposed further State promotion of development east of the Rockies and urged the channeling of industry to less-developed regions.

In a potentially far-reaching measure, Texas enacted a broad resolution which established an official policy position on urban growth and development. Policies dealing with environmental quality, improving individual opportunities, enhancing community development and strengthening local government are included in this guide for State action on urban problems. State agencies are required to report to the governor by January 1973 on policy implementation progress.

The New York legislature authorized the State to zone three million acres of farmland into agricultural districts that will be protected from "incompatible development." In Connecticut, however, a bill to set up an urban development corporation with the power of overriding local zoning laws died in committee.

Colorado passed a land-use act which calls for the establishment of county planning commissions by July 1972 and provides that regulations for all land within the unincorporated areas of a county be adopted and implemented by the same date. The State land-use commission was directed to submit a land-use plan to the Colorado legislature by 1973 and to define "critical" conservation and recreation areas for State regulation. The legislature also empowered the commission to review local planning decisions and, with the governor's approval, to intervene against those that are not consistent with State plans and regulations.

Several other States attempted to strengthen controls on land use by creating new State land-use commissions or broadening the powers of existing commissions.

Alaska created a State-Federal natural resource and land-use planning commission.

Washington set up a State land planning commission.

Wisconsin established a State land resources committee to develop a comprehensive State land-use policy.

A special commission on land use was formed in Michigan to study the problems of land abuse and had submitted its recommendations to the governor by the end of the year.

In Maine, the land-use commission became responsible for 42 percent of the State's land—a significant increase from the previous two percent.

North Carolina initiated a comprehensive land-use study and Alaska entered into an agreement with the Federal government authorizing a land-use study of 200 million acres in the northern part of the State.

Five States moved to protect endangered shorelines. Delaware enacted a controversial coastal zoning law that prohibits all heavy industry within two miles of the sea coast. The governor of Oregon put a stop to all construction along the State's coast which might damage estuaries. Texas authorized the interagency natural resources planning council to promote cooperation and regulate shoreline development. Washington passed a shoreline management act. North Carolina enacted stricter regulations to protect beach and coastal areas.

In attempting to assess the meaning of these diverse State and Federal actions, certain tentative conclusions may be reached. The variety of Washington level efforts highlights the confusion facing policy-makers seeking to devise a national urban growth strategy on other than a piecemeal and "hit the pressure points" basis. It also

underscores the tacit acceptance by both the executive and legislative branches of the incremental approach to developing such a strategy. At the same time, one cannot help wonder whether anybody in either branch is attempting to ascertain how these diverse initiatives interrelate and whether they really add up to a consistent set of policy decisions, as called for in the Report of the President's National Goals Research staff.

The State level actions in 1971, while equally and not unexpectedly diverse, indicated far greater awareness of the problems associated with growth than was the case heretofore. The net effect of these various State actions should demolish the myth that the States are incapable of moving on this front. A cluster of practical political considerations have emerged that make State action—not just a possibility—but a likelihood. The environmental thrust is beginning to highlight the full implications of not reserving significant land-use powers to themselves. The diseconomies of unplanned growth are confronting various local jurisdictions with the prospect of current or future budget deficits: and the impact of certain Federal efforts, especially in the environmental field, is beginning to be felt.

THE PRESENT

Turning to the Report on National Growth, it should be noted at the outset that the ACIR late last summer was asked by Domestic Council staff to help provide factual background data on recent State, local and private activities, as well as on interstate developments relating to urban growth, and to provide statistical data on metropolitan disparities. To render the assistance in these areas, the Commission procured the services of three consultants. In addition, at its December 17, 1971 meeting, the Commission was provided with a summary account by Secretary Romney of the draft report then being considered by the Domestic Council. A free-wheeling discussion followed the presentation by the Secretary.

We find in this report a good analysis of population growth and distribution trends. The problems associated with growth are succinctly stated and recent State, local and multistate activities are skillfully chronicled. Several of the actions taken by the Administration (and cited in Chapter IV) had been basic components of ACIR's earlier action agenda, including decentralization of decision-making authority in grant programs, streamlining grant administration, establishing uniform regional boundaries for Federal domestic agencies and departments, new community assistance, simplifying planning requirements, and the A-95 review procedure. Moreover, certain of the legislative proposals set forth in the report's final chapter have been integral features of our program for Federal action for nearly five years, especially revenue sharing, welfare reform (we support *full* Federal takeover of the financing), and grant consolidation.

Many of the underlying assumptions of this report are sound and basically reflective of positions taken by the ACIR in its 1968 report. Defining the goals of a national growth policy does necessitate "searching consideration of our national objectives and priorities" and this task does become "increasingly difficult as we move closer to specific goals." The problems associated with growth do cover "many of the

most intractable social and governmental concerns of this country," as the chronicle of cleavages at the beginning of this statement suggests. Growth patterns are conditioned by "countless decisions made by individuals, families, and businesses" and these "decisions themselves can not be dictated" under our democratic system. We do have a "federal system, with shared powers" and it obviously is not possible for the "highest level of government to design policies for development that can operate successfully in all parts of the Nation."

At the same time, as the report states, "in some cases, the Federal Government is the only body with the capability to assure balanced and orderly growth," as in the fiscal and monetary policy areas. And there are other areas where the national government has already taken a leading role, as in the environmental, economic development, housing, and transportation fields. The report also notes that the character of future growth in America "will depend primarily upon the scope and nature of actions taken by State and local governments and upon countless decisions made by . . . individuals and business enterprises . . . that are involved in the planning, building, and servicing of our burgeoning urban and rural communities and neighborhoods." Few can doubt this, and our 1968 report stressed the wholly inter-governmental nature of any effort to develop a national growth strategy.

But having said all this, certain basic questions still must be faced:

Do we want an even greater concentration of people in our large metropolitan centers and the attendant higher cost of public and private consumption?

Do we sanction the addition of even more fuel to the already incendiary conditions in our central city ghettos?

Do we endorse a widening of the gap between the eroding economies of our central cities and the expanding economies of most of their surrounding neighbors?

Can we condone a widening of the economic, educational, and health gaps between rural and urban America?

Do we really favor continuing the helter-skelter consumption of land on the urban fringe?

Do we actually intend to bind future generations of Americans to the same style of urban life that currently prevails?

Most of us would respond with a resounding "no" to the bulk of these propositions. But this only provides us with a rationale for and indirectly with the broad goals of a national urban growth policy. Questions of feasibility, method, and instrumentalities still remain and these are the knotty problems with which urban growth enthusiasts must fully come to grips:

Is it feasible, within the Executive Branch, to achieve a better coordination of those basic direct Federal and grant aided efforts which affect the geographic location of people and economic activities?

Is Congress capable of developing a genuine oversight role with regard to the various ongoing efforts of the Federal Government that condition urban development?

Can a resources allocation strategy—even broadly defined—be devised that actually differentiates between areas and communities that are likely to grow and those that are not?

Can a broad underlying geographic strategy be developed jointly by Federal and State governments and adhered to in their program efforts?

Can the many existing Federal-multistate commissions, especially in the economic development area (now eight), assume any real role in providing answers to the two questions immediately above?

Does the strong popular push for action on the environmental front have any implications for urban growth policy development at both the Federal and State or for the seven Title II river basin commissions established pursuant to the Water Resources Planning Act of 1965?

Do the hundreds of areawide and multi-county bodies and mechanisms established over the past seven years in both rural and urban America, pursuant to Federal and State initiatives, constitute a kind of program and management response to urban growth by policy-makers at these higher levels?

Does the Federal Government, as one of the prime movers in metropolitan areas, have any responsibility for attempting to consolidate the areawide planning requirements and the areawide districts and bodies that have been spawned as a consequence of Federal grant legislation and administrative regulations?

Can the States carve out a role in grappling with the tough jurisdictional, program, and political questions raised by the expansion of special districts? Do the substate districting systems within the 42 States having them constitute a help or a hindrance in coping with the spillover, multijurisdictional problems generated by galloping urbanization and, in some cases, by stifling population sparsity?

In terms of governmental functions, especially those deemed local heretofore, must these functions be administered by a single level of government or are any of them susceptible to being subdivided and, in effect, administered on a two-level basis?

Can the general governments of the system and their politically accountable decision-makers actually achieve any real control over and coordination of the fractionated efforts of program specialists and technicians and their interest group and citizen allies, given the latter's drive for special and single agencies, special districts, and comprehensive but essentially single purpose planning bodies at the substate and multistate levels?

Can popular confidence in the multilevel electoral process of this Nation be restored if elected officials, in turn, have little control over administrators and governmental bodies operating within their respective geographic jurisdictions or if the voters themselves have no direct access to the mushrooming number of decision makers at the areawide and multicounty level?

These are some of the broadly systemic questions on which the real fate of a balanced urban growth policy and process hangs. These are some of the crucial issues with which this Subcommittee and future national growth reports must wrestle. Easy answers can be found for none of them. But to ignore them is to leave urban strategy in the realm of rhetoric, and governmental action on the basis of wholly fragmented program and planning efforts. We reject this option. We have more confidence in the federal system and the ultimate judgment of the American people than that. Moreover, as we pointed out earlier, there are promising signs—at all levels really—that a process can be hammered out, that controversial program components can be enacted, that none of the participants in the system are really unaware of the dimensions of the urban growth challenge.

We face a basic problem of linkages—between and among the levels of government, between and among elected officials and the administrators, between rural and urban problems, between public and private sector actions, and between and among the several electorates that constitute the great American public.

The public itself, if recent opinion polls are any guide, is deeply divided on many of the issues that directly bear on resolving urban growth policy questions, but less divided on others. Meanwhile, urbanization gallops on and disparate governmental actions continue to serve as a basic factor sustaining the pace.

Given this set of difficult circumstances, we commend the Subcommittee for its leadership in probing this basic item on the Nation's top priority agenda and appreciate this opportunity to submit a statement for your hearing record.

Sincerely yours,

ROBERT E. MERRIAM, *Chairman.*

APPENDIX

PARTIAL CHECKLIST OF POSSIBLE FEDERAL AND STATE ACTIONS TO IMPLEMENT URBAN GROWTH POLICIES

(Based on proposals adopted by the Advisory Commission on Intergovernmental Relations)

I. National Action to Further Urban Growth Policy

A. Influencing Industrial Location

1. Enactment of legislation by Congress to provide Federal incentives for business or industrial location :
 - (a) Tax incentives
 - (b) Below market rate loans
 - (c) Direct payments
2. Enactment of Federal legislation to provide a percentage preference on the award of public contracts to labor surplus and other areas.
3. Promulgation by the President of criteria for location of Federal buildings and facilities.

B. Influencing Population Movement

1. Establishment of a Federal-State Matching Program of resettlement allowances for low-income persons migrating from labor surplus areas.
2. Provision of additional Federal funds for on-the-job allowances for employers in labor surplus areas.
3. Expansion of the Federal-State employment service program and establishment of a nationwide computerized job information system providing data on job vacancies, skills, and availabilities.
4. Enactment of Federal legislation to eliminate or reduce the migrational influence of interstate variations in public assistance standards and benefits.
5. Expansion and adequate funding of voluntary programs of family planning for low-income persons.

C. Large-Scale Urban and New Community Development

1. Federal low interest loans and capital grants to State and local governments for land acquisition to accommodate future urban growth.
2. Direct Federal involvement.
 - (a) Mixed, public-private land development corporation chartered by Congress.
 - (b) Creation by Congress of a national urban development agency or authorizing HUD to acquire, hold, improve and dispose of land for urban development, or alternatively, authorize HUD to undertake an experimental new community building program on federally owned lands.
3. Financial assistance and incentives for new community development.
 - (a) Federal assistance, under certain conditions, to private developers consisting of low interest loans and tax incentives.

II. State Action to Further Urban Growth Policy

A. Influencing Industrial Location

1. Enactment of State legislation authorizing establishment of State and regional industrial credit facilities as means of providing additional sources of credit for desired urban development.
2. Enactment of State legislation to authorize preference under specified conditions in the award of public contracts.
3. Establishment of policies for locating public buildings, activities, and facilities.

B. Large-scale Urban and New Community Development

1. Enactment of State legislation to provide for chartering of State and local land development agencies.
2. State or regional acquisition of lands for future developmental purposes.
3. Provision of State property tax deferral for new community development.

C. Other Intergovernmental Measures for More Orderly Urban Development

1. Strengthen local government.

(a) Structure

- (1) Facilitate county consolidation in rural areas.
- (2) Authorization for metropolitan planning agencies.
- (3) Multi-purpose planning and development agencies in non-metropolitan areas.
- (4) Metropolitan functional authorities.
- (5) Special county subordinate service districts.
- (6) Authorization of optional forms of municipal and county governments.

(b) Powers

- (1) Transfer of functions.
- (2) Interlocal agreements.
- (3) Liberalized annexation powers, including annexation of non-contiguous areas for new community development.
- (4) Extra-territorial control of planning, zoning, and subdivision regulations.
- (5) Constitutional provision of residual powers for certain local governments.

2. Mechanisms for guiding and regulating urban growth by bringing planning efforts and development controls into closer harmony.

- (a) County or regional agency review of actions taken by small communities having area-wide impact.
- (b) Direct county or regional agency exercise of land-use controls within newly created communities until they reach a certain population size.
- (c) Required integration of sewer and water planning and development on area-wide basis consistent with growth needs.
- (d) Exercise by State agency of development controls over highway interchanges and rights-of-way where local controls are inadequate or non-existent.
- (e) Enactment of State legislation to authorize new types of local development ordinances and regulations including meaningful official map powers, mandatory dedication—or a cash payment in lieu of such dedication—of public facility sites, and broad general land-use standards to replace certain rigid conventional zoning standards (floating zones, planned unit development).

NATIONAL AND URBAN GROWTH POLICY

(By Henry B. Schechter, Senior Specialist in Housing, The Library of Congress)

BACKGROUND OF THE REPORT ON NATIONAL GROWTH, 1972

In Title VII of the Housing and Urban Development Act, the Congress enacted legislation which called for the Development of a National Urban Growth Policy. It noted that migration and changes in population distribution had created an imbalance between needs and resources which seriously threatened our physical environment; and that conflicting Federal programs had frequently resulted in undesirable and costly patterns of urban development; and declared that, "the Federal government, consistent with the responsibilities of State and local government and the private sector, must assume responsibility for the development of a national urban growth policy which shall incorporate social, economic and other appropriate factors."

To assist in the development of a National Urban Growth Policy, the Congress directed that the President transmit to the Congress a biennial report on urban growth, with the first report to be transmitted in February 1972. During that month, President Nixon submitted a "Report on National Growth, 1972" to the Congress. The change in title, indicating a change in scope was explained by the following paragraph in the introduction to the Report.

This report has been prepared in response to that act. The statutory findings and the overall objectives which led to that requirement suggest, however, that the term "national urban growth policy" is too narrow. Instead, this report will use the term "national growth policy," recognizing that rural and urban community development are inseparably linked. It is important to realize that urban growth problems cannot be discussed in a useful and intelligent manner without discussing rural growth as well. And it is also important to note that citizens residing in our rural areas are confronted with problems no less pressing and no less deserving of national attention than those of our citizens who are afflicted by what is generally described as "the urban crisis."

Probably the foregoing change is more one of form than of substance. About 74 percent of the nation's population now resides in urban areas. A significant rural to urban migration continues. The extension of energy lines and communications channels to rural areas, widespread automobile ownership and highway networks, and an increasing "industrialization" of agriculture have blurred the distinction between urban and rural. Urban growth policies, therefore, would affect national growth because they would affect the great majority of the population who are in urban areas, and, in a complementary fashion, affect the resources available to, and the growth of, the rest of the country. Furthermore, there is an increasing tendency for Federal urban programs to be extended to rural areas, or for separate counterpart programs to be created (e.g. housing, water and sewer grants,

etc.) so that growth policies underlying such programs are applicable to the entire nation.

In enacting the 1970 urban growth legislation, the Congress was not unaware of the inseparable relationships of urban and rural growth. In the Findings and Declaration of Policy of that statute it stated:

The Congress finds that the rapid growth of urban population and uneven expansion of urban development in the United States, together with a decline in farm population, slower growth in rural areas, and migration to the cities, has created an imbalance between the Nation's needs and resources and seriously threatens our physical environment, and that the economic and social development of the Nation, the proper conservation of our natural resources, and the achievement of satisfactory living standards depend upon the sound, orderly, and more balanced development of all areas of the Nation.

The 1970 legislation, thus, was addressed to the "more balanced development of all areas of the Nation" which encompasses and goes beyond the "national growth" concept, inherent in the title of the first report submitted to the Congress in 1972.

The 1970 legislation also specified that the following should be included in the biennial report to the Congress:

(1) information and statistics describing characteristics of urban growth and identifying significant trends and developments;

(2) a summary of significant problems facing the United States as a result of growth trends and developments;

(3) an evaluation of progress and effectiveness of Federal programs designed to meet such problems and carry out national urban growth policy;

(4) an assessment of the policies and structure of existing and proposed interstate planning and development affecting such policy;

(5) a review of State, local and private policies, plans and programs relevant to such policy;

(6) current and foreseeable needs in the areas served by policies, plans and programs designed to carry out such policy, and the steps being taken to meet such needs; and

(7) recommendations for programs and policies for carrying out such policy, including such legislation and administrative actions as may be deemed necessary and desirable.

POPULATION GROWTH

Perhaps the most extensive treatment in the Report was given to data that would come under the first of the foregoing items, namely, information and statistics describing growth. It was "growth" in a limited sense, however, in that the one-third of the report, or 24 pages, was devoted to data on population growth and distribution. Various tables and maps traced the national population growth and distribution from 1790 to 1970. Birth and death rates and migration patterns by race, rural to urban shifts and metropolitan growth were all described to provide some basic information.

There was no analysis, however, of growth rates and distribution of population in relation to resources available to accommodate the population. Such relationships between numbers of people and available resources would seem to be a *sine qua non* of any report concerned

with population growth and "an imbalance between the Nation's needs and resources" (one of the findings of the Congress). The question of population growth rates, and policies or the lack of policies affecting such growth rates, had been explored by the President's Commission on Population Growth and the American Future. In its report, *Population and the American Future*, the Commission called for a definite population policy in line with its feeling that population growth in the United States should be slowed or stopped. It concluded that many of the nation's population problems could be solved by preventing the birth of unwanted children. The Commission recommended the liberation of abortion labs and the provision of quality day care for all families who wished it. A basic policy relationship for the economy and society is inherent in the preceding sentence, namely, a slowdown of population growth and a higher standard of living (day care, in this instance) for the population members. The nature of such relationships, and the effects of alternative policies and programs which might be adopted, are deserving of analysis under the Congressional directive regarding the inclusion of significant problems facing the United States as a result of growth trends and developments. To ignore the question of the population growth rate constitutes a policy decision of non-intervention with regard to factors affecting present trends.

GROWTH PROBLEMS AND POLICIES

Problems associated with growth were briefly discussed in the Report on National Growth 1972, under five main headings: (1) the decline of rural areas and small towns; (2) the changing role of the central city; (3) racial and economic concentration; (4) environmental and transportation effects; and (5) rising land costs.

The limited descriptive discussion of these five problem areas is followed by a few pages of discussion under the heading: "Formulation of a Single Comprehensive National Growth Policy: Obstacles and Issues." The complexity of growth problems and the difficulty of developing a comprehensive growth policy is pointed out. It is then reasoned that with our *federal* system of government, the vast size of the country and the many decisions having local significance, such as on tax levies, public facilities installations and zoning, fall within the province of State and local government. One stated conclusion in the Report is that:

Accordingly, it is not feasible for the highest level of government to design policies for development that can operate successfully in all parts of the Nation.

The Federal government has designed many policies affecting the growth of the Nation, however, although some of these policies may be an inadvertent by-product of programs that were designed to meet particular needs. Thus, the Federal influence upon the distribution of new additions to the housing supply, or the preservation of the existing housing supply, which will affect population densities, and a variety of infrastructure improvements in localities, has been influenced by Federal housing, highway and community facilities programs and policies—or non-policies—and Federal tax policies. There are two paragraphs in the Report on housing production and equal opportunity in housing. There are also some passing references to housing in a discussion of land costs and in a listing of State legislative devel-

opments with respect to housing and community development. There is no discussion, however, of the very significant Federal influence over the location of housing and growth patterns. In fact, many of the State programs are largely dependent upon Federal housing subsidies to support a significant program volume. There is no attempt to assess the influence of Federally assisted housing and highway programs upon the location of new housing and the consequent effects upon water and sewer facilities needs, upon commutation patterns and mass transit needs, upon open space needs or upon air and water pollution.

Air and water pollution are noted in the Report as good examples of national problems. There has to be a recognition, however, of the interrelationships with other conditions and programs which give rise to such problems. In the absence of new or modified policies, present development trends and growth patterns may well continue, aided by present Federal programs. Such a course would lead to more and larger metropolitan areas, and the joining of these areas to form even greater agglomerations of people in a few densely occupied regions of the country. Such patterns of development will mean greater traffic problems, greater air-pollution, greater problems of energy peak loads, waste disposal, water supply and sewage collection. It means greater per-capita public expenditures for health, police, fire and sanitation services, whose costs increase in very large, densely populated areas.

There is a need to recognize that the effects of Federal programs which develop in the absence of positive policies, represent, by default, the adoption of policies favoring the results obtained. In the absence of guiding policies, Federal programs are designed to accommodate millions of uncoordinated individual personal and community responses to the aggravated problems of everyday living. In an increasingly technologically complex and interdependent society, these individual decisions affect the lives of many other people and communities, and add to the social overhead costs of the Nation.

A prime example is the collective effect of individual decisions by millions of families to purchase suburban homes with government-insured mortgages and to become daily commuters who drive automobiles over Federally-assisted highways for their journey to work. The results include increased air pollution, time losses in congested traffic, auto accidents and high insurance rates, more road construction and maintenance. Over \$84 billion a year, or 10 percent of the national income is being spent on user-operated transportation. Consideration might be given to modifications of Federal policies and programs to encourage the building of residences in such spatial relationships to employment and shopping centers, educational and health facilities that daily travel requirements would be reduced. Greater emphasis on policies to encourage and investments in programs to devise more and better mass transit systems might also yield benefits in excess of costs, and facilitate the implementation of policies to promote better spatial relationships.

Another example of a lack of positive policy formulation is in allowing the development of flood-prone and earthquake prone land, and then implementing a disaster relief policy. The latter was illustrated most recently by enactment of a \$1.6 billion authorization for relief of property owners who had suffered flood damages in Hurri-

cane Agnes, and earlier in 1972 in floods in South Dakota. Hundreds of lives also were lost in those floods, for which there can be no *post facto* relief. The magnitude of Federal expenditures, as well as the increasing frequency of such disasters, makes the natural disaster problem a national problem.

In February 1971, an earthquake in the Los Angeles area caused the collapse of a Veterans Administration hospital and of a county hospital, causing the death of 64 people, in addition to damaging thousands of homes. In earlier earthquakes (e.g. Alaska in 1964) and hurricanes (e.g. Betsy in 1965), thousands of homes financed with government-insured mortgages have been lost because insufficient foresight was exercised in the use of earthquake prone and flood lands. Downstream flood potential is being increased through upstream urban development and the covering of land which results in increased runoff. Instead of developing more effective land use policies and programs tied to prepaid insurance—subsidized if necessary—to forestall the loss of lives and billions of dollars of property damage, a policy of after-the-fact disaster relief has tended to blunt the need for individual precaution and preventive public measures. (A start toward a damage prevention policy is included in the community land use regulation requirements for participation under the national flood insurance program, but the date for compliance with that requirement was changed from December 31, 1971 to December 31, 1973 by an amendment passed in 1971.)

STATE AND LOCAL GOVERNMENT ROLE

A significant proportion of the Report on National Growth in 1972 is devoted to the role of State and local governments in various planning development activities. There are brief descriptions of the individual activities, some engendered by Federal legislation, many supported by Federal programs. They are adequately described. In a sense, this may fulfill the Congressional request for "a review" of such activities. It would be more useful, however, if there had been more evaluation. Thus, the "A-95" application review process by an area-wide metropolitan or regional planning agency as a prerequisite for certain Federal grants, required under Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, is adequately described. It is judged, in the Report, to be "a useful instrument for increasing interlocal cooperation in metropolitan areas and for helping formulate and implement National, State and local growth policies." There is no evidence presented, however, of its effectiveness in bringing about improvements in efficiency or quality of services, although the Office of Management and Budget has gathered such information.

Similarly, on the question of the development of multipurpose districts and councils, there is some listing, some description. There is no measure of achievement, of success or failure, of the effects upon guiding development and preserving the environment.

Techniques for appropriate evaluation may have to be developed for many programs. Evaluation in terms of substantive results would be valuable, however, as well as evaluations in terms of legislative measures adopted or governmental reorganizations effected. Although the latter are necessary steps, the payoff is in terms of quality and quantity and costs of services, they have to be analyzed first, however,

including the costs that are increased as a result of the current pattern of growth in metropolitan areas. Irrational cross commuting, with blue collar workers going out of the central cities to the suburbs, and white collar workers coming in from the suburbs to the cities every day, adds tremendously to the need for roadway and mass transit capital requirements, as well as to transportation operating costs.

Questions of optimum population size for economy and effective administration of services have to be clarified as a basis for appropriate policies. Larger central cities have lower per capita costs of sewage treatment, electricity and gas, but higher per capita costs of school administration and fire protection. Conversely, there are diseconomies in many small political jurisdictions in the provision of public services, such as sewer and water, gas and electricity. There is also duplication of administrative overhead in the hundreds of local governmental bodies. Mounting costs of local government have been reflected in sharply rising local taxes which fall primarily upon residential owners and renters; local property taxes rose from \$23 billion in 1965 to an estimated \$38 billion in 1970, or about 60 percent in five years.

Even that increase has been insufficient to meet the costs of local services. States have been called upon to assume greater responsibility for public service costs and have had to impose income taxes and sales taxes. The Federal Government also has had to increase its grants to States and local governments for various community facilities, adding to Federal budgetary deficits and inflationary pressures. Revenue sharing transfers some of the costs to another level of Government, but does not attack the conditions which increase the costs.

Whether the taxes to be paid for necessary services continue to rise sharply will depend in large part on policies, plans, and programs that will affect growth, taxes and patterns in the future. In a study of State and local public facility needs made in the mid-1960's, it was estimated that in the decade 1966-75, about \$500 billion in capital outlays for public facilities would be required. This included \$328 billion by State and local governments, for facilities to provide such services as sewer and water, education, health, recreation and culture, and public buildings. The additional expenditures would be by private organizations, for gas and electric, health, transportation and other service facilities.

These required dollar expenditures will undoubtedly be greater during the current decade because of cost increases, and because per-person consumption of services has increased. Energy and water have to be brought from greater distances to serve greater population concentrations in establishing metropolitan areas. Within the metropolitan areas, longer distribution lines are needed to reach outlying low density areas. Transportation frictions have increased. The magnitudes of waste disposal have grown, and wastes have to be hauled greater distances and treated more carefully. Anti-pollution controls have to be exercised more rigorously.

Most of the above service functions have to be performed at the local level, some under State-regulated programs. However, the problems to be dealt with are widespread, are often aggravated through development encouraged by Federally-supported programs (e.g. highways), and also often required Federal support for required services (e.g. water and sewer). There is a definite Federal interest, therefore,

in continual, study of how State and local governments are carrying out such functions, and how Federal support for various programs could encourage more rational spatial development relationships, to permit the provision of necessary services in a more efficient manner.

CURRENT AND FORESEEABLE NEEDS AND RECOMMENDATIONS

As presented earlier in this paper, the 1970 statute enacted by the Congress specifically directs that the biennial reports on growth policy should include current and foreseeable needs in areas served by [growth] policies, plans and programs to carry out such policies, and recommendations for programs and policies, including new legislation. The last two chapters of the Report on National Growth 1972 are addressed to the most important element of that Congressional directive.

One chapter reviews the administrative and program initiatives taken in recent years. These include reorganization and decentralization efforts within the Federal government and increases in dollar expenditure amounts and Federal grant programs for rural development and highways. In connection with the highway program, it is mentioned that 1970 legislation modified the Federal program to permit more assistance for urban mass transit. There is also mention of the fact that Section 102(2)(C) of the National Environmental Policy Act, requiring Federal agencies to issue, for public comment, detailed statements as to the environmental impact of proposed actions, has been implemented. There are similar brief descriptions (of a few paragraphs) of programs, regulations, or activity volume with regard to housing, new community assistance, planning requirements, Federal property insurance programs and model cities planned variations. There is a dearth of analysis, however, as to how the program activities relate to growth needs, or how they are shaping the patterns and quality of growth.

Finally, the last chapter of the Report dwells primarily on the major legislative proposals that the Administration has submitted to the Congress over the past two or three years. They include major proposals for reorganization, revenue sharing—general and different types of special revenue sharing—welfare reform, etc. Some of the proposals, such as for expanded rural credit, planning and management assistance to State and local governments, national lands use policy and powerplant siting legislation, have a bearing upon national growth policies. However, they are not presented in any interrelated manner that would bespeak coordination relative to balanced national growth.

There are interrelationships between the patterns of land use, the geographic location of energy generation, utilization of technological advances, economic opportunity, population density and the distributive utilization of available resources which are all a part of "national growth", and affect the future health and welfare of the country. The concentration of population in limited areas of the country is supported by Federal approval or limitation of energy generating plants. Federal procurement and Federal support of research and development. The concentrations of activity add to regional economic vulnerability

which, in turn, has impact on national economic growth and stability (e.g. aerospace unemployment in California).

In the less-than-three decades remaining in this century, the population of the country may increase by 75 to 100 million people. As ever before, the increasing population will be drawn to the areas which offer economic opportunity and the amenities of modern life. If present trends continue, that will mean that practically all of the increase in population will be concentrated in the regions which already contain the megalopolises stretching for hundreds of miles in continuous high density belts.

On November 4, 1971, it was announced that 20 areas had been added to the list of standard metropolitan areas because they had grown to the requisite minimum population size. All twenty were in States that bordered either the Atlantic or Pacific Oceans, the Gulf of Mexico or the Great Lakes. If there is a continuation of past national policies, or lack of policies, to guide growth, the trends toward environmental, economic and social difficulties may very well continue.

NEED FOR IMPROVED MACHINERY TO DEVELOP GROWTH POLICIES

To counteract such trends, in line with the thrust of the 1970 legislation, there is a need to develop policies based on in-depth analysis of all of the significant factors affecting growth and their interrelationships. The effort would benefit by being done within a much broader and more detached framework than the present development of policies emanating from agencies which administer particular programs. The origin of policies under such auspices are likely to be limited in scope and produce a host of programs which often operate at cross purposes. National growth policies can be developed within a broad framework, with knowledge of, but organizational detachment from ongoing programs. A biennial report on National Growth can serve as the vehicle for such analysis and policy and program recommendations. There is a need for definite identification or creation of an appropriate study and analysis unit within Government—qualified, and yet with the right degree of detachment, and with adequate staff and time—to do the necessary work.

The Report on National Growth 1972 was prepared by the staff and members of a Domestic Council Committee on National Growth. The report was summarized in a New York Times editorial of March 29, 1972 which said that the document "spends 74 pages explaining that the Federal government really cannot do much of anything about urban problems or suburban growth." A much more comprehensive and analytic report than was prepared in 1972 would have to be prepared in 1974 if it is to be fully responsive to the specific requirements of Title VII of the Housing and Urban Development Act of 1970.

There also may be a need to go beyond the existing legislation in considering the machinery of policy formulation. There are diverse points of view which should be reconciled at the policy formulation stage in order to avoid conflicts of policy at a later date. A current conflict of policy arises, for example, between those concerned with ecological protection and those concerned with land-use development. There may also be different policy orientations on many subjects between industry and labor organizations, between farm and urban interests, and between different levels of government. An organizational mechanism to absorb and analyze the various policy orientations, and to make available to the Congress, the Executive Branch, and the general public the costs and benefits of alternative policies, could provide a useful service for those who are engaged in policy formulation.

URBAN HOUSING: A NAIVE AND PAROCHIAL VIEW FROM A MIDWESTERN IVORY TOWER¹

(By Leo F. Schnore, University of Wisconsin (Madison))

I. INTRODUCTION

IA. A BRIEF DISCLAIMER

I must begin with a *caveat*. I have very rarely worked directly with housing data in my own research on urban and metropolitan areas in America over the past twenty years. As a consequence, most of my knowledge of the topic is second-hand at best. At worst, it is distorted by my ignorance of the salient facts, my incomplete awareness of research already accomplished, and my possibly warped view of research needs. Nevertheless, the temptation offered by the invitation to comment on housing in the United States for this Subcommittee proved too seductive for resistance. It is rare for a "pure" researcher to have the opportunity to help shape the issues for a Congressional committee. This is apparently a privilege ordinarily reserved for influential "folks back home" and for reporters and editors of the *New York Times* and the *Washington Post*.

IB. MACRO-ECOLOGY VERSUS MICRO-ECOLOGY

I am a demographer-ecologist, and my view of the world is shaped by the perspective of these two subfields of social science. I shall pro-

¹ Acknowledgments are in order. I am indebted to a number of individuals for various kinds of help in writing this essay. At the Center for Advanced Study in the Behavioral Sciences, where I began the work, I profited from discussions with the late Bert Boothe (clinical psychologist, National Institute of Mental Health), Nathan Glazer (Harvard sociologist) and Phillip G. Zimbardo (Stanford social psychologist). After my return to the University of Wisconsin, many colleagues helped me. At the Wisconsin Survey Research Laboratory, I was aided by Harry Sharp (sociologist and Director) and Charles Palit (statistician and Associate Director). At the Institute for Research on Poverty, I was helped by two sociologists—Robert R. Alford and David Elesh. In the Center for Demography and Ecology, I was assisted by Glenn V. Fugitt (rural sociologist and demographer), Karl E. Taeuber (sociologist and demographer), Hal H. Winsborough (sociologist and demographer) and James A. Sweet (sociologist and demographer). At the end of July, I attended a Berkeley conference called by the National Academy of Sciences—National Academy of Engineering, Committee on Public Engineering Policy, designed to assist the National Science Foundation in their mission to set research priorities for the program entitled Research Applied to National Needs (RANN). I benefitted greatly from the oral and written contributions of the entire panel on Community Development, and especially those of William Alonso (urban planner and economist, University of California at Berkeley), James D. Cowhig (Program Manager, Division of Social Systems and Human Resources, NSF-RANN), William Garrison (geographer, University of Pittsburgh), Julius Margolis (economist, University of Pennsylvania, and Director of the Fels Center), Wilbur A. Steger (President, CONSAD Corporation, Pittsburgh), and William L. C. Wheaton (Dean, School of Environmental Design, University of California at Berkeley). At the risk of plagiarism, I have drawn freely upon their ideas. I must insert the usual disclaimer: Although I benefitted greatly from conversations with these men, and from reading their writings, they are not to be held responsible for my interpretations and opinions. Part of the work on this essay was supported by the National Science Foundation under the terms of Grant Number GS-35506. Pat Blair typed and edited the entire manuscript, with the assistance of Kathy Denny. Finally, I must acknowledge my indebtedness to my parents, my most influential continuing contacts with the real world outside the "ivory tower."

ceed by organizing the discussion in two ways—by distinguishing (A) *macro-ecology* from (B) *micro-ecology*, and discussing housing as a nested series, starting with (1) *the dwelling place*, moving on to (2) *the neighborhood* as a congeries of dwellings and related establishments and institutions (workplaces, churches, schools, etc.), and finishing with (3) *the community* at large, especially the metropolitan area consisting of the great city together with its suburbs, satellites, and “rural-urban fringe.”

Ecologists sometimes distinguish two separate enterprises: (a) “synecology,” or the study of the population in its environment *versus* (b) “autecology,” or the study of the individual organism in its environmental setting. (Hawley, 1950) This distinction need not detain us here. The discussion that follows will range freely between purely ecological and demographic interests, on the one hand, and essentially social-psychological concerns, on the other. In short, I will step out of my ordinary role as a “synecologist” and adopt the stance of the economists and social psychologists, discussing the producers and consumers who supply and demand housing as individuals with particular tastes, wants, and felt needs—as what I call “skin-bounded systems”; more plainly, I will talk about people who make residential “choices” within the constraints imposed by their social and economic situations, the condition of the housing market, the technological state of the arts, and the larger environmental setting to which they are necessarily responsive. (See Foote, *et al.*, 1960.)

IC. EXPERIENCE AND PERSPECTIVE

Much of the naivete of this essay must be traced to my lack of background in all of the relevant social sciences. I was rather narrowly trained (at Miami University [Ohio] and at the University of Michigan) as a sociologist and (as a minor field) social anthropologist. Over the years, without much formal guidance, I have since achieved a smattering of knowledge in urban economics, urban politics, and urban history. Like many “self-taught men,” however, I had an inferior teacher. The discipline afforded by course work, field study, and directed reading was missing, and I have tended to roam rather freely through the literature of these three fields, with a rather eclectic approach.

II. ACCOMPLISHED RESEARCH BY SOCIAL SCIENTISTS

We shall now undertake a survey of research that has already been accomplished in the social sciences. The period emphasized in 1960–1969. This review does not pretend to be complete, even for that brief interval of time. It is a highly selective review, taking up only those completed studies which seem to have important implications for future research and policy formulation, especially those bearing on the development of a national growth policy.

IIA. MICRO-ECOLOGY

I have argued elsewhere (Schnore, 1965, Chapter 2) that one can conceive of “micro-ecological” efforts by sociologists. This mode of study has been brought to the fore by a limited number of research-

oriented social scientists, who take small units of analysis—such as households and neighborhood groupings—as the focus of their inquiries.

IIA.1. *The Dwelling*

The dwelling place itself, and the individual household, sometimes are subjected to research by social scientists. The most enlightening introduction to the topic, despite its early date, is the 1948 discussion by Robert K. Merton on the social-psychology of housing. (Merton, 1948, reprinted in 1966) Merton argues that the difficulties of housing research by social psychologists “arise largely from two basic social facts: first, the social institution of housing is undergoing important changes, and second, housing involves the economic interests and social sentiments of important skill-groups and power-groups in American society.” (p. 21) Merton goes on to review a number of hazards of research on housing. One is the hazard of “institutional cross-fire.” As he contends:

Housing is a social institution undergoing relatively rapid change. . . . The social psychologist bent upon entering into housing research, therefore, must know that he is forsaking the relative calm and peace of his academic laboratory for the strife and embroilments of the institutional battlefield. What is more, belonging to neither army, the social psychologist must be prepared to be caught in a heavy cross fire. Little if any of his research work will be taken for what he intends it to be: scientific analyses of the social-psychological consequences of alternative policies in housing. (p. 21)

Still other hazards include those of competing research demands, those of urgency, and those of sterile empiricism. As for competing research demands, Merton argues that “Since so much research requires to be done, and there are, as yet, so few to do it, the social psychologist, who would gear his research to the pragmatic needs of the field finds himself called upon to spin from one problem to another in an inevitably hopeless quest to have his researches be something to all housing men.” (p. 23)

The hazard of urgency according to Merton, is one that is hard to avoid, given the situation provided by the real world around us:

The pressures for turning out results are insistent, sustained, and entirely understandable. Legislation on public housing is pending. Private housing developments are being built. Urban redevelopment is proceeding. All these are large-scale and long-term commitments. If you, the social psychologist, are worthy of your status in society, let us have your findings now, when they are needed, not in the indefinite future, when they will tell us only what we have learned through trial and error. The social psychologist must be prepared for an unyielding pressure, from all sides, to produce results, long before he is in a position to have warranted, adequately grounded results. Else, he will be subject to the charge that he fiddles with statistical tabulations and experimental designs while the home-planner yearns. (p. 24)

Merton goes on to argue that this difference between sheer empiricism and scientific research is not properly understood nor widely recognized in the field of housing any more than it is in other spheres.

Entering this field the social psychologist must be immunized against the tendency toward mistaking actuarial and wholly empiricist findings for research on relations between identified variables of psychology and sociology. For he cannot expect the practitioners in housing to be interested in these theoretic explorations, any more than victims of malaria pressed for advances beyond the empirical use of quinine . . . One may venture the guess that only when a considerable fund of theoretic knowledge is available for application will tough-minded practitioners come to see that sheer empiricism does not provide reliable answers even to immediate limited problems.

Nor is this empiricist trend in housing research merely a response to practitioners' concern with immediately applicable findings. It is sometimes a consequence of social scientists being wholly concerned with meticulous methodological designs, often comprising ingenious controlled experiment, and failing to clarify theoretically the variables dealt with in the research. Several *methodologically* sharp and precise researches in the social psychology of housing suffer from any visible concern with *theoretical* and *substantive* content. (pp. 24-25 ; italics in original)

Merton concludes his review of research in the housing area by urging that "the social psychologist at work in this field [must] not take the easy and empty path of quick empiricist findings rather than the more difficult and ultimately more productive path of empirical research oriented toward basic theory." (p. 25)

The first significant empirical contribution to the microecological study of urban housing to be considered here is the monograph entitled *Why Families Move* by Peter H. Rossi. (Rossi, 1955) This study, sub-titled "A Study in the Social Psychology of Urban Residential Mobility," was financed by a contract with the Housing and Home Finance Agency (HHFA). It represented a field survey approach to area mobility, household mobility, and moving decisions. Although methodologically flawed and theoretically deficient, Rossi's study hit upon what is apparently a major force in residential mobility. It is apparent from his data that one of the chief reasons for moving—aside from job changes—is change in family composition and age structure. Significant alterations in family structure, such as the birth of a new child, impel a substantial fraction of our population to move, at least within the community, if not between communities. This finding has been repeatedly confirmed by subsequent research.

Urban economists, who make numerous social-psychological assumptions, have been much more active than others in the social sciences in dealing with housing at the level of the dwelling. One of the outstanding works in this area is a 1950 census monograph by Louis Winnick. (Winnick, 1957) Winnick used 1950 census materials, together with a few for 1940, in order to delineate the basic structure of the American housing market from the standpoint of the demand for space. The basic measure employed throughout his work was the *persons per room ratio*, abbreviated as "PPR." Winnick set out his findings in very succinct fashion, and there is no need to trouble ourselves with an awkward paraphrase. His findings are so plainly stated that nothing would be gained by altering the content of his summary.

1. The improvement in housing space standards of the past half century has apparently been modest. It is doubtful whether the nonfarm PPR ratio has been reduced by more than 15 or 20 percent since 1900. Furthermore, much of this gain must be attributed to the decline in household size. [It would be wise to interpret this finding in the light of the postwar baby-boom.] The very large increases in real income that have accrued to American families contributed little to the improvement in space standards, partly because the influence of income appears weaker than is commonly assumed and partly because of the very sharp long-term increase in the real cost of housing which led to smaller dwelling units. There is also reason to believe that the reduction in the amount of "house" people buy is not entirely due to its high relative cost but is the result of changing consumer tastes. The competition of other expensive consumer durables, the high cost of domestic service, and the shift of many family activities away from the home are among the factors which caused pinching on housing space. In more recent years the interest of the consumer in housing seems to have been rekindled as a result of more children and suburbanization so that the future may witness more gains than has the past. . . .

2. The distribution of housing space in 1950 was remarkably even, far more so than the distribution of income and probably more equal than is the case of any other major economic asset. As a result, severe overcrowding, i.e., more than 2 persons per room, is exceedingly rare and affects less than 2 percent of nonfarm households (less than 4 percent of the nonfarm population). The lowest income groups tend to enjoy surprisingly favorable PPR ratios; overcrowding is most frequent in the groups that lie between the bottom and the middle income structure. . . .

3. Judging from cross-sectional data, the most important determinant of a household's density standard is its size. By comparison, the effect of household income or the cost of shelter is relatively small. Large households with fairly high incomes are often more crowded than small households with modest means. . . . The importance of rent and income, however, is increased and the role of household size diminished, in explaining the change in utilization over the 1940-1950 decade.

4. Overcrowding among Negroes is far more severe than among whites, and the improvement since 1940 has been less noticeable. The cause for Negro overcrowding seems to lie more in low income than in racial discrimination in the housing market. [As we shall see, this interpretation has been disputed on the basis of the results of subsequent research effort.] Negro households apparently occupy as much space as white households of the same income, but racial barriers limit this space to low quality structures in older neighborhoods. . . .

5. The average dwelling unit has been shrinking in size for many decades. At the same time, there has been a leveling in the size of dwelling units, at least since 1940, with relatively fewer very small or very large ones and relatively more of average size. From the early 1950's on, some movement back toward larger dwelling units has appeared. But larger dwelling units no longer mean the mansions and castles of the 1890's.

6. The most densely populated regions in the country do not suffer the most from overcrowding. The reverse tends to be true. The West has more overcrowding than the Northeast, rural areas more than urban areas, and small cities more than large ones. . . .

7. The demand for larger dwelling units is in part due to the maturation of children. As children pass from infancy to school age, considerable pressure is exerted for more rooms. . . . [Recall the Rossi findings.]

8. The most important reason for the long-run decline in average household size has not been the "spreading out" of adults but, rather, the changing age structure of the population, which is the result of declining birth and death rates. An older population gives rise to more married couples who have a strong propensity toward establishing separate households. But, paradoxically, a larger proportion of married people in the middle age groups leads to fewer rather than more households. On net balance, therefore, the effect of an increased proportion of married people on the number of households a given population will form (average household size) is greatly weakened. . . .

9. No evidence can be found that older people form independent households much more frequently than in the past. The rise in what is called here the "headship rate" of people over 60 has been quite small over the past 50 years and almost negligible between 1940 and 1950. Because their numbers have greatly increased, older people, of course, occupy a larger proportion of the housing inventory. But this is not at all the same thing as an increased tendency toward separate living arrangements. These findings are contrary to widespread belief and should be reviewed with care. It is indeed surprising that Social Security, more pensions, and general economic improvements have had, thus far, so little effect on the housing arrangements of the aged. . . .

10. The PPR ratio will ordinarily vary with the business cycle, but to a much lesser extent. Fluctuations in income from prosperity to depression would tend to be largely offset by corresponding fluctuations in the cost of housing. These findings may help to explain why cyclical fluctuations in the doubling-up rate (and therefore the vacancy rate) have been so (relatively) small. People are reluctant to give up separate living space even in a depression, and this reluctance is increased by the many housing bargains which become available. The depression-induced rise in the national PPR ratio is more the result of shifts of established households into smaller dwelling units than of increases in doubling. Because of such shifts vacancies become concentrated in larger dwelling units and a wave of conversions ensues, causing the number of vacancies to increase by more than can be accounted for by the increase in doubling up. . . .

11. Rent control, which created many housing bargains, apparently, resulted in some misallocation of housing space. But the amount of extra space pre-empted by favored renters does not appear to have been very great, not enough to destroy the usefulness of rent regulation under emergency conditions. Part of the reason why the amount of "excess" space held by renters was so limited is that rent control also reduces the number of large dwelling units by stimulating conversions and transfers of single-family houses from the rental to the ownership market. Also, some renter households which might have enjoyed extra space were forced to share it with married children whose doubling rate appears to be related to the stringency of rent control. (Winnick, 1957, pp. 8-10)

Another valuable volume in the census monograph series for 1950 was the book entitled *Residential Finance, 1950* by Richard U. Ratcliff and his colleagues (Ratcliff, *et al.*, 1957). This research group devoted attention to trends in residential finance between 1890 and 1951, studied comparative lending practices, financial arrangements of borrowers, so-called "junior mortgages," financing of rental housing, and the impact of government mortgage guarantees. The last topic should be especially interesting to those concerned with national growth policy and its implementation at the Federal level.

Ratcliff and his co-workers came to the following conclusions regarding governmental mortgage guarantees and their impact on population distribution. We may quote them at brief length:

As yet, rapid growth of the two loan-insurance programs [FHA and VA] has not threatened the position of conventional loans. Although typically granted on relatively illiberal terms, conventional loans are widely used by all classes of borrowers and are of particular importance in meeting the needs of borrowers of above average credit risk. At noted above, conventional loans are of major importance in the case of low-income borrowers. . . . low-cost, properties . . . loans on older properties, and borrowers of above-average age. . . .

Our data fail to supply answers to some of the significant questions which may be raised about government-insured loans. Clearly, the multiplication of effective demand implicit in liberal terms boosts the home-buying power of borrowers and may, depending on the degree to which the supply of new homes is inelastic with respect to price, run to waste in raising home prices. Unfortunately, significant (and largely nonquantifiable) qualitative changes in homes make it impossible to isolate the effect that these loan-insurance programs have exercised on home prices. Our data show that the bulk of government-insured loans (particularly FHA-insured loans) were placed on new dwellings and were, therefore, an important factor in stimulating postwar construction.

In some cases the achievement of apparent improvement in the terms on which mortgage credit is granted has involved the assumption of substantial risk. For example, the move to complete amortization on government-insured loans has been accomplished by extending the terms of loans to untested lengths. Low down payments and relatively slow amortization have enabled millions to purchase homes; at the same time, the relatively small equities that borrowers using government-insured loans (particularly VA-guaranteed loans) have in their homes subject lenders and insuring agencies to greater risk in the event of a substantial decline in home prices. To some extent, the willingness of lenders to make liberal, long-term, government-insured loans is caused by increased governmental intervention in the secondary mortgage market (FNMA). Or, to turn to nonfinancial results of the government programs, heavy emphasis on new construction may tend to

foster blight in the older sections of urban areas. However, as of 1950, the positive accomplishments of these programs add to an impressive total.

Data reviewed in this chapter suggest that the majority of government-insured loans are made to moderate- to low-income borrowers for the purchase of above-average priced homes on terms which are sufficiently liberal so as to establish a presumption that most loans will be retired without difficulty. Below-average delinquency on these loans in 1950 supports this tentative conclusion. Our data indicate that lenders have maintained income requirements at approximately the level found in the case of conventional loans. The relative infrequency of refinancing and junior mortgage financing in the case of government-insured loans indicates that, in general, these loans have met the mortgage-credit needs of borrowers. It seems clear that the standardized loan instrument and construction standards provided for in these programs have speeded the development of a national secondary mortgage market. Certainly, the widespread use of the VA and FHA plans implies that they have met with borrower and lender approval. (pp. 175-176)

Some of the earliest "sociological" writing on the subject of housing was very much concerned with the substandard condition of housing occupied by immigrant groups. Two women who worked with the Chicago School of Civics and Philanthropy—Grace P. Norton (1913) and Natalie Walker (1915)—wrote about this subject and exhibited deep concern over the "social problems" attributed to poor housing conditions.

In subsequent years, the subject of housing was subjected to a more objective and "scientific" approach. F. Stuart Chapin, in particular, attempted to study housing experimentally. Chapin (1940, 1947, 1950) examined such factors as family morale, social participation, and social status, contrasting people in new housing projects with slum-dwellers. He also looked into health conditions (e.g., tuberculosis death rates) in relation to housing conditions. He was also one of the first academic scholars to express concern over the possibly deleterious effects of high density.

Other sociologists who were actively pursuing the subject in the 1940's included Arnold M. Rose (1947, 1948), who was interested in the living arrangements of urbanites who were not attached to a family unit, and Svend Riemer (1941, 1943, 1945, 1947), who was especially conscious of what sociologists might contribute to the planning of homes, and who was concerned over the problem of room crowding and loss of privacy for the individual.

In 1947, Louis Wirth published an essay on "Housing as a Field of Sociological Research." In it, he laid out a research agenda that has yet to be fully completed. Sociologists have yet to follow through on his ideas, straightforward as they seem.

I cannot conclude this brief review of accomplished research on the dwelling without mentioning the most valuable summary available to us: the book by Glenn H. Beyer, Director of the Center for Housing and Environmental Studies at Cornell University. The work is *Housing and Society* (1965, rev. ed. 1967) and it summarizes a large amount of academic and governmental research effort. In any case, there is much more research available to us at the level of the neighborhood, and it is to this topic I shall now turn.

IIA.2. *The Urban Neighborhood*

Sociologists and other social scientists have been rather heavily involved in studies of the urban neighborhood, in this country and elsewhere, particularly in England. Much of the literature focuses on housing conditions. A summary of some of this international research is to be found in Suzanne Keller's provocative book, *The Urban Neighborhood: A Sociological Perspective* (1968), which is especially valuable for its bibliography.

Actually, the scholarly emphasis on housing conditions in various city neighborhoods dates back to the early part of this century, when a number of "reformers" were very active in delineating areas of poverty and "social problems" in great (and often quite boring) detail. The social survey movement in this country—modelled on Charles Booth's exemplary late 19th century research on London—brought out many facts and even more numerous speculations about the development and impact of slums and other problem areas of the city. (See Pfautz, 1967, especially the introductory essay on Booth by the editor.) A good example in this country is the six-volume Pittsburgh Survey led by Paul Kellogg.

However, the first "modern" and "scientific" exploration of the American urban neighborhood was probably that conducted by Roderick Duncan McKenzie, a student of city life immersed in the nascent development of "the Chicago School" of human ecology. Published as a monograph in 1923, *The Neighborhood* was a detailed study of "natural areas" in the city of Columbus, Ohio. City ward data were ingeniously manipulated, and various parts of the study appeared in the *American Journal of Sociology* in earlier years, 1921 and 1922. (See Hawley, 1968, for an appreciation of McKenzie's work; this collection of the latter's articles contains a representative excerpt from the study of Columbus.)

The term "ghetto" is today used mainly to refer to black areas of large cities. Wirth's classic study—*The Ghetto* (1928)—was concerned exclusively with the Jewish ghetto. He reviewed the origin of the ghetto as an institution, focusing on Frankfort, which he regarded as a typical ghetto, and after two brief chapters concerned with the "Jewish type" and the "Jewish mind," saw the Jewish-American ghetto as undergoing dissolution. Roughly two-thirds of his book is concerned with Jews in America, with a heavy emphasis on the Chicago area. This work, non-quantitative in character, still stands as a useful background study for current efforts to understand the general problem of segregation, voluntary or forced, and the emergence of so-called "natural areas," or neighborhoods that have been formed on the basis of economic class or ethnic or religious status.

Another classic in the Chicago sociological tradition is the work on *The Gold Coast and the Slum* by Harvey W. Zorbaugh. This study of Chicago, published in 1929, is a fascinating inquiry, juxtaposing Chicago's so-called Gold Coast with the adjacent near northside slum areas, and the areas known as Tower Town and Little Hell.

Paul Hatt, among others, objected to the approach of the Chicago sociologists employing the concept of "natural areas." (Hatt, 1946) He brought forward what he took to be evidence for the sub-areas of Seattle that seemed to him to contradict the Chicago School's division of the city into definitely-bounded "community areas." While not en-

tirely convincing, Hatt is still worth reading because he does show the difficulty—from a social-psychological standpoint, at least—of carving up the community's total territory into distinct and somehow unchanging neighborhoods.

Still another influential early work was that of Caroline Ware, who studied Greenwich Village in the early 1930's. (Ware, 1935) This study—as much a work in urban history as a sociological investigation—is widely regarded as a minor classic. It focussed on the 1920-30 decade, and was an intensive investigation of one sub-community that shows the history, ecology, demography, and life-style of this famous neighborhood.

Two studies that were concerned with the problem of neighborhood invasion and succession are the well-known articles by Cressey (1938) and Ford (1950). Examining Chicago again, Cressey tried to reconstruct for 1898 and 1930 just what the situation was with respect to change in ethnic neighborhoods over time, while Ford updated the Cressey study to 1940, stressing the impact of the Great Depression of the 1930's. Thus the Cressey study has been replicated, and would be well worth updating even today. Ford covered most of the major ethnic groups in Chicago, and the longitudinal reconstruction that he made is a contribution to the study of neighborhood change in urban areas.

Completed Work on Neighborhoods Published in the 1960's.—The format chosen here is a kind of "book-of-the-year" selection of influential research monographs, although an occasional article will be mentioned.

The relevant research of the 1960's began with an important work by Beverly Duncan and Philip M. Hauser. Entitled *Housing a Metropolis—Chicago* (1960), the volume first undertakes a comparative analysis of the housing inventory in Chicago and five other large Standard Metropolitan Areas (SMA's). These materials were drawn from a survey of metropolitan housing in the United States, called The National Housing Inventory, during December 1956 and January 1957; the Bureau of the Census carried out this survey. Special materials were made available for the Chicago area, which was oversampled, and additional questions were asked on the survey instrument.

This study is broader than the earlier housing research literature which tended to focus on single facets of housing or which dealt with single segments of the population at large. The authors analyze differentials in quality, availability, and price of metropolitan housing, exploring these in relation to such factors as income, race, age, recency of immigration, and stage of the family life cycle.

There are many interesting and useful findings. For example, the authors found that while one third of the older persons who live alone occupy substandard dwellings, fully a third of the *younger* persons living also also occupy such housing. They also discovered that landlords of substandard dwellings obtain a "bonus" for renting to non-whites; this amounted to about \$15 per month in the period covered by the survey. Another striking finding, discovered by means of statistical analysis, is that only one-sixth of the variation among households in rent is accounted for by differences in income.

This study is relatively unique because it displays what can be done by cooperation between academic research and a local community. The

monograph was a product of the cooperative research program between the Chicago Community Inventory of the University of Chicago and governmental agencies of the City of Chicago. Unlike the situation in many other communities, the Chicago Community Inventory performs general statistical, research, and service functions for the Department of City Planning and is also available for special studies.

The authors summarize their findings in an "overview" of the volume (Chapter I):

On the substantive side, the major topics treated in the monograph are patterns of change in the size and composition of metropolitan housing inventories during the 1950's, the relationship of income to housing, differentials in the housing of whites and nonwhites, and the housing of families at different stages of the family life cycle. Several critical housing problems confronting the metropolis are illuminated by these analyses. For example, there is concern that the demolition entailed in urban renewal will exacerbate the depression and war-induced housing shortage in metropolitan areas. It is relevant that although about 4 per cent of the 1950 housing inventory had been demolished or otherwise lost in the post-1950 period, the number of available vacancies increased between 1950 and 1956 in each of the nation's six largest metropolitan centers. Housing the growing nonwhite population of metropolitan centers is another problem faced by the metropolis. It is shown that, at least in the case of Chicago, discrimination in the housing market as well as residential segregation aggravates the problem. There is the perennial problem of providing adequate shelter for the lower-income groups—white as well as nonwhite. . . . Finally, there is the emergent problem of housing our rapidly increasing aged population. Growing concern with this problem is evident throughout the nation. The data, at least for Chicago, show that some of the opinions held on the inferior housing conditions of the aged are unfounded; and they provide a factual basis for the consideration and solution of such problems as there are. (pp. 5-6)

This study although based primarily on materials for Chicago and thus necessarily affected by the unique aspects of the Chicago situation, nevertheless has a number of generic implications. Comparative analysis of patterns of change in the housing inventory of the six largest SMA's and two cities brings out striking inter-area similarities. Insofar as differences are observed, they typically hinge on the differential rates of new construction.

In general, the housing situation in these metropolitan areas improved between 1950 and the close of 1956 both quantitatively and qualitatively. The available vacancy rate more than doubled in the Boston, Chicago, Detroit, and Philadelphia SMA's and increased by a fifth in the New York SMA. In the Los Angeles SMA, the available vacancy rate fell by a sixth; but in both years it was above the metropolitan average. The proportion of the housing inventory classified substandard dropped by a third to a half in each SMA except New York, where a decrease of a twelfth was observed. Loosening of the housing market and upgrading of the housing supply also are evident in the cities. The available vacancy rate doubled in Chicago and tripled in Philadelphia. The proportion substandard fell by a third in each city. (pp. 7-8)

At the risk of misleading the reader, I shall continue selectively to quote from the Duncan-Hauser overview chapter. They note that:

A few comments about the areas for which statistics are available seem in order. The SMA's differ greatly in date of settlement, residential maturity, population density, and other factors which are likely to be associated with the composition of the housing inventory and changes therein. The number of areas for which data are available is too small, however, to "control" for such differences. . . .

Growth of the housing inventory and area growth differentials are accounted for primarily by the volume of new construction. In both the SMA's and the cities, about 92 percent of the dwellings which existed in 1950 remained intact in the 1956 housing inventory. Some 2 percent of the 1950 dwellings had been demolished in the seven-year period. Four percent of the 1950 dwellings were involved in merger or conversion. However, losses through merger were offset by additions through conversion, and jointly merger and conversion processes had a negligible effect on the size of the housing industry. Losses by "other

means" generally were offset by additions from "other sources." Thus, the rate at which an area's housing inventory grew depended almost wholly on the local rate of residential construction. . . .

Standard [as opposed to "substandard"] housing increased by nearly half in the Los Angeles SMA, roughly a third in Chicago, Detroit, and Philadelphia, and at least a sixth in the Boston and New York SMA's. Increases in standard dwellings of nearly a sixth are reported in the cities. In each area, new construction was the chief source of increase in standard housing. Upgrading of dwellings which existed in 1950 contributed a smaller, but nonetheless noteworthy, number of units to the supply of standard housing in each area except the New York SMA, where a net downgrading of the 1950 inventory apparently occurred.

Substandard housing was reduced by a third or more in the Chicago, Detroit, Los Angeles, and Philadelphia SMA's and by over a fourth in Boston. In the New York SMA, however, the supply of substandard housing may have increased slightly. In both the cities of Chicago and Philadelphia, substandard dwellings decreased by almost a third. Substandard dwellings merged, demolished, or otherwise lost to the inventory were somewhat more numerous than substandard dwellings added through conversion or new construction. . . .

The change processes—in particular, new construction—accounted for most of the increase in standard housing. In the case of substandard housing, the change processes jointly resulted in moderate decreases in each area. The upgrading, or in the case of New York downgrading, of the existing housing supply was of primary importance in changing the supply of substandard housing.

Home ownership became more prevalent in each area between 1950 and 1956. Accounting for this increase were primarily new construction and to a lesser extent tenure-occupancy shifts within the existing housing supply. Rental housing decreased both as a proportion of the total inventory and in volume in the Boston, Chicago, Detroit, and Philadelphia SMA's. In the Los Angeles and New York SMA's, the proportion of renters decreased, although the supply of rental housing increased. In each city, both the number and proportion of renters decreased. (pp. 8-10)

The available statistics on residential mobility indicate that over four-fifths of the moves which terminate in these metropolitan areas involve a change of dwelling within the same SMA rather than in-movement to the SMA from other areas. Vacancies occurring in the city appear most likely to be filled by city residents, whereas vacancies occurring in the ring are more likely to be filled by residents of the suburban ring. This suggests the existence of a "city housing market" and a "ring housing market" within the metropolitan market. . . .

[S]ome housing and family characteristics which vary with income may be noted. As family income increases, increases are observed in: prevalence of home ownership; the proportion of normal families, those which comprise married couples and their relatives; the size of the average family. As family income increases, decreases are observed in: prevalence of substandard housing; the proportion of nonwhite families; the proportion of families headed by persons 65 and over (pp. 11-12)

Some 15,000 standard dwellings available in public-housing projects mitigate the housing situation of lower-income families. Although such units comprise only 1 per cent of the city's housing supply, 10 per cent of all standard dwellings rented by lower income families lie within the projects. Families in the projects, as compared with other lower-income renters, are likely to be nonwhite, to be large, to include minor children, and to consist of an atypical family group.

A loose relationship between rent and income on a household basis is indicated by the finding that only a sixth of the variation among households in rent is accounted for by differences among them in income. Households paying the same rent vary substantially in their income, and households with the same income pay a wide range of rents. There is, nonetheless, a strong average tendency for rent to increase as income increases and, conversely, for income to increase as rent increases. These relationships, along with the nature of the data, lead to an average tendency for the rent/income ratio to decrease as income increases and to increase as rent increases. (pp. 12-13)

During the past two decades, Chicago's nonwhite population has grown rapidly while the white population has decreased somewhat. During the 1940's, the rapid in-migration of nonwhites coupled with a housing shortage encouraged doubling up of nonwhite families and other somewhat irregular living arrangements. . . .

Nonwhites in Chicago pay rentals more or less equivalent to those paid by whites and can do so only by allocating larger proportions of their income to housing. Although in the 1950's, the housing of nonwhite renters improved more than that of white renters, the proportion of nonwhites in substandard housing still is at least double that for whites. This white-nonwhite differential is accounted for not by differences in the rents paid by white and nonwhite families but by the fact that nonwhite families receive less "quality" per dollar spent on housing than do white families. When white and nonwhite families paying the same rent are compared, the nonwhite families consistently have a higher proportion in substandard dwellings. There is no evidence that the non-whites "sacrifice" quality for space. They get less desirable housing but apparently no more housing space for a given rental than do white families. Differences in the economic status and composition of white and nonwhite families also fail to account for their differential in housing quality.

Residential discrimination against nonwhites can be inferred from the finding that nonwhites pay significantly more than whites for housing of roughly equivalent quality and spaciousness. Such discrimination is evident among families living in the Chicago areas for at least two years as well as among recent in-migrants. Given the high degree of nonwhite residential segregation in Chicago, white and nonwhite households may be competing in separate housing markets. If so, the heavy demand in the nonwhite housing market engendered by nonwhite population increase may produce residential discrimination as well as "piling up" or congestion in nonwhite residential areas.

By and large, nonwhites gained additional housing by taking up occupancy in dwellings formerly occupied by whites rather than by occupying new dwellings. Although large numbers of dwelling units were "turning over" from white to nonwhite occupancy, very few dwellings reverted from nonwhite to white occupancy. This also suggests separate white and nonwhite housing markets.

Although new construction was concentrated in the outlying sections of the city, increases in vacant dwellings and improvement in housing quality occurred in all parts of the city during the 1950's. At the end of 1956, however, housing conditions still were less favorable in the central than in the peripheral areas. In the outlying parts, housing tended to be newer and in better condition and to provide more adequate facilities. "Family living" also appears more prevalent in the outlying areas, for the rate of home ownership is high and households are likely to be large and to consist of normal families.

Both white and nonwhite residential areas are found in the central, more deteriorated section of the city. Housing conditions generally appear more desirable in the white areas. . . . (pp. 14-16)

Families typically undergo a series of stages, termed the "family life cycle," the major elements of which may be described as formation, expansion, contraction, and dissolution. Substandard housing is widespread among young couples, becomes less prevalent as the family passes through its expanding phase, and then rises slightly among older couples whose children have left the parental home. On the other hand, home ownership, occupancy of single-family homes, and occupancy of newly built units become more frequent as the family expands and then becomes slightly less frequent as the family contracts. On the economic side, the pattern of change is more complicated. The situation perhaps is most acute for younger couples with pre-school children. Their need for spacious housing of relatively good quality must be met from a relatively limited income. . . .

Households which include an older person are no more likely to live in substandard housing than are other households. It is true that a third of the older persons living alone and a fourth of those living with nonrelatives live in substandard dwellings, but the proportions substandard are equally high among the dwellings of younger persons living alone or with nonrelatives. The current income of older families and older persons living alone is lower than that of the younger, and the ratios of rent to current income among the old are relatively high. However, current income may be a poor indicator of the financial status of older households and tend to overstate their economic disadvantage. No information is available on the financial status of elderly persons who share the dwelling of younger relatives, but it should be noted that the families which include elderly relatives have current incomes well above those of other families. (pp. 16-18)

1961 saw the appearance of an important theoretical work: *The Emerging City: Myth and Reality*, by Scott Greer. The changing city is viewed as but one manifestation of a massive transformation in social organization, a shift toward an enormous increase in organizational "scale." One possible outcome, according to Greer, is that the city (as we know it) will become obsolete, and that we are in the process of creating "communities of limited liability."

Building upon survey research conducted within the framework of "social area analysis," a variant of simple factor analysis and a theory of the city as well, Greer gives particular attention to what he perceives as "the community of limited liability." He distinguishes *four* levels of organization in urban residential areas—household, neighborhood, residential community, and municipality. He asserts that different combinations of involvement in these structures yield three key "social types": these are the "isolates," the "neighbors," and the "community actors." It is his estimate based on survey research in St. Louis, that 90 per cent of the population falls into one or another of these "social types."

Isolates are those who are literally disengaged from the organizational structure of their geographical space in the city; they operate as neighbors little if at all, and they belong to none of the voluntary organizations in the area. They are spiritual *émigrés* from the local community. They are poor voters; a majority of them have never voted in a local election. Though a few read the local newspaper, they read it chiefly for advertisements; they are ignorant and incompetent with respect to the local community's affairs, generally unable to name local personages of importance, and frequently not even aware that they live within a municipality that holds elections. While they are somewhat less apt to be college graduates than the average, many of them are highly educated and well paid—they simply do not opt for participation in the community.

Neighbors are those who are involved in the household and in the household's immediate social environment. Locally, they live in the small world of casual interaction and family friendships. They are disproportionately made up of younger families, and are most usually wives and mothers. Like the isolates, they participate at a low rate in local politics, and many of them have never voted. They are most likely, however, to read the local newspaper than the isolates, and somewhat more aware of the *dramatis personae* of the local area, but much of the reading simply supplies ammunition for neighborly gossip. For such individuals, the arena of social participation is limited: their path through the social space of the locality stops short at the bounds of the neighborly enclave.

Community actors are from all levels of education and occupation, are of all ages and both sexes. They are those who are involved in the local area, through membership in the local organizations, and are also a part of the communication flow of the area, through neighboring or reading the local paper for local news or both. They are likely (according to research carried out in St. Louis) to be somewhat better educated than the others and somewhat older on the average. However, they are as likely to be women as are the neighbors, and more so than isolates. Here, in fact, are the active clubwomen who run their share of the social organization in suburbia. But only half of them are women—men also participate vigorously. Community actors supply a disproportionately large part of the local electorate (about 70 per cent are local voters compared to 30 per cent of the isolates) and are by far the most knowledgeable type with respect to local personages, leaders, and the electoral contests of the area. . . .

Thus, most of the public affairs in the community of limited liability are carried on by a self-selected fraction of the population. When local voluntary organizations are spokesmen for corporate interests, it is for the community actors they speak. The latter are also disproportionately important in the outcome of local

elections. But they are, in one sense, representatives of the total population. Insofar as they have the same household, neighborhood, and community commitments as those who are isolated or confine their lives to the neighborhoods, their actions stand for the whole community. They are virtual representatives. They may not always represent these interests in an unbiased fashion, but their organizational advantage assures them a strong voice, collectively, in the polity of the local area. They are a form of ruling class, a "Coxey's army" drawn from local businessmen and bureaucrats, small property owners, clubwomen, aspiring young lawyers, and the League of Women Voters. (pp. 120-122)

The next significant work to make a major impact upon thinking about housing and redevelopment was *The Urban Villagers: Group and Class in the Life of Italian-Americans*, by Herbert J. Gans (1962). Carried out under a contract with the National Institute of Mental Health, U.S. Public Health Service, the book was an intensive investigation of Boston's "West End." Gans conducted a participant-observation study focused on the native-born Americans of Italian parentage who lived there among other ethnic groups. The area under investigation no longer exists; it was recognized as a "slum" in 1953 and was ultimately torn down under the terms of the federal urban renewal program between 1958 and 1960. It was converted by 1962 (at the time of the publication of the book) to a luxury apartment house complex. Gans lived in the area between October 1957 and May 1958, which was just before the onset of redevelopment. Gans subsequently interviewed the original residents of the area after they had become dispersed throughout greater Boston. The focus of the effort was the "way of life" of a low-income population. The work was especially oriented to the needs of city planners, educators, social workers, public health officials, those in public recreation, and (most importantly) doctors of medicine and psychiatry—those whom Erich Lindemann has described as "caretakers." As for housing, Gans gave a detailed characterization of the original housing stock, evaluated its condition, and held up these data to the judgments of West Enders themselves. He also took note of class differences in housing preferences, all adding up to an intimate portrait of slum life.

The next work to be mentioned is another "classic" in the Chicago tradition. I refer to *Ethnic Patterns in American Cities* (1963) by Stanley Lieberson, who drew upon a massive body of census materials in order to investigate residential segregation among ten important immigrant groups in ten major urban areas during the period 1910-1950. Both first and second generation members of various ethnic groups were examined via census data on Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbus (Ohio), Philadelphia, Pittsburgh, St. Louis, and Syracuse. To one interested in housing, the significant sections of this book deal with the ability of Negroes and whites to compete for housing, the question of home ownership *versus* renting (with close attention to the differences between ethnic groups and the extent to which they own their own homes), and the effect of home ownership patterns on residential segregation. Chapters 3 and 4 contain the heart of the housing analysis.

In the same year that Lieberson's book appeared, a very influential work was published by Nathan Glazer and Daniel Patrick Moynihan—two leading "urbanologists"—who attempted to trace the role of ethnicity in the tumultuous, varied, endlessly complex life of New York City.

It is time, we believe, that such an effort be made, albeit doomed inevitably to approximation and to inaccuracy, and although it cannot but on occasion give offense to those very persons for whom we have the strongest feelings of fellowship and common purpose. The notion that the intense and unprecedented mixture of ethnic and religious groups in American life was soon to blend into a homogeneous end product has outlived its usefulness, and also its credibility. In the meanwhile the persisting facts of ethnicity demand attention, understanding, and accommodation.

The point about the melting pot, as we say later, is that it did not happen. At least not in New York and, *mutatis mutandis*, in those parts of America which resemble in New York.

This is nothing remarkable. On the contrary, the American ethos is nowhere better perceived than in the disinclination of the third and fourth generation of newcomers to blend into a standard, uniform national type, (p. v)

Glazer and Moynihan have a great deal to say about housing and neighborhoods.

The greatest gap by far between the conditions of life of New York's population in general and the specific part of it that is Negro is to be found in housing. Here is the greatest and most important remaining area of discrimination—important in its extent, its real consequences, and its social and psychological impact.

The Negro ghetto in New York City has not dissolved, either in Manhattan nor in the other boroughs, for the poor or the well-to-do. The ghetto is not surrounded by a sharp line, and there is less sense of boundaries in New York than there is in many other cities. But in each of the four main boroughs there is a single concentrated area of Negro settlement, shading off at the edges to mixed areas, which tend with the increase in Negro population to become as concentratedly Negro as the centers. If one looks at a map of New York City on which the places of residence of the Negro population have been spotted, one will find many areas with small percentages of Negroes, and it may look as if the Negro population is spreading evenly though the city, is being "integrated." But a closer examination will reveal that these small outlying areas of Negro population are generally areas with public housing projects, and the Negro population is there because the housing projects are there. The projects in the outlying boroughs are partly Negro islands in a white sea. (pp. 53-54)

1963 also witnessed the publication of an extremely interesting work on *Skid Row in American Cities* by Donald J. Bogue. Quoting Bogue:

This research was undertaken as an experiment to learn ways of making social science research more useful in the solution of modern social problems. The study was undertaken initially as a Demonstration Project for the Urban Renewal Administration, Housing and Home Finance Agency, under Section 314 of the Housing Act of 1954. Two-thirds of the funds were contributed by the Urban Renewal Administration and the one-third required by law to come from local sources were kindly contributed by the Wieboldt Foundation of Chicago. (p. vii)

Bogue began his investigation early in the planning of this study by addressing letters to responsible officials in all cities that had at least 50,000 population. Bogue inquired whether a Skid Row was present in the city and, if so, where it was located. "In response to these inquiries, and as a result of other explorations, Skid Row developments were reported or inferred for about 45 cities. The locations of the Skid Row neighborhoods in each city were plotted on maps." (p. 5)

The boundaries shown are approximate, or may have changed since 1959-60 when the data were gathered. In most cases, the boundaries were described by a local observer (planning official, engineer, police official, or public or private welfare agency head) who was familiar with the neighborhoods of his city. In almost every case these areas are set in a much larger zone of blight and physical deterioration. To dramatize the fact that Skid Row is only a part of larger blighted zone, on the maps the entire census tracts containing the Skid Row areas have also been shaded.

Reasonably exact boundaries were not obtainable for several cities known to have Skid Rows, and maps for them could not be included. However, the author believes that, except for these omissions, together these maps identify fairly precisely those neighborhoods of which a wealthy nation and a prosperous community might be expected to be most ashamed. (p. 17)

Bogue concludes that—

almost every American city of 500,000 or more has a Skid Row neighborhood. Tendencies toward such a development are present in most (and possibly nearly all) cities having 175,000 or more residents. Although there undoubtedly are differences from one Skid Row to another, with each one being unique in some way, the general characteristics of most Skid Rows are the same: poor housing, occupied by familyless men living under conditions of great economic duress. Chicago appears to have one of the largest Skid Row developments in the nation. A tabulation of census data for a sample of Skid Row residents shows unmistakably that they are a very divergent and depressed group, with high rates of unemployment, incredibly low incomes, irregular employment, and low educational status. Contrary to their reputation, they are not very migratory.

This is Skid Row as seen from a somewhat detached and external viewpoint. What is Skid Row like to the many welfare workers, police, and others who come into contact with this neighborhood every day? What is Skid Row life like to the various kinds of homeless men who live there? Is this a way of life they chose and find satisfying? Is this a closely knit community with common orientation and common values? What is the personality structure of these men? And finally, what happens in the lives of men to cause them to take up residence in such a neighborhood? These are the subjects of the next several chapters of this book. (p. 17)

As a consequence of his interest in these questions, Bogue conducted personal interviews, following a lengthy interview schedule as a guide, and proceeded to give a social psychological portrait of the inhabitants of this sort of "unusual housing" area. While it was essentially a case study of Chicago's Skid Row, I agree with the author that many of his generalizations could be extended to areas of homeless men in other cities of the United States. From personal observation, I am of the opinion that Bogue's generalizations tend to hold for Providence, Cleveland, Cincinnati, Madison, Milwaukee, and San Francisco.

A general treatise on slum neighborhoods was published in 1964 by David R. Hunter. Entitled *The Slums: Challenge and Response*, the book deals with almost every aspect of slum life that one could think of—education, housing, race relations, and poverty. One of the most valuable parts of the book is an outline of a specific program of action that might be implemented on a city, state, or federal level. With respect to housing *per se*, Hunter observes that,

Slum housing includes both buildings that have deteriorated from their original livable state and buildings that never were fit for human habitation. There are not so many of the latter any more in the cities. There are plenty in the rural slums, particularly in the South. This type of building was typified by the "old law tenement" of New York (there are still over 50,000 of them), which has inside rooms with no ventilation at all, minimal sanitary facilities, little light, and is constructed of combustible materials throughout.

Today in the big cities most of the buildings in the slums once were fairly decent, and could be made so again. In 1960, there were 3,634,000 urban slum housing units. Of these, 1,173,000 were "dilapidated urban units" by the standard definition used in the 1960 census.

The remaining 2,511,000 were urban housing units lacking some or all plumbing facilities. In this urban slum housing, at least 12.5 million people lived. This was calculated on the basis of 3.36 persons per household, the average for the United States. Urban households tend to be somewhat smaller than the general average, but urban slum households tend to be larger than the general urban average. Therefore, this is a reasonable basis for estimating the number of people living in slums. The figure has to be estimated because it was not counted, as such, in the 1960 census. (Hunter, pp. 31-32)

Perhaps the most interesting analysis published in 1964 was *The Future of Old Neighborhoods: Rebuilding for a Changing Population*, by the economist and planner Bernard J. Frieden. Frieden analyzed data from three cities, New York, Los Angeles, and Hartford. As he observed,

Many square miles of our cities consist of old neighborhoods where population decline appears imminent or has already begun. To recent analysts, these are the "gray areas" of obsolescent housing destined to be vacated at an increasing rate in the near future. In their view, the old residential structures are rapidly outliving their usefulness and will shortly be ready for clearance and replacement. Further, according to this interpretation, economic and social forces are operating inexorably both to destroy the present usefulness of these parts of the city and to block efforts to rebuild them as new residential communities.

What is the nature of this hypothetical process that seems to ensure indefinite stagnation in the old residential areas? Changing public taste is expected to bring about a rapid obsolescence of buildings constructed to the standards of past generations, while the buildings themselves deteriorate with age. Residents will move out, leaving behind a set of partially occupied buildings. These semi-abandoned structures are at the base of the gray areas hypothesis: their continued presence is expected to constitute a severe liability to the land they occupy. It is argued on the basis of current experience that such land can be cleared only at a high cost, for old structures are expensive to acquire despite their waning utilization.

This study will take issue with the basic perspective of the gray areas hypothesis and with many of its supporting assumptions. As a diagnosis of current trends, the gray areas view accurately identifies the *direction* of changes now under way. But it exaggerates the *rate* of change and thus leads to an ill-founded notion of the under-utilization of older residential neighborhoods, with undesirable implications for public policy. The gray areas view thus poses a premature issue: how to accomplish the large-scale rebuilding of declining areas. These areas serve vital social purposes and will probably continue to do so for the next two decades: they provide housing for the poor and for the migrants now streaming into urban regions.

American cities have long been acquainted with migrations of the poor and the unassimilated. Traditionally, the big city has absorbed wave after wave of immigrant groups into American society. Although foreign immigration has now been reduced to a trickle, the movement of Negroes from the rural South to the central cities of the North presents a continuing challenge to public policy. The assimilation of newcomers is still an urgent problem in the city, and decent low-cost housing is a key requirement. The task of the next twenty years in most of our large cities is more properly one of renovating and preserving the old houses in order to prolong their usefulness during a period when they will be needed. Deteriorated areas that are truly ripe for clearance should be measured by the acre rather than by the square mile. The argument for selective clearance and gradual renewal . . . can be summarized briefly here.

Recent experience also suggests that desirable building sites will be available at a lower cost on vacant outlying land. Suburban sites are the overwhelmingly popular choice for new housing, and little evidence is at hand to suggest a sharp reversal of this trend. For most people in search of new housing, the attractions of the suburbs remain compelling, and a steadily growing metropolitan highway network promises to open up an increasing supply of suburban land with good accessibility to jobs and services.

The gray areas, in comparison, seem to offer few present or potential advantages. The central location of most of these areas was formerly a considerable asset for their development, but with the outward spread of jobs and services and with improved highway access to the suburbs, central locations no longer play a dominant role in the housing market. While a limited number of people want to live near the center and are willing to pay enough for their housing to compensate for high land costs, the vast majority of those in the market for new housing choose suburban dwellings.

Thus, the gray areas argument constitutes both an explanation of current population decline with its concomitant lack of new construction and a prediction of more widespread abandonment and stagnation in the coming decades. The argument rests on assumptions—drawn largely from current experience—

about cost differentials between built-up and vacant land and assumptions about the extent of housing demand for inner locations. . . .

The use of old residential neighborhoods is closely linked to migration into urban areas. In the 1950's, record numbers of central-city residents moved out to the suburbs, leaving unoccupied living space in the older areas. At the same time migrants from the South and from Puerto Rico, like their counterparts from Europe fifty years ago, settled into old sections of the central city.

Migration alone did not refill the vacant dwellings. High birth rates increased the size of minority groups already in the cities, and other families undoubled or moved into more spacious quarters. . . .

Housing in the declining areas is by no means uniformly substandard. Many of the structures do not conform to the tastes of the middle class today, but only a small proportion are seriously deteriorated or lack basic facilities. Moreover, much of the old housing has been improved. Private renovation in the 1950's upgraded a sizable proportion of formerly substandard units by combining small quarters into larger units and by installing new plumbing equipment. Since this housing is still very much in demand, any general clearance program would create considerable hardship unless alternate low-cost housing were provided. These circumstances argue for limited clearance efforts to a scale consistent with the supply of vacant low-cost housing and removing only dilapidated or clearly substandard structures. (Frieden, 1964, pp. 2-5)

In Chapter 6, Frieden completes his analysis with a consideration of "policies for rebuilding." He sets out alternatives for public action, and in a direct fashion.

The rebuilding of cities is now a matter of general public concern. Both the federal government and the cities are heavily involved in problems of housing and the future of declining neighborhoods, but the development of public policies that link housing concerns with rebuilding programs is a difficult task. . . .

If public policies are to serve broad social goals, there can be little justification for clearing away houses as long as they have a useful function. Big-city experience in the 1950's has demonstrated that the term "gray areas"—with its implications of abandonment and disuse—is a misnomer for the old neighborhoods. These areas serve rather as *zones of passage* for low-income groups new to urban life, and for other residents unable to afford higher rents or not yet prepared to leave the social surroundings of the old communities. Under present conditions, the large-scale clearance of aging neighborhoods deprives people of valuable housing resources and in many cases brings on further hardship by uprooting people who have strong ties to a local community.

Despite the evident need for old housing, many cities have already cleared large residential areas for urban redevelopment projects. The search for additional real estate taxes, the political value of physical symbols of progress, aesthetic objections to decaying neighborhoods, and the application of current housing standards to structures built 50 or more years ago are rationales for such clearance programs. But the adverse social and political consequences of harnessing rebuilding policies to these approaches have become increasingly evident, and policy changes are clearly in order.

If the objective of public policy is to clear only *surplus* housing, what can be done with the declining neighborhoods? Major alternatives are:

1. Leave these areas untouched until they are virtually abandoned, then acquire the properties at reduced prices, clear them, and rebuild the cleared sites for new purposes.
2. Rebuild these areas gradually, replacing the old housing in small parcels as vacancy rates rise.

The first alternative raises serious problems of maintaining public services during the lengthy period of abandonment and dislocating remaining residents after population falls to a low level. The second is more difficult to achieve, but avoids these problems. Although neither alternative would force occupants of the old housing to leave in the near future, the first would eventually displace those that remained, and past experience suggests that a large number will remain even after occupancy has declined for many years. In addition, a gradual rebuilding will offer some people a chance to find new housing without leaving the community, and will widen the choices available to nonresidents who are in the market for new housing (pp. 120-121)

In 1965 certainly the most valuable contribution of the year was *Negroes in Cities* by Karl and Alma Taeuber. This monograph consists of two parts: a comparative analysis of patterns of Negro residential segregation in the United States, and series of detailed case studies of racial-residential succession and neighborhood change. The first part provides valuable and comprehensive data on levels of segregation for 207 American cities in 1960. In addition, it is important that measures are provided for 1940, 1950, and 1960 for 109 cities, permitting some analysis of historical trends. Variables such as the absolute and relative sizes of the nonwhite population are introduced as factors that might explain variations in the level of segregation. Much of the second part of the monograph makes use of a quantified typology of neighborhoods—established Negro areas, areas of consolidation, stable areas, and areas of displacement. The focus is on such diverse cities as Chicago, Detroit, Cleveland, Philadelphia, St. Louis, Washington, Baltimore, Atlanta, Birmingham, and Memphis. In addition there is an extremely valuable technical appendix on the statistical measurement of residential segregation, the most comprehensive and enlightening in the research literature.

As a kind of footnote to the Taeuber volume on *Negroes in Cities*, a graduate student and I were able to confirm the traditional impression that older Southern cities are less residentially segregated along racial lines than newer ones. (Schnore and Evenson, 1966) We used the Taeuber and Taeuber data for 1960. It will be sufficient to quote the abstract from the article:

The existing literature on Southern cities suggests that the older ones are less segregated residentially than the newer ones. This generalization, however, has been based mainly on case studies of individual cities and upon impressionistic observations. This study examines current (1960) levels of residential segregation by color in 76 Southern cities and finds that the popular generalization tends to be true. The historical pattern of "back yard" residency, which emerged in the *ante bellum* South under slavery, has apparently survived into the present, despite the passing of 100 years. Even when other relevant variables are controlled, there continues to be a negative association between age of the city and current level of segregation. (p. 58)

Reynolds Farley and Karl E. Taeuber have subsequently tried to estimate the changing situation of thirteen large cities in "Population Trends and Residential Segregation Since 1960." (Farley and Taeuber, 1968) Using census tract data in cities of at least 100,000 which had Negro populations of at least 9,000, they discovered that (1) the percentage of Negroes rose in all but one of the thirteen cities; the exception was Shreveport, where the per cent Negro remained the same (23.4 per cent). They also discovered that (2) from "11 of the 13 cities there was a substantial net out-migration of whites in the post-1960 period" (p. 953). (3) "Migration losses were proportionately greatest among whites aged 20 to 29 at the start of the period. The 30- to 39-year-olds also had high migration losses, and the 0- to 9-year-olds migrated along with their parents" (p. 953). Moreover, (4) "Negro population is growing rapidly, but natural increase rather than net in-migration increasingly is the principal source" (p. 956). This is largely a function of the younger age structure among urban Negroes. "Differential natural increase and white out-migration from cities are sufficient for continued increases in Negro percentages re-

ardless of the pace of Negro migration to cities" (p. 954). Finally, (5) they discerned "a pattern of increasing racial segregation. Only in Fort Wayne and Sacramento did Negroes and non-Negroes become less segregated from one another during the early 1960's. There is no evidence in these data of an acceleration or even continuation of the trend toward decreasing segregation observed for northern cities from 1950-60. . . . The concentration of whites in the suburbs and Negroes in the central cities is continuing. . . . The combination of small increases in residential segregation and large increases in the Negro percentage has greatly intensified the magnitude of the problems of segregation and desegregation of neighborhoods, local institutions and schools." (pp. 955-956)

Perhaps the most significant work published in 1966 was *Harlem: The Making of a Ghetto*, by Gilbert Osofsky, a social historian. While he concentrates on the period 1890-1930, Osofsky provides historical background for the understanding of the development of Harlem as a black slum. In the early 19th century, it appears, Harlem was an idyllic area of meadows, woods, and brooks. By the end of the 19th century, however, it had become Manhattan's first suburb, an exclusively upper- and upper-middle class community. Its broad tree-lined streets and spacious homes, according to Osofsky, set a tone of distinction and elegance in the community. He then goes on to describe and analyze the importance of the migration of Negroes into Harlem from the South, from Greenwich Village, and from the "Terrible Tenderloin," which was the site of the infamous race riot of 1900. White residents of Harlem, by this time, had organized to resist the "black hordes" of invaders. But Osofsky makes clear that by the 1920's, Harlem had become a wretched slum, filled with despair and poverty; needless to say, it has remained so ever since.

Osofsky sketches the situation in the 19th century, as a backdrop for the developments of the 20th century:

Throughout the nineteenth century most Negroes lived in the poorest working-class sections of the city. Negro neighborhoods were traditionally located in the less attractive residential areas on the outskirts of Manhattan Island, or along the east and west sides near the waterfronts—the sections doomed to become slums by the unimaginative grid pattern of urban planning instituted in 1811. Here Negroes lived in generally rundown quarters because of their poverty and were further separated from other working-class families in these neighborhoods on the basis of color. Within this pattern, however, was a built-in source of instability. New York was a rapidly expanding city throughout the nineteenth century and, as its population grew, new neighborhoods came into existence. What was the periphery of town or a slum for one generation was not necessarily the same for the next. As the city moved northward, so did the principal places of Negro residence.

In the early nineteenth century New York Negroes generally lived in the Five Points district, on the site of the present City Hall and in the blocks surrounding it, which were then considered "well uptown." The Sixth Ward, which encompassed most of the Five Points, was a heavily populated working-class neighborhood: the Negro section within it was popularly called "Stagg Town" or "Negro Plantations." This was the first place of major settlement of New York's freed slaves. (p. 9)

By the 1830's the Negro population of Five Points began to decline. Some Negroes continued to live there until the end of the century, but it essentially became a backwash community as the majority of [black] people moved north and west into Greenwich Village. A survey made of Five Points in 1860 found it to be an overwhelmingly Irish district. There were only a few hundred Negroes left there. . . . Between 1880 and 1890, however, their numbers began to decline. At the turn of the century they had dwindled to 1,900. In 1920, the few hundred

Negroes of Greenwich Village were janitors living in basements of tenements that housed whites, or tenants in the very few houses still occupied by colored people. (pp. 11–12)

At the turn of the century most Negroes lived in what would be the present-day midtown area, on a wide range of blocks between Twentieth and Sixty-third Streets. Although there were sections of Negro concentration within this area, no single large neighborhood was an all-Negro community. Handfuls of small and densely populated ghettos, usually a block or two in length, were found throughout Manhattan Island, on the east and west sides, from Greenwich Village to Harlem and even further north. Thirty-seventh and Fifty-eighth Streets, between Eighth and Ninth Avenues, for example, were Negro blocks. They were surrounded by white people, and the majority of whom were first- and second-generation Irish and German immigrants. (p. 13)

But what about Harlem as the principal site of black residence? Osofsky makes it clear that sheer Negro population increase was a critical factor.

Between 1890 and 1900 the Negro population of the city expanded by 25,000 people and both these new neighborhoods [The Tenderloin and San Juan Hill] were a response to the demand for more Negro living space. As Negroes moved in whites moved to more desirable residences in upper Manhattan. When New York City built its elevated lines on the West Side in the late nineteenth century another stimulant for movement was created. The clatter and noise of the new trains made for less than pleasant living, and those who could afford it moved out. Apartments were taken over by Negroes ("The Choicest Apartments in the City for Select Colored Families"), many recent southern migrants, who were forced to accept second-class accommodations at first-class prices. Of the twenty-seven ethnic groups in the neighborhood, Negroes paid the highest rents—generally two to five dollars per month more than others. (p. 13)

Since the end of the Civil War there was a steady but small movement of Negroes northward. It averaged 41,378 persons for each decade between 1870 and 1890. In the following ten years, however, the migration more than doubled as at least 107,796 southern Negroes moved north and west. The Negro populations of the States of New Jersey, Pennsylvania and Illinois increased some two and a half times between 1890 and 1910 and that of New York almost tripled. In 1910, New York City was the second largest Negro urban center in America (just behind Washington, D.C.); Philadelphia was fifth; and Chicago eighth. By 1920, they were ranked first, second and fourth respectively. A total of some 200,000 Negroes migrated from the South and to the North and West, primarily to cities, between 1890 and 1910. In the decade 1900–1910, for the first time since their establishments as States in the early nineteenth century, Mississippi and Louisiana lost Negro population through emigration. (p. 18)

The most important factor underlying the establishment of Harlem as a Negro community was the substantial increase of Negro population in New York City in the years 1890–1914. That Harlem became the specific center of Negro settlement was the result of circumstance: that *some* section of the city was destined to become a Negro ghetto was the inevitable consequence of the Negro's migration from the South. This pre-World War I population movement, the advance guard of the Great Migration (as the movement of Negroes during the First World War is generally called), laid the foundations for present-day Negro communities in Chicago and Philadelphia as well. These were the formative years for the development of Negro communities throughout the North.

In spite of the high Negro death rate, the colored population increased by "leaps and bounds" in New York City in the early twentieth century. By 1910 there were 91,709 Negroes in the metropolis, the majority southern-born. (p. 17)

The *possibilities* for such movement resulted from two basic changes in American life. One was the overwhelming industrial expansion of the late nineteenth century. The Industrial Revolution created economic opportunities for rural people, Negro and white, and both migrated to industrial and urban centers in the North. For the Negro, hedged about by union restrictions and racial antagonism, employment was usually found in the fringe jobs that an industrial and commercial society creates—as janitors, elevator operators, general laborers of all kinds, longshoremen, servants. Negro women almost always worked as domestics. During periods of labor disputes, Negroes were commonly found among the strikebreakers.

There was, however, an added factor that influenced Negro migration and distinguished it from the general rural migration to cities. Why, it might be asked, had Negroes not moved in similar numbers in response to industrialization in the 1870's—the period of great social upheaval and dislocation that followed the destruction of slavery? The answer undoubtedly lies in an understanding of the differences between the slave and post-slave generations. The Negroes who came north now were the first descendants of former slaves. They had listened to tales of slavery, gentle and harsh, but had not experienced and lived its blight—the denial of full manhood. . . .

Those who migrated to the North in the 1890's were a new generation. Many Negroes no longer felt any strong attachment to the soil. They could at least *conceive* of life in a new and different way. For some, the discontented and restless, there was now both the ability and willingness to move. They left a South in which their futures were sealed. (pp. 23-24)

As noted above, Ososky describes two sections—The Tenderloin and San Juan Hill—as the most heavily populated by blacks in the 1890's. He then goes on to describe the mass migration of blacks out of the South of the 20th century; this movement had important implications for the development of a large ghetto: Harlem. There were only a few discerning analysts who were aware of the new shift in Negro migration in the 1890's. (Among them were Frederick J. Brown and W. E. B. DuBois.) But by the first decade of the 20th century, the migration was well-recognized on all sides, and has been widely recognized by students of ecology and race relations ever since.

In a volume published in 1967, Allan Spear explored the history of *Black Chicago: The Making of a Negro Ghetto, 1890-1920*. Spear explored the history of this major Negro community during a crucial thirty-year period, when a relatively fluid pattern of race relations gave way to a rigid system of segregation and discrimination. In the late 19th century, although Chicago's Negroes concentrated in certain sections of the city, and were subject to discrimination in jobs, housing, and public accommodations, they were not yet segregated in a ghetto. Many racially mixed neighborhoods existed. Between 1890 and 1915, however, white Chicagoans, who were alarmed at the influx of Negroes from the South, intensified their discriminatory practices, particularly in housing.

Between 1890 and 1915, the Negro population of Chicago grew from less than fifteen thousand to over fifty thousand. Although this growth was overshadowed by the massive influx of Negroes during and after World War I, this was nevertheless a significant increase. By the eve of World War I, although Negroes were still a minor element in the city's population, they were far more conspicuous than they had been a generation earlier. The population increase was accompanied by the concentration of Negroes into ever more constricted sections of the city. In the late nineteenth century, while most Negroes lived in certain sections of the South Side, they lived interspersed among whites; there were few all-Negro blocks. By 1915, on the other hand, the physical ghetto had taken shape; a large, almost all-Negro enclave on the South Side, with a similar offshoot on the West Side, housed most of Chicago's Negroes.

Migration was the major factor in the growth of the Negro community, and most migrants were coming from outside of the state. Over 80 per cent of Chicago's Negro population in 1900 was born in states other than Illinois. The largest portion of these migrants originated in the border states and in the Upper South: Kentucky, and Missouri, in particular, had sent large groups of Negroes to Chicago. The states of the Deep South were, as yet, a secondary source of Chicago's Negro population: only 17 per cent had come from these states as opposed to 43 per cent from the Upper South. The states located directly south of Chicago supplied a larger segment of the population than the southeastern states, but there were sizable groups born in Virginia and Georgia.

From the beginning of Chicago's history, most Negroes had lived on the South Side. As early as 1850, 82 per cent of the Negro population lived in an area

bounded by the Chicago River on the north, Sixteenth Street on the south, the South Branch of the river on the west, and Lake Michigan on the east. The famous South Side black belt was emerging—a narrow finger of land, wedged between the railroad yards and industrial plants just west of Wentworth Avenue and the fashionable homes east of Wabash Avenue. By 1900, the black belt stretched from the downtown business district as far south as Thirty-ninth Street. But there were also sizable Negro enclaves, usually of a few square blocks each, in several other sections of the city. (pp. 11–12)

The decade 1900 to 1910 saw several significant changes in the population pattern of Negroes in Chicago. The growth rate, which had far outpaced the white growth rate in the 1890's, declined from 111 per cent to 46 per cent, and the proportion of Negroes in the population increased from 1.9 per cent to only 2 per cent. Yet despite this stabilization, the Negro population was still composed largely of migrants. Over 77 per cent of Chicago's Negroes were born outside of Illinois. This represents only a slight drop from 1900 and was almost five times as great as the corresponding figure for white Chicagoans. . . .

The concentration of Negroes in enclaves was clearly increasing throughout this period. By 1910, over 30 per cent lived in predominantly Negro sections of the city and over 60 per cent in areas that were more than 20 per cent Negro. Whereas in 1900 nineteen of thirty-five wards had been over .5 per cent Negro, this figure was reduced to thirteen in 1910. Furthermore, the second and third wards, which included the heart of the black belt, were now 25 per cent Negro, while in 1900 only one ward had even approached that figure.

Negro residential patterns for 1910 can be seen most clearly through the use of census tract data. Of 431 census tracts in the city, Negroes could be found in all but ninety-four; eighty-eight were at least 1 per cent Negro. Four tracts were over 50 per cent Negro, but no tract was more than 61 per cent Negro. Despite greater concentration, therefore, there were still few all-Negro neighborhoods in Chicago.

The eight or nine neighborhoods that had been distinguishable as areas of Negro settlement in 1900 remained the core of the Chicago Negro community in 1910. The principal South Side black belt was slowly expanding to accommodate the growing population. Not only did Negroes push steadily southward, but the narrow strip of land that made up the black belt began to widen as Negroes moved into the comfortable neighborhood east of State Street. By the end of the decade, Negroes could be found as far east as Cottage Grove Avenue.

Statistical data, then, reveal several definite trends in the pattern of Negro population in Chicago in the early twentieth century. The growth rate between 1900 and 1910 had decreased from the previous decade, but was still 50 per cent greater than that of whites. Most of the population increase was the result of migration, particularly from the nearby border states. Negroes could be found throughout much of the city and the Negro neighborhoods were by no means exclusively black. But the concentration of Negroes in two enclaves on the South and West Sides was increasing. As the population grew, Negroes were not spreading throughout the city but were becoming confined to a clearly delineated area of Negro settlement.

The increasing physical separation of Chicago's Negroes was but one reflection of a growing pattern of segregation and discrimination in early twentieth-century Chicago. As the Negro community grew and opportunities for interracial conflict increased, so a pattern of discrimination and segregation became ever more pervasive. And perhaps the most critical aspect of interracial conflict came as the result of Negro attempts to secure adequate housing. . . .

Negro expansion did not always mean conflict, nor did it mean that a neighborhood would shortly become exclusively black. In 1910, not more than a dozen blocks on the South Side were entirely Negro, and in many mixed areas Negroes and whites lived together harmoniously. But as Negroes became more numerous east of State and south of Fifty-first, friction increased and white hostility grew. When a Negro family moved into a previously all-white neighborhood, the neighbors frequently protested, tried to buy the property, and then, if unsuccessful, resorted to violence to drive out the interlopers. In many cases, the residents organized to urge real estate agents and property owners to sell and rent to whites only. The whites often succeeded in keeping Negroes out, at least temporarily. When their efforts failed, they gradually moved out leaving the neighborhood predominantly although rarely exclusively Negro. (pp. 16–21)

The unwillingness of whites to tolerate Negroes as neighbors had far-reaching results. Because Negroes were so limited in their choice of housing they were forced to pay higher rents in those buildings that were open to them. Real estate agents frequently converted buildings in marginal neighborhoods from white to Negro and demanded rents 10 to 15 per cent higher than they had previously received. (p. 23)

Living conditions in much of the black belt closely resembled conditions in the West Side ghetto or in the Stockyards district. Although Negroes could find some decent homes on the fringes of the Negro section the core of the black belt was a festering slum. Here was an area of one- and two-story frame house (unlike the older Eastern cities Chicago had, as yet, few large tenements), usually dilapidated with boarded-up porches and rickety wooden walks. Most of the buildings contained two flats and, although less crowded than houses in the Jewish, Polish, and Bohemian slums, they were usually in worse repair. (p. 24)

The pattern of Negro housing, then, was shaped by white hostility and indifference: limited in their choice of homes, Negroes were forced to pay higher rents for inferior dwellings and were frequently surrounded by prostitutes, panderers, and other undesirable elements. This, together with the poverty of the majority of Chicago Negroes, produced in the black belt the conditions of slum-living characteristic of American cities by the end of the nineteenth century.

The most striking feature of Negro housing, however, was not the existence of slum conditions, but the difficulty of escaping the slum. European immigrants needed only to prosper to be able to move to a more desirable neighborhood. Negroes, on the other hand, suffered from both economic deprivation and systematic racial discrimination. (p. 26)

The development of a physical ghetto in Chicago, then, was not the result chiefly of poverty; nor did Negroes cluster out of choice. The ghetto was primarily the product of white hostility. Attempts on the part of Negroes to seek housing in predominantly white sections of the city met with resistance from the residents and from real estate dealers. Some Negroes, in fact, who had formerly lived in white neighborhoods, were pushed back into the black districts. As the Chicago Negro population grew, Negroes had no alternative but to settle in well-delineated Negro areas. And with increasing pressure for Negro housing, property owners in the black belt found it profitable to force out white tenants and convert previously mixed blocks into all-Negro blocks. The geographical dimensions of Black Chicago in the early twentieth century underwent no dramatic shift similar, for instance, to Negro New York, where the center of Negro life moved to previously all-white Harlem in less than a decade. Negroes in Chicago were not establishing new communities. But to meet the needs of a growing population, in the face of mounting white resistance, Negro neighborhoods were becoming more exclusively Negro as they slowly expanded their boundaries. (pp. 26-27)

In the same year (1967) another valuable contribution by Herbert J. Gans was published—*The Levittowners: Ways of Life and Politics in a New Suburban Community*. Gans lived as a "participant observer" in Levittown, New Jersey (between Philadelphia and Camden, and now known as Willingboro) for the first two years of its existence in order "to find out how a new community comes into being, how people change when they leave the city, and how they live and politic in suburbia" (p. v). His conclusions are summarized in the final chapter on "Levittown and America," and though he tends to over-generalize his results, the findings are worth summarizing in detail:

I began this study with four questions, the answers to which can be generalized to new towns and suburbs all over America. *First*, a new community is shaped neither by the builder, the planner, and the organizational founder, nor by the aspirations with which residents come. A builder creates the physical shell of the community; a founder, the social one; but even when organizations and institutions are initiated by national bodies outside the community, they can only survive by attracting people and responding to their demands. . . . In short, their [the residents'] choices of (and within) community institutions are basically a function of the population mix they encounter.

These choices are not made in a vacuum, but involve values and preferences which people bring with them. Perhaps the most significant fact about the

origin of a new community is that it is not new at all, but only a new physical site on which people develop conventional institutions with traditional programs. New towns are ultimately old communities on new land, culturally not significantly different from suburban subdivisions and urban neighborhoods inhabited by the same kinds of people, and politically much like other small American towns.

Second, most new suburbanites are pleased with the community that develops; they enjoy the house and outdoor living and take pleasure from the large supply of compatible people, without experiencing the boredom or malaise ascribed to suburban homogeneity. Some people encounter unexpected social isolation, particularly those who differ from the majority of their neighbors. Who will be socially isolated depends on the community; in Levittown, they were older couples, the well educated and the poorly educated, and women who had come from a cohesive working class or ethnic enclave or were used to living with an extended family. Such people probably suffer in every suburb; even though they want to escape from the close life of the "urban village," they miss their old haunts, cannot find compatible people, or do not know how to make new friends. But the least happy people are always those of lowest income and least education; they not only have the most difficulty in making social contacts and joining groups, but are also beset by financial problems which strain family tempers as well as family budgets. And if the suburb is designed for young adults and children, the adolescents will suffer from "nothing to do" and from adult hostility toward their youth culture and peer groups.

People's lives are changed somewhat by the move to suburbia, but their basic ways remain the same; they do not develop new life styles or ambitions for themselves and their children. Moreover, many of the changes that do take place were desired before the move. Because the suburb makes them possible, morale goes up, boredom and loneliness are reduced, family life becomes temporarily more cohesive, social and organizational activities multiply, and spare-time pursuits now concentrate on the house and yard. Some changes result from the move: community organizational needs encourage some people to become joiners for the first time, ethnic and religious difference demands more synagogue attendance, and social isolation breeds depression, boredom, and loneliness for the few who are left out. But change is not unidirectional; different people respond differently to the new environment, and the most undesirable changes usually stem from familial and occupational circumstances.

Third, the sources or causes of change are not to be found in suburbia per se, but in the new house, the opportunity for home ownership, and above all, the population mix—the people with whom one now lives. They bring about the intended increase in social life, the unintended increase in organizational activity, and, of course, the equally unintended social isolation. Some changes can be traced to the openness of the social structure in a new community and people's willingness to accept and trust each other, as well as to the random settling pattern which requires them to make friends with strangers next door or to leave the block for the larger community to find compatible people. But most result from the homogeneity of age and class of the population that buys into a new suburb. Indeed, the basic sources of change come from goals for home ownership, a free-standing house, outdoor living, and being with people of similar age and class, which have long been basic aspirations of American working and middle class cultures. Even unintended changes could be traced finally to national economic trends and cultural patterns that push people out of the city and provide incentives for builders to construct communities like Levittown. Ultimately, then, the changes people undergo in the move to the suburbs are only expressions of more widespread societal changes and national cultural goals.

Fourth, the politics of a new suburb is no more distinctive than the rest of its life. In any heterogeneous community, conflicting demands from the voters force the decision-makers to set up a performing government which observes democratic norms, freeing them to reconcile these conflicts in a backstage actual government. Their decisions are, more often than not, responsive to the majority of voters when that majority makes demands, but are unresponsive to powerless minorities, which therefore have to intervene—to upset the normal decision-making process in order to get satisfaction. Since they fail more often than they succeed, local government generally neglects minority demands and rights, and the public interest as well. Experts with sufficient consensus, skill, and power can implement decisions unpopular with the majority, but on the whole, such decisions have to be enforced by non-local agencies. Of course, suburbs like Levittown have few of the problems that face American cities, dying small towns, or

stagnant rural areas, so that local governments can meet the limited needs of at least their dominant constituents. Supra-local governments must be developed, however, to deal with the problems generated by the myriad of suburban sovereignties and the artificiality of suburban boundaries.

My four initial questions were joined by a common theme: To what extent is a community made by its residents and to what extent by leaders, planners, and other experts who want to stimulate innovation and change? The findings, I would suggest, demonstrate again an important sociological truth and truism, that what happens in a community is almost always a reflection of the people who live in it, especially the numerical and cultural majority. That majority supports the organizations and institutions that define the community; it determines who will be enjoying life and who will be socially isolated; and it forms the constituencies to which decision-makers are responsive. In the last analysis, then, the community (and its origin, impact, and politics) are an outcome of the population mix, particularly of its dominant elements and their social structure and culture. (pp. 408-411)

Still another sociological "participant-observation" study was presented in 1968, this one by Gerald D. Suttles. It was entitled *The Social Order of the Slum: Ethnicity and Territory in the Inner City*. The basic work was done between 1962 and 1965, and Suttles focused his efforts on the Addams area on the near west side of Chicago. As Morris Janowitz observes in his Preface to the Suttles book, "The community [or neighborhood] study remains a basic vehicle for holistic and comprehensive understanding of the metropolitan condition" (p. vii). Janowitz goes on to observe (and correctly so) that "this volume represents a benchmark in the perfection of the techniques of participant observation in a field setting" (p. viii). In the words of Janowitz,

Suttles joins a tradition that emphasizes the contributions of the sociologist to policy and professional practice. This tradition is not based on contrived research or vulgar popularization. Reasoned and responsible scholarship leads to empirical findings and to the formulation of delimited generalizations. It is hoped that such results are relevant both for sociologists and for all interested in policy issues. This book is no plea for utopia based on research to be completed in the distant future, but rather a contribution to immediate understanding. (p. ix)

So rich are the findings of this investigation that it is difficult to pick out particular results of the study for emphasis. Suffice it to say that Suttles has succeeded in re-uniting the three major traditions of the "Chicago School"—demography and ecology, social organization, and social psychology. A few highlights will be excerpted in order to suggest the flavor of the book.

As for "Territoriality and Ordered Segmentation" (Part 1), Suttles makes the following observations:

The Addams area is one of the oldest slums in Chicago and researchers have invaded it almost as often as new minority groups. Like most slums, however, it remains something of a mystery hovering between two divergent interpretations. In some ways it is easiest to describe the neighborhood by how its residents deviate from the public standards of the wider community. There are, for example, a high delinquency rate, numerous unwed mothers, and several adolescent "gangs." Measured by the usual yardstick of success it is tempting to think that the local residents are simply inadequate and disadvantaged people suffering from cultural deprivation, unemployment, and a number of other "urban ills." . . .

Seen from the inside, however, the Addams area is intricately organized according to its own standards and the residents are fairly insistent on their demands. . . .

Neither disorganization nor value rejection are apt terms to describe the Addams area. Certainly the social practices of the residents are not just an inversion of those of the wider society, and the inhabitants would be outraged to hear as much. Also the neighborhood is not a cultural island with its own distinct and imported traditions. The major lineaments of the area's internal

structure are such commonplace distinctions as age, sex, territoriality, ethnicity, and personal identity. (pp. 3-4)

Obviously the balance between a person's involvement in his local neighborhood and alternative associations is unevenly distributed. To decipher these variations two central observations must be kept in mind. First, distinctions or earmarks that can be applied to an entire society—social class, education, and so forth—are often complemented by another set of distinctions that are specific to a single locality. Localisms of this type simply increase the degree of social differentiation and provide an additional basis for association. . . .

A second consideration is the *differential* moral isolation of a neighborhood from the wider society. In all societies there are probably people who fall short of existing standards that attest to their trustworthiness and self-restraint. The standards of American society are severe, and a very large proportion of our population is regarded with suspicion and caution. Typically, these are poor people from a low-status minority group and unable to manage very well their "public relations." The presence of such a group of people is disruptive because it undermines the trust residents must share to go about their daily rounds. In American society, a common solution to this difficulty has been to relegate all suspicious people to "slums" and "skid rows." As a result, respectable and essential citizens can carry on their corporate life undisturbed by their own apprehensions.

Slum residents, however, are subject to all the suspicions and bear those disreputable characteristics that turn people away from one another and interfere with joint activities. Seen from the standpoint of the wider community, slum residents do not inspire levels of trust necessary to the usual round of neighborhood activities. Out of necessity, then, they may fall back on local patterns which guarantee their safety and promote association. (p. 5-6)

The early work of Park and Burgess on "natural areas" was an important beginning but was so couched in physicalistic terminology that it drew undue criticism. Accordingly, later sociologists have neglected territorial groups in favor of structural ones. There is, of course, no scarcity of studies dealing with people who happen to live near one another. Spatial distributions have not been ignored but have been seen as a product of structural elements general to an entire society.

In anthropology, however, territorial grouping has been a subject of continued interest. Most anthropological studies begin by focusing upon social groupings than can be defined by areal distribution. In turn, many of the social units singled out for particular attention—the domestic unit, the homestead, the tribe, and so forth—frequently have locality as one of their principles of organization. Alternatively, where locality and structural forms do not coincide, anthropologists have regarded this discrepancy as a distinct problem which raises a number of theoretical and methodological issues. In this respect, anthropologists have self-consciously addressed themselves to the question of how territorial and structural configurations are related. . . .

The most obvious reason for centering in on locality groups is that their members cannot simply ignore one another. People who routinely occupy the same place must either develop a moral order that includes all those present or fall into conflict. (pp. 6-7)

The Addams area consists of four different ethnic sections occupied predominantly by Negroes, Italians, Puerto Ricans, and Mexicans. Each of these ethnic sections falls into a somewhat different stage in its development of a provincial order. At one extreme is an old Italian population slowly being displaced by Mexicans, Negroes, and Puerto Ricans. . . .

[A]ll four ethnic sections share many characteristics and seem headed along the same social progression. The overall pattern is one where age, sex, ethnic, and territorial units are fitted together like building blocks to create a larger structure. I have termed this pattern "ordered segmentation" to indicate two related features: (1) the orderly relationship between groups and (2) the sequential order in which groups combine in instances of conflict and opposition. This ordered segmentation is not equally developed in all ethnic sections but, in skeletal outline, it is the common framework within which groups are being formed and social relations are being cultivated. (pp. 9-10).

Chapter 2—"The Ecological Basis of Ordered Segmentation"—points up the relevance of ecology for understanding the social organization of the Addams Area neighborhood:

The Addams area was first settled around 1837 as a relatively well-to-do neighborhood, but by 1880 encroaching industry had already so jeopardized property values and the continuity of the area as a place of residence that the more affluent population left. From that time on the Addams area became a zone of transition where buildings were generally held as speculative property and rented without improvements lest they be replaced by other structures. Gradually some industry made its way into the area, and by 1964, 18% of the land was devoted to this purpose. For the most part, however, it has remained the first place of settlement for old-world immigrants and new-world migrants. First there were the Germans and Irish, who gradually gave way to the Greeks, Poles, French Canadians, Bohemians, and Russian Jews. Even before these groups fully occupied the area, however, they were hard-pressed by the Italians. Only the Italians seem ever to have achieved any sort of hegemony over the entire area. The other nationality groups either occupied only portions of the area or were intermixed. The dominance of the Italians, however, was short-lived. By 1930 the Mexicans began to enter the area and currently make up almost a third of its population. The Mexicans in turn are now being displaced at the periphery of the area by a small group of Puerto Ricans who are growing in number but who have never made up more than eight per cent of the population. . . .

Shortly after World War II, the Negroes almost totally occupied the Jane Addams Public Housing Projects. These housing projects . . . contain about 975 apartments. To date, however, the Negroes have been almost entirely restricted to the projects, and before 1960 they made up only about 14% of the population. (pp. 15-16)

According to general opinion the Italians have prior rights over the area. They make up a majority of the population, and the surrounding city also tends to authenticate their claim by referring to the area as an Italian community and by holding the Italians responsible for whatever happens within it. (p. 20)

Of the 30,000 people who lived in the Addams area during the 1950's, only about 20,000 are left in the western two-thirds of the neighborhood. The racial and ethnic composition of this remnant has not changed dramatically: approximately one-third are Italian, a quarter are Mexican, 17% are Negro, and 8% or less are Puerto Rican. A few isolated Greek families and persons from various ethnic groups, many of whom have married Italians, round out these figures. (p. 22)

Nevertheless, it should be emphasized that the present study pertains only to that remnant of the Addams area which is still intact. Certainly this is a rather unusual area with many peculiarities of its own and situated in a unique historical context. Currently it is subject to a variety of social welfare programs, and its future as a residential area is in jeopardy. In addition, it is undergoing a progressive cycle of invasions, with the Mexicans pressing upon the Italians, and the Puerto Ricans and Negroes not far behind. But ethnic invasions, residential uncertainty, and social welfare programs are long standing forces in the area. It is, after all, a zone of transition, and change is its most permanent aspect. (p. 24)

From a distance all of these antagonisms seem to take on the formal characteristics of a "segmentary system." First, each group is a socio-spatial unit. Second, inclusion in these groupings is mutually exclusive. Third, opposition is between "equivalent" units. Fourth, the order by which groups combine preserves the equivalence of oppositional units. While segmentary systems are usually restricted to corporate groups, however, the ones here include groups that are no more than corporate units of responsibility. Addams area residents are a group only in the sense that they are jointly held liable for each other's behavior. (p. 31)

By their assumption that residential unity implies social collaboration, inner city residents may help create the situation they imagine. Given the conviction that persons from another area will act in concert, they have little alternative except to go into collusion with their own territorial compatriots. To some extent, of course, this emphasis on territorial unities has its background in a cultural history wherein spatial groupings are one of the most frequent forms of social combination. This general pattern, however, is given credence by still another condition. Addams area residents are forced together in rather intimate and congested confines. (p. 34)

To some extent, this reliance on territorial unities probably reflects the cultural background of inner city residents. Originally all of them depended heavily upon small territorial unities whose safety from one another was assured by distance and the lack of any reason for contact. Rare outsiders might be treated as "guests."

In part, however, this reliance on residential unities may be shared by most Chicagoans. What seems to be especially disturbing for inner city residents is the relative abundance of nonresidential areas. West of the river, Chicago stretches out like a hand, the fingers of industry and business getting thinner, while the enclosed residential spaces include more and more people. For those at the fringes, residential unity may include almost all those occasions where people must face each other without the benefit of daylight or prior acquaintance. By contrast, the inner city is a set of little residential islands surrounded by dangerous expanses of industry, business, and government. (p. 37)

What are Suttles' conclusions? Suttles harks back to Robert E. Park's conception of "the moral order" as he concludes with some observations on "Practicality and Morality":

The Addams area is less than one-half square mile in size and contains fewer than 20,000 residents. It is probably a more orderly slum than many others and departs sharply from the common image of an atomized and unruly urban rabble. For all its historical uniqueness, the neighborhood does establish the possibility of a moral order within its population. The reoccurrence of the circumstances that led to its organization is as uncertain as the future of the Addams area itself. In spite of all these uncertainties, the Addams area shows that slum residents are intent upon finding a moral order and are sometimes successful in doing so. (p. 223)

The most general characteristic of the Addams area is its provincialism. This provincialism, however, is not total, nor does it constitute an unqualified rejection of societal values and norms. A belief in the stereotypes held by the wider society is what arouses so much mutual distrust among the residents and drives them to find another basis for moral order. Even so, the residents organize themselves on the basis of distinctions that are widely made in American society: age, sex, ethnicity, territoriality, and personal reputation. In the Addams area these distinctions are emphasized to the exclusion of occupational, educational, and other attainments that are more appreciated in the wider society. The process, however, is more nearly one of reversion than inversion or outright rejection. . . .

An essential condition to the provincialism of the Addams area is some control over land usage and population movements. This control, however, need not extend over vast areas because of the segmental structure of the neighborhood. The Addams area consists of four ethnic sections in which the residents are dependent primarily upon persons in the same section. Changes in land usage and population shifts, then, tend to disrupt only one section at a time.

The provincialism of the Addams area qualifies but does not exclude many relations with the wider community. Up to a point, then, an exchange with the wider community is complementary to the provincialism of the Addams area. Moreover, an absence or decline of provincialism in each ethnic section does not mean an increasing compliance with the mores of the wider community. In the Addams area the alternative to provincialism is a pervasive anonymity, distrust, and isolation. (pp. 223-225)

Each ethnic section of the Addams area differs from the others in the extent to which it possesses a standardized routine for managing safe social relations. There is, however, a general agreement upon the social categories beyond which associations are not pursued. The boundaries of the neighborhood itself form the outermost perimeter for restricting social relations. . . .

Further territorial partitions are present in each ethnic section and maintain a degree of segregation between age, sex, and residential groupings. The general pattern is one that fans out from the household and is partitioned according to the age and sex of the residents. Females and children are in closest proximity to the household. Males move progressively beyond this perimeter depending on their age. (pp. 225-226)

The social order produced in the Addams area is always partial, and there are many occasions for conflict between ethnic sections. When there is trouble with an adjacent neighborhood, all four ethnic groups show their greatest unity. At other times their cohesion is expressed in such limited forms as a common voting pattern, a respect for territorial arrangements, and joint resistance to the clearance for the University of Illinois. (p. 227)

Looking to the future, it is tempting to predict a convergence between the Italian section and the other three ethnic sections. Such a speculation would be hazardous for a number of reasons.

First, the future of the Addams area itself is uncertain, since urban renewal and institutional building plans threaten to disband its population. Once they are scattered, the residents will have to start anew rather than simply advance from where they stand.

Second, as new economic and political policies gain ground, the entire complex of inner-city life may change its character. Except for the projects, the land and buildings of the Addams area are broken into many small and independent units which allow for the interlarding of religious, commercial, recreational, and domestic life. The growth of public housing and the sale of large blocks of land for special usages is likely to separate these functions. The construction of huge housing developments, uniform in style, size of dwelling unit, and rental costs, may produce a series of residential compounds appropriate to only a period of the family life cycle. If these policies are implemented on a large scale, the centrifugal forces may be so great that slum residents can no longer maintain the integrity of their territorial groups and provincial way of life.

Added uncertainties accumulate as we consider possible changes in the occupational structure and a variety of programs aimed at reacculturation. In the particulars of its ordered segmentation, then, the Addams area may be less a model of the future than a reflection of the past. In a broader sense, however, the Addams area is an example that has direct relevance to the future of all slum neighborhoods. Addams area residents are not engaged in an attempt to create an illusory world that merely denies the one which the wider community has established. The residents are impelled by a far more basic task of finding an order within which they can secure themselves against common apprehensions. So basic is this burden that few slum residents can ignore it or retreat fully into sheer fantasy, opportunism, or defeatism.

The moral order created by Addams area residents does not meet either their own ideals or those of the wider society. The local people recognize as much and view their way of life as a practical exigency. For all its shortcomings, however, the moral order they have developed includes most, if not all, of their neighbors. Within limits, the residents possess a way of gaining associates, avoiding enemies, and establishing each others' intentions. In view of the difficulties encountered, the provincialism of the Addams area has provided a decent world within which people can live. (pp. 233-234)

Despite his emphasis on the neighborhood, its ecology, social organization, and "way of life," Suttles does provide a brief but sensitive portrayal of the kinds of housing in the Addams area and its effect upon communication patterns among night-dwellers. To the slum inhabitant, the dwelling has a character and meaning quite different from "normal" (i.e., middle-class) experience. "Street life" has emerged as an extension of the congested life indoors.

Undoubtedly the prevalence of street life among Addams area residents is continuous with their separate cultural histories where the home is essentially a place for sleeping, eating, protection against the weather, and ritual occasions. All the ethnic groups in the Addams area have come from a warmer region where the dwelling unit is limited in space and function. In Chicago, the heat, unattractiveness, and congestion of living quarters may have continued this pattern. On closer inspection, however, the streets are probably less attractive and almost as crowded as their homes. On mild days, when one could comfortably stay home, the streets seem about as active as at any other time. Seemingly there is a distinct preference for encountering people on more neutral grounds than one's own household. Among teenage boys this attachment to street life is especially great. After being arrested and released they do not speak of going home but of going "back to the streets."

The interior of most Addams area homes suggests a further reason for this preference for street life. Most homes are well-kept and cared for, but it is impossible to conceive of them as something other than a "woman's world." The curtains are of lace, the bedspreads are chenille, the furniture is simply no place for a male with his dirty hands, informality, and coarse manners. In fact, the well-kept household in the Addams area is less a place for carrying out day-to-day life than a "show place" to demonstrate the housewife's diligence and domestic skills. Among its furnishings, there are hardly any provisions for male activities or, for that matter, any form of joint family life except for meals. There are no

games for males to play, no rooms set aside for their private use, or objects they can claim as their own. Ultimately, the home is a kind of ceremonial center used only at those rare moments when visitors are permitted to look into family life. Apart from these rather special occasions, the household is not even an appropriate setting for the casual exchanges of women.

With our imagery of lower class households, this characterization of the dwelling unit as a woman's world may seem strange, but for all their external decay and dirt, most Addams area homes are well-kept on the inside. There is, of course, a difference in esthetic taste. Most middle income people would be appalled at the "calendar art" pictures, the overstuffed furniture, the gargoyle-like bric-a-brac, the cheap finish of metal goods, and the mementos that seem far too numerous for the space. These, however, are the extremes that make households in the Addams area a woman's world. The neuter decor of middle income households reflects not so much a difference in housekeeping standards as a lack of sexual differentiation in household appointments.

Not all homes in the Addams area are well-kept, of course, and a few are downright messy. Even so, if there is a mess, it is usually a "woman's mess." Males almost never take an opportunity to introduce into its furnishings or upkeep any sign identifiable as their own. The males have their own special province, but it is not in the household. Here, as elsewhere in the Addams area, the separation of male and female worlds is repeated in spatial arrangements.

Weather permitting, then, most Addams area residents must go to the streets to find a place befitting the ordinary nature of their "weekday" life. For their purposes the street is ideal. The setting itself is informal and open to many possibilities. Its activities can be entered or abandoned almost at will because they are relatively unscheduled or easily changed to meet the number of participants. Close at hand are most of the people they are interested in and the content that makes up their conversation. And, along with these attractions, there is the advantage that peers of the same sex can separate themselves as a group and take up their private concerns. (pp. 75-76)

One advantage to street life . . . is that it permits the residents to enjoy friendly and informal social relations without exposing the very private nature of their family life to subsequent unexpected visits. Perhaps this is one reason why researchers have found that domestic gatherings among working class people are so restricted to relatives. The same is true of domestic gatherings in the Addams area, but this does not mean the residents lack extra-familial relations. Indeed, street life in the Addams area seems to provide for exceptionally frequent associations outside the family. (p. 78)

Finally, 1969 saw the publication of a monumental work on neighborhood patterns of housing in American cities—the urban economist Richard F. Muth's *Cities and Housing: The Special Pattern of Urban Residential Land Use*. The contents can best be summarized by reproducing the table of contents:

1. Introduction

PART I. THEORETICAL ANALYSIS

2. The Equilibrium of the Household in Urban Space
3. The Equilibrium of Housing Producers
4. The Distribution of Population and Housing Output within Cities
5. Other Determinants of Land Use
6. The Determinants of Dwelling-Unit Condition

PART II. EMPIRICAL FINDINGS

7. The Spatial Pattern of Population Densities in Cities in the United States
8. Components of Population Density in Cities in the United States
9. Population Densities and Its Components on the South Side of Chicago
10. The Determinants of Dwelling-Unit Condition and the Location of Households by Income
11. Housing Prices and Race on the South Side of Chicago

PART III. CONCLUSIONS AND IMPLICATIONS

12. An Appraisal of the Theoretical Analysis
13. Implications for Public Policy

The highlights of Muth's analysis are clearly set out in "A Brief Summary of the Study." I shall abstract the most interesting (and sometimes controversial) results from this section, concluding with some of his comments on public policy.

I begin by considering the influence of accessibility to the CBD upon the location of households, their consumption of housing, and the intensity of residential land use by producers of housing. Following this I consider the effects of the age of neighborhoods and preference factors associated with the incomes of their different parts of the city. Finally, I consider the residential segregation of Negroes and the determinants of housing quality or condition. . . .

When I examine the median income level of a census tract in various cities, I find a strong, positive simple correlation with distance from the CBD. However, when the age of dwelling units in the tract is added to the analysis, the association between median income and distance vanishes, while that between age and income is strongly negative. The failure of census-reported money income to increase with distance once the effect of age of dwellings is removed can be explained by considering the effects of distance upon the money incomes of locally employed workers. The latter by definition, incur no transportation costs. But, since workers locally employed at greater distances from the CBD pay lower prices for housing, their money wage incomes must be lower if they are not to have higher real incomes. The reported money incomes in a census tract include those of CBD and locally employed workers, and the increase in the money incomes of the former group with distance from the CBD tends to be offset by the decline in money incomes of the latter.

The decline in housing prices with distance from the CBD implies that the rental value of land used for residential purposes must likewise decline if firms producing housing services are to earn the same incomes regardless of their locations. Since payments to land are probably only around 5 percent of the value of housing services produced, the relative rate of decline in land rentals is of the order of twenty times that of housing prices. The decline in land rentals in turn leads producers of housing services to use more land relative to other factors of production at greater distances from the city center. Empirically, it appears that the value of housing services produced per square mile of land tended to decline at a relative rate of about 30 percent per mile on the average for American cities in 1950. The intercorrelation of age of dwellings and income of their inhabitants is responsible for only a little of this decline. It is far more important than the increase in per household expenditures on housing in accounting for the decline of population densities with distance from the CBD, once the influence of age of dwellings is removed. . . .

It appears that the decline in the fraction of the central city in the urbanized area's population and the marked increase in the land area the latter occupies which occurred for American cities during the 1950's can be almost wholly accounted for by the effects of reduced transport costs on the one hand and increases in urbanized area population on the other. Conversely, there is little evidence that the decline of the central city's share in an urbanized area's population or the increase in the land area occupied by the latter has come about to any practically significant extent because of undesirable physical or social conditions in the central city.

While distance to the CBD is of crucial importance in determining the intensity of residential land use, the age of dwellings and the income of their inhabitants also have an important influence. Because the marginal costs of transport for workers commuting to the CBD were greater prior to the automobile and, incomes being lower, expenditures on housing services per family were smaller, the rate of decline in housing prices was almost certainly greater. For this reason, the output of housing per square mile was probably greater than its equilibrium for the auto era near the city center, and conversely in its outer parts. After the development of the automobile, the demand for housing and housing prices fell in the central parts of the city relative to its outer parts. Because of the long lag in the adjustment of the intensity of land use to changing conditions, especially where reductions are called for, one might anticipate that population density and the output of housing per square mile of land would be greater than otherwise in those central parts of the city developed prior to 1920. . . .

Empirically, the direct association of population density with age of dwelling arises mainly from smaller housing expenditures per household in older areas, which itself results mostly from the inverse relationship between age of dwelling

and the income of its inhabitants. The best explanation for the latter, I believe, is that older housing is more cheaply converted to occupancy by lower-income households than is newer housing.

There are a variety of reasons apart from a differential effect of income on housing expenditures and marginal transport costs why higher-income households might tend to live at greater distances from the CBD and at lower population densities. Stronger preferences for privacy or for space relative to structural features of housing is one frequently cited example. Empirically, therefore, it is quite surprising to find that population densities are no smaller, and, if anything, the value of housing produced per square mile of land is higher in comparably located higher-income areas. This probably results from so-called neighborhood effects, which raise housing prices and residential land rents in higher-income areas, for one does not find a higher proportion of dwellings in one-unit structures in comparably located higher-income areas.

Residential segregation or separation occurs for a variety of groups of persons variously defined. Segregation of the Negro population, however, is one of its most striking instances and is of great current public interest. The segregation of Negroes is frequently attributed to a unique aversion on the part of landlords and real estate agents, which is not shared by the community at large, to dealing with Negroes as tenants or buyers. The major shortcomings of this explanation is the economic incentive for those landlords or real estate agents who have an aversion to dealing with Negroes to sell out to others without such aversions. The segregation of Negroes is also sometimes attributed to a conspiracy on the part of landlords, real estate agents, and perhaps others such as mortgage lenders to profit from higher Negro housing prices. Such a conspiracy, though, would be quite difficult to organize and would almost certainly break down if it did, for a time, succeed in raising Negro housing prices. A much more satisfying explanation is that whites have a greater aversion to living among Negroes than do other Negroes.

Segregation need not imply higher housing prices relative to marginal costs for Negroes. Indeed, if prices in the interiors of the white and Negro residential areas were the same, the greater aversion by whites to living among Negroes would imply that prices on the white side of the boundary separating the residential areas of the two groups would be below those on the Negro side. The Negro area would thus expand, and in the process prices in the interior of the Negro area would fall relative to those in the interior of the white area. Thus, only if the Negro demand for housing grows faster in relation to the white demand than the Negro residential area will prices in the interior of the Negro area exceed those in the interior of the white area. Empirically, housing expenditures per family by non-whites appear to be a third or more higher at a given current money-income level than those of whites. Such a result is frequently interpreted as demonstrating that Negroes pay higher prices per unit of housing. But with a unit or elastic housing demand with respect to price, higher prices per unit would leave unchanged or reduce expenditures for housing, not increase them. When I examine physical indicators which one would expect to reflect price variations, such as population densities, crowding, the proportion of dwellings substandard, and the proportion which are in one-unit structures, the differences as between non-white and white census tracts are small. My examination of changes in average contract rents of tenant-occupied dwellings during the fifties between areas shifting from white to non-white occupancy and those remaining in white occupancy also suggest that the Negro housing price differential is small, at most of the order of 5 percent for renters.

Most explanations for the expansion in slum or poor-quality housing in central cities in recent years are based upon forces which influence the supply schedule of poor-quality housing. In many, the increase in the supply of poor-quality housing in the central city as a whole has resulted from a decline in the demand for better housing in certain parts of it. A variety of reasons, such as the development of automobile transportation, physical obsolescence, poor initial planning, and the failure of local governments to supply a proper level of municipal services, have been suggested to account for the decline in demand. "Other explanations stress market imperfections, external economies, or shortcomings in property taxation, as forces increasing the supply schedule of poor-quality housing directly. Whatever the reason for the increase in the supply of poor-quality housing, because lower-income households might be presumed to have less of an aversion to living in poor-quality housing than higher-income ones, the deteriorated areas have come to be inhabited largely by lower-income groups.

While certain of the factors just discussed may have some empirical relevance, all theories which attribute the increase in the absolute numbers of slum dwellings to increased supply are either inconsistent with or, at best, fail to provide an explanation for three simple, empirical facts. These are: (1) that slum housing would, if anything, seem to be especially expensive in relation to its quality; (2) that urban renewal projects lose money; and (3) that during the 1950's the proportion of dwellings which were substandard in American cities declined sharply. These three facts, however, are readily explainable by the hypothesis that the growth in the number of poor-quality dwellings is the result of an increase in the demand for poor-quality housing in cities in the United States. Income per family is probably the most important determinant of housing demand. Viewing quality, space per person, and other features as inputs into the production of the commodity called housing, one would expect a growth of the lower-income population to increase the demand for poor-quality housing and for smaller dwellings. In consequence, dwellings would be converted to smaller units and allowed to deteriorate in quality. Since quality deterioration takes a longer time than conversion to smaller units, many persons have mistakenly inferred that crowding causes deterioration. . . .

The increased-supply-of-slums hypotheses cannot account for the close association between dwelling-unit condition and income. If anything, my evidence suggests that the private market has not carried the production of slum housing far enough. On the south side of Chicago in 1960, I find that net population density, the value of housing output per square mile of residential land, and crowding all tended to be greater, and the proportion of one-unit dwellings to be smaller, the higher the proportion of substandard dwellings. These findings all suggest that the price per unit of housing service is higher in slum areas than in other comparably located areas.

The findings of this monograph strongly suggest that many actual and proposed governmental policies will have little effect upon urban decentralization and housing quality. What effects they have will probably tend to make these problems worse. Public policy has sought to reverse the tide of decentralization largely enough improving the physical condition of the central city, especially through the federal urban-renewal program. My findings suggest, first, that the location of households by income and the distribution of population between the central city and its suburbs is little affected by physical condition. Secondly, however, slums are largely the result of the poverty of their inhabitants; urban renewal does little or nothing to remove poverty—it merely removes buildings in which poor people live.

To the extent, of course, that the relative supply of poor-quality dwellings is less than perfectly elastic, urban renewal or demolition under other programs will tend to reduce the fraction of substandard dwellings. But it will also raise the price of poor—relative to good—quality housing, reduce the real income of the poor, and lead the poor to consume poorer quality housing and less space on the average. At the time, the building of urban express highways, largely aided by federal funds, has undoubtedly contributed greatly to the urban decentralization of the fifties. The building of subsidized rapid-transit systems is likely to have the same effect. In a similar vein, suburban development policies, such as proposals for subsidizing the building of new towns, like the federal income tax advantage to home-ownership and federal mortgage programs will encourage further decentralization by reducing the price of housing to consumers in the outer parts relative to the inner part of cities. (pp. 7-14).

Of all the forces making for urban decentralization during the 1950's, lower marginal transport costs, as reflected in increased car registrations per capita, have been by far the most important quantitatively. . . .

My analysis . . . suggests that federal housing subsidies have been an important factor in urban decentralization. It would appear that these subsidies would reduce the density gradient by as much as one-third in the outer parts of the city inhabited by home owners and increase the typical city's land area by around 17 percent. . . .

This monograph has produced practically no evidence that urban decentralization has been the result of physical or social conditions in the central city. . . . [O]nly the proportion of the central city's dwelling units which are substandard gave much indication of influencing the density gradient. Not only were its effects quite uncertain on statistical grounds, but the decline in proportion substandard during the 1950's, which averaged from 0.20 to 0.11 in the cities studied, would actually have led to increased centralization. . . . [I]t would appear that, with increases in the central-city population which is Negro, housing demand grows

more rapidly in the outer parts of the central city than in its inner zones. Neither an increase in the proportion of central-city dwelling units that are substandard nor an increase in the fraction of its population that is Negro would appear to reduce the central-city population or increase the land area of the urbanized area, however.

To an important extent it appears to me that the forces influencing the distribution of an urbanized area's population between the central city and its suburbs are very much the same as those which affect the spread of population within the central city itself. Two important exceptions should be noted, however. First, with a fall in the average income level of the central city relative to its suburbs, the central-city population tends to decline and the urbanized area's land area to increase. Although there is no direct evidence, the best explanation for this phenomenon is, I believe, the increased tax burden on higher-income households and business firms in the central city to which an influx of lower-income households leads. And, second, it appears that the central city's population declines less in response to forces making for an increased spread of population within its borders than one would expect if population distribution between the central city and its suburbs were merely an extension of that within the central city. Thus, my analysis gives little evidence that suburbanization of population has been carried too far.

Turning to the determinants of the quality of the central city's housing stock, it appears to me that differences in the proportion of dwellings which are substandard within or among different cities at a given time and over time in a given place can best be explained on the basis of differences in the relative demand for poor- versus good-quality housing. By far the most important determinant of the condition of dwelling units is the income level of their inhabitants. Not only is the association between condition and income quite close, but the quantitative response of condition to income changes is very strong indeed. . . .

On the whole there seems to be little evidence that variations in the relative quantities of poor- and good-quality housing are importantly affected by differences in their relative supply. In my opinion, the positive association between poor dwelling-unit condition and crowding is largely due to the fact that they are closely related aspects of the low-income demand for housing. . . .

My analysis gives little support to the view that Negroes pay higher prices for housing of comparable quality than whites do. I do find that expenditures for housing by Negroes are higher at a given income level, but with a price elasticity of housing demand of unity or larger, price differences cannot account for such expenditure differences. My examination of population densities and other physical magnitudes, as well as my comparison of changes in median rents in Chicago south-side tracts remaining in white occupancy during the fifties versus those changing to Negro occupancy, suggests to me that in Negro areas rental housing prices are no more than 5 percent higher than in comparable white areas and perhaps less. Furthermore, my examination . . . of the effects of race on dwelling-unit condition suggests that at given income levels the proportion of dwellings in Negro areas which are substandard is no higher than in white areas. This finding lends no support to the widespread view that the residential segregation of Negroes restricts them to areas of poorest housing quality. Rather, it would seem that the low average quality of Negro housing is due primarily to the low incomes of the inhabitants. . . .

While it has been an avowed aim of public policy to reduce urban decentralization, largely through the federal urban renewal program, on balance governmental programs have almost certainly encouraged decentralization. By reducing the proportion of a central city's dwellings which are substandard, urban renewal might tend to increase the numerical rate of population-density decline within the central city itself. This possibility tends to be counterbalanced, though, by the fact that many more low-income households are displaced by renewal projects than are replaced by higher-income households in the renewal area. In addition, my results suggest that the distribution of population between the central city and its suburbs is not appreciably affected by dwelling-unit condition in the central city, contrary to the widespread belief of supporters of renewal programs. At the same time my results suggest that decentralization has been encouraged to a substantial degree by improvements in transportation, to which the building of urban expressways—largely with federal funds—have probably been of principal importance, and by federal homeownership subsidies.

If, as is widely believed, decentralization of population had occurred largely because of undesirable physical conditions in the older, more central parts of

cities, then improvement of transportation facilities might tend to moderate decentralization in the future. In the absence of improved transportation, some business firms might also be induced to relocate to outlying areas for better access to potential customers and employees. There is virtually no empirical evidence to support the view that decentralization has occurred because of deterioration of the central city, however. Rather, decentralization of population has occurred to an important extent because of transportation improvements, and these improvements thus provide indirectly the very incentive for decentralization of business firms which they are designed in part to counteract.

In recent years the development and improvement of rapid transit facilities through federal subsidy has received strong support. This support probably derives from concern over rush-hour congestion on urban highways and the belief that rapid transit would be a technologically more efficient means of commuter travel. Congestion, however, is not so much a technological problem as an economic one; it arises largely because of a failure to impose a charge for the use of a scarce resource. Even if preferable on other grounds, congestion would still be a problem on rapid-transit routes if fares are set too low—witness the New York City subway system during rush hour. And to the extent that subsidized rapid-transit systems are technologically more efficient than highways, they will merely be more efficient in encouraging decentralization. I realize, of course, that building more highways and rapid-transit facilities may well be justified by the saving of resources for other uses that they might permit. There seems to be little reason, though, to anticipate by so doing that one might slow down urban decentralization.

Subsidies to home ownership in the form of the federal income-tax advantage and federal mortgage programs have probably tended substantially to reduce population-density gradients in the outer parts of cities and to increase the land area that urbanized areas occupy. As I will argue in more detail in the following section, there is little evidence to suggest that consumption of housing at the expense of other commodities ought to be encouraged. Much more important, however, is the fact that, being geared largely to home ownership, these subsidies tend to benefit the higher-income groups primarily and thus to increase inequality.

Another group of programs that is receiving increasing scholarly and popular support comprises various suburban development programs. Prominent among these are proposed federal subsidies for the building of new towns. Support for these programs stems largely, I believe, from the hope that, in avoiding the undesirable physical conditions of past urban development by means of proper planning, they will prevent future deterioration and decentralization. There is little evidence, however, that current decentralization results to any important degree from physical deterioration of the older parts of cities which proper planning might prevent. Rather, by encouraging the flow of new resources into suburban development and thus reducing the price of housing there relative to that in the central city, the subsidization of new towns and related programs would surely encourage decentralization currently. . . .

Given current municipal fiscal relationships, decentralization does pose a serious problem. In our society some of the most significant income and wealth redistributing functions are performed by local governments through their role in providing for public education and health and hospital services to the lower-income population, and welfare services of many kinds. At the same time, local governments have been dependent to an important extent upon taxes raised from their own residents for the support of these functions. With the growth in the absolute size of the lower-income population in central cities, the tax burden of higher-income households and business firms increases if a given level of public services per capita is to be maintained. With the higher central-city tax burden, those so affected have additional incentives to choose suburban over central-city locations. . . .

Until now the typical answer to the fiscal problems of central cities has been federal grant-in-aid funds for specific purposes. The greatest disadvantage of this method of overcoming the problem is that it encourages too much expenditure for certain purposes and too little for others. If local governments are allowed free rein in designing programs for which they are required to pay only some fraction, say one-third, of the costs, they have the incentive to push expenditures on them to the point where the marginal benefits are only one-third of the marginal costs. It is probably for this reason that the federal government has retained a substantial degree of control over specified local projects. Such controls result in delays and impose additional administrative costs.

And it is quite difficult for federal legislation and administrative regulation to allow for all exceptions warranted by genuine differences in local conditions. Another answer to the municipal fiscal dilemma which is gaining increased support is the colonization of lower-income persons in suburban areas and the discouragement of their migration from rural areas in the South to large cities. Colonization has the disadvantage of incurring greater housing costs than would otherwise be incurred. Discouragement of migration is likewise inefficient in that it prevents the movement of labor from areas of lower to higher marginal productivity.

Given that it is desirable for local governments to retain functions such as support of public education, a far more efficient means of dealing with the municipal fiscal problem is federal and/or state tax-sharing with municipalities. If individuals and business firms had to pay the same taxes regardless of their location, the fiscal incentive for decentralization would be eliminated. Such tax-sharing schemes would also eliminate the inefficiencies inherent in grants-in-aid for specific programs. Each city, having to bear the full marginal costs of each project, would have no incentive to overspend, and the need for federal control of local projects would largely be obviated. Finally, regional development projects could be evaluated on their own merits without regard to the extraneous issue of the fiscal problem arising from continued in-migration into large cities. . . .

While some persons have come to realize that demolition has adverse effects upon the poor, few realize that the long-run effects of measures which raise the cost of producing poor-quality housing are equally, if not more, injurious to lower-income groups. Among the latter are measures such as stricter code-enforcement, the rent strike, and public receivership of slum dwellings. In the short run such measures may improve the housing of the poor by allowing the quasi-rents which would otherwise accrue to the owners of poor-quality dwellings to be appropriated and used either for quality improvement or for reducing the unit price of poor-quality housing. Such actions, however, reduce the relative earnings of dwellings in poor- as compared with good-quality use. For this reason, in the long run fewer dwellings will be converted to poorer-quality dwellings as the low-income population grows, and some may be reconverted to good-quality ones. The net effect of cost-increasing policies is thus to reduce the housing opportunities of the poor. This will be the case even with a perfectly elastic relative supply schedule of poor-quality housing. For, by shifting this supply curve vertically rather than horizontally, code enforcement, for example, directly raises the long-run equilibrium relative price of poor- versus good-quality housing. Although they are less readily apparent than the effects of demolition, the effects upon the lower-income population of cost-increasing programs are if anything even more harmful.

Unlike the policies discussed thus far, housing subsidies tend to benefit the poor even in the long run by increasing their real consumption opportunities. Such subsidies are inefficient, however, in that they increase the real incomes of their recipients by no more than an income subsidy whose annual cost to the government is the same would do. For, if the cost of the housing subsidy were given as an income subsidy, its recipients could if they wished spend the whole of the increase in their incomes on housing. If they were to choose to spend only a part of their additional incomes on housing, one would presume that they preferred the expenditure pattern they had selected for themselves. Certain housing subsidies, especially those involving loans at below market interest rates, are further deficient in that they lead producers of housing to use more capital and less current expenditure in producing housing services than market conditions warrant. . . .

Two additional arguments might be used to justify housing subsidies in preference to general income subsidies. The first, which is pure paternalism, is that the poor are unable to spend their incomes in their own best interest. A more serious argument is that by inhabiting poor-quality housing the poor impose costs upon other members of society. For example, it is argued that crime, disease, and delinquency rates all tend to be higher in slum areas than elsewhere. Such an argument, of course, is exceedingly naive, since the obvious association between crime, disease, and delinquency rates and housing quality by no means implies any casual relationship. . . . Until such effects can be demonstrated, however, there would seem to be no grounds for preferring housing to general income subsidies.

In view of the strong response of housing quality to increased incomes, . . . a general income subsidy would be surprisingly effective in eliminating sub-

standard dwellings. . . . The income subsidy would also permit lower-income families to increase their expenditure on food, clothing, and medical care. With the substantial growth in incomes that has occurred since 1950, substandard dwellings would be more costly to eliminate now, both because a given percentage income-increase now represents a roughly 50 percent larger absolute increase and, the proportion of substandard dwellings being much smaller now than in 1950, because a given percentage reduction would be a smaller absolute one. Still, in view of its other advantages, a general income subsidy to lower-income households appears to me to be an attractive alternative to housing subsidies for improving the real consumption opportunities of the poor. (pp. 324-335)

IIB. MACRO-ECOLOGY

Having discussed the dwelling and the neighborhood as units of analysis, I wish to turn to studies of the metropolitan complex that have been completed by American scholars. Long-term trends will be discussed, but there will be an emphasis on the 1950-60 and 1960-70 intercensal decades.

IIB.1. *Population Distribution and the Ecological Complex*

As a framework for this review, I shall employ "the ecological complex" first developed for publication in a masterful fashion by Otis Dudley Duncan. (Duncan, 1959) Building upon the "neo-classical" version of human ecology as set out by Hawley (1950), Duncan established a coherent frame of reference for ecological investigations.

In this scheme, he discussed the multifold and reciprocal interrelations between four variables—*Population, organization, environment, and technology*. (Hence the mnemonic device—P-O-E-T—for the ecological complex.) The ecological theorist or researcher who is guided by this conception takes one or another of these four as his "dependent variable"—or the "effect" he hopes to explain—by reference to the other three as "independent variables" or "causes" to be examined in the analysis. No one variable is to be understood as somehow intrinsically a cause or effect; the designation of these are at the

analytical option of the investigator. The choice depends upon the intellectual problem at hand.

Can we apply the ecological complex to the analysis of housing phenomena? I feel that we can. Now at first glance, housing might be seen as a piece of technology; a dwelling, after all, is "a machine for living," to use Frank Lloyd Wright's apt conception. I shall not treat housing in its technological aspects, however. Rather, I am inclined to take *population distribution* as the dependent variable, and seek independent variables from the remaining variables in the P-O-E-T scheme. Population redistribution necessarily involves locational shifts in occupied housing.

If one takes population distribution and changes therein as the variables to be explained, the ecological complex suggests where we might begin to seek an explanation.

1a. Sheer *population size* will play a role; added numbers—or increments to the unit of analysis in question—must be located somewhere. Whether by migration or natural increase, growth must be absorbed. In the metropolitan complex (our unit of analysis at this point), people added to the total population must be accommodated somewhere. Do they flow to the central city or the broad "ring," including its satellites, suburbs, and rural-urban fringe?

1b. Another variable to which we must be sensitive is the *age-sex composition* of population. If numbers are added through a surplus of births over deaths—"natural increase," or "reproductive change"—numbers will be added at the base of the familiar "population pyramid," as the postwar baby boom displayed so dramatically. (That pyramid has become less broadly based as the American birth rate has fallen.) Deaths, on the other hand, will be subtracted from all age grades. Similarly, physical movement is selective in both age and sex terms, depending upon the migratory stream in question. It may be hypothesized that each of the streams recognized in Figure 1 will have a different composition or "selectivity." I am not prepared at this moment to fill in each cell, but the basic notion should be clear to the reader. (For convenience, Figure 1 ignores foreign immigration and emigration.)

FIGURE 1. SOME IMPORTANT MIGRATORY STREAMS

FROM:		Nonmetropolitan Areas		Metropolitan "Rings"		Metropolitan Central Cities	
		"Rural" Territory	Smaller Towns	Employing Satellites	Residential Suburbs	Inner Cores	Outlying City Neighborhoods
Metropolitan Central Cities	Outlying City Neighborhoods						
	Inner Cores						
Metropolitan "Rings"	Residential Suburbs						
	Employing Satellites						
Nonmetropolitan Areas	Smaller Towns						
	"Rural" Territory						

1c. Population composition in terms other than age and sex might also be critical in determining the amount and kind of population distribution and *re*-distribution. I am thinking of what may be called the *functional composition* of population, e.g., its industrial or occupational make-up. Some areas—given the nature of their “economic bases”—will attract certain kinds of migrants. One need think only of such metropolitan areas as important educational centers (e.g., Ann Arbor, Madison, Champaign-Urbana, etc.). On the other hand, such military or war-related metropolitan centers as San Diego, Seattle, and Norfolk-Portsmouth may be expected to experience migratory patterns unique in their stream sizes and compositional make-up. The list of specialized types of sending and receiving areas could be extended considerably, but I trust that the point is clear.

2. The *organization* of a population may be subjected to similarly detailed specification. Philip M. Hauser has been most articulate in spelling out these details. In his Presidential addresses before the American Statistical Association and the American Sociological As-

sociation, he offered a synoptic view of organizational shifts taking place over time. (Hauser, 1963 and 1969) He labels the key phenomenon as "the social-morphological revolution,"—a dramatic organizational shift involving such trends as those toward greater differentiation and bureaucratization. He has also spelled these out in great detail in "Urbanization: An Overview" (Hauser, 1965). It need only be added that the years following upon World War II increasingly displayed some of the characteristics of Harold D. Lasswell's "garrison state." (Lasswell, 1941)

3. The *environment* seems to be on everyone's mind these days. "Ecology" has become a household word—or, in current Washington parlance—a "buzz word." Various kinds of pollution are seen as a threat to civilization itself. Indeed, in conjunction with the world population explosion and—to use Hauser's phrase "the population implosion," or urbanization *per se*—humanity itself is said to be threatened with extinction. Man is an endangered species.

But what of the role of the environment in shaping the contours of population distribution? It appears at this point that the inter-regional drift toward the American seaboard cannot be overlooked, nor can the continuing growth of metropolitan complexes. Indeed, this "metropolitanization" continues to take place despite the widespread distrust of both cities and suburbs as, on the one hand, "behavioral sinks", and on the other, as sprawling stretches of conformity, *a la* Whyte's conception of *The Organization Man* (1956).

Some writers speak of the urban environment as though it were a setting stripped of "natural" features—a man-made *milieu* of concrete, glass and steel. This notion requires a corrective; until deliberate weather modification is a full-fledged reality, population distribution will continue to be sensitive to environmental variation. And the micro-environment cannot be neglected; different terrains, altitudes, and the nearness of water all play a role in building decisions and costs. The local pattern of housing is sometimes markedly influenced by the physical contours of available land for residential development. It is true, of course, that man can alter the topography with increasing ease, but there are sites of such difficulty that little can be done with them while staying within the bounds of "reasonable" cost, whatever that might be.

4. This brings us finally to the role of *technology* in affecting population distribution. The list of salient machines and technological devices could be the sole subject of a long essay. I will select from this array of variables only two technological complexes: (1) the automobile-truck-and-roadway system, and (2) advances in telecommunications. The focus will be upon the 20th century.

We live in the "auto age," and it is reasonably clear that the contemporary structure of the urban setting was revolutionized by the use of the internal-combustion engine in transportation. This is not to say that earlier eras—from that of the "walking city" through those associated with horse-cars and electric trains—are somehow not important. Indeed, they established the major outlines of what are now the inner cores of our major cities. But the impact of the automobile and the truck was enormous. Developed around the turn of the century, they became truly significant only in the 1920's, when mass ownership

became socially and economically feasible. Suburbanization on a grand scale followed accordingly.

The impact of electrical and (later) electronic means of communication have had a rather more indirect and subtle influence upon patterns of population distribution. To follow R. D. McKenzie (1933, Part IV) and Amos Hawley (1950, Chapters 13 and 19), they have permitted central co-ordination and control activities to continue to function in the inner areas of the metropolis, while production facilities in the manufacturing sector have become more widely dispersed over the years. The latter, in turn, have become important focal points for employment, and—to the extent that members of the labor force attempt to minimize the time and cost of commuting—they exercise a further attraction for suburban living. Retail goods and household-oriented services have also undergone a dramatic suburbanization over the years, to the point where the “dying downtown” has become a widespread urban phenomenon, affecting central cities in virtually all size classes. But this is a story so familiar to all that I need not linger over its re-telling.

I want to conclude my review of research already accomplished by turning more directly to the matter of population redistribution in the United States. Unlike many of the studies of the dwelling and the neighborhood previously summarized, quantitative measures abound, and I can provide a more concise account that I was able to do in previous sections.

IIB.2. *Metropolitanization of Population*

Having established a rough ecological framework, I can now proceed to review the research already accomplished at the level of the metropolitan complex. Over the years of the twentieth century, there has been a continuous drift toward metropolitan areas, and this has not escaped the attention of scholars interested in population distribution. Indeed, Adna Ferrin Weber (1899) saw the growth of certain great cities and their suburbs as one of the striking features of the late nineteenth century.

Following Weber, in chronological order, came the N.S.B. Gras classic, *An Introduction to Economic History* (1922), a theoretical work. R. D. McKenzie's *The Metropolitan Community* (1933, Part I), Amos H. Hawley and Donald J. Bogue's article on “Recent Shifts in Population: The Drift Toward the Metropolitan District, 1930–1940” (1942), Warren S. Thompson's Census-sponsored monograph on *The Growth of Metropolitan Districts in the United States: 1900–1940* (1947), Bogue's monographs on *Metropolitan Decentralization: A Study of Differential Growth* (1950) and on *Population Growth in Standard Metropolitan Areas, 1900–1950* (1954). All but the last of these works referred to developments prior to the United States entry into World War II. Warren C. Robinson updated the Bogue series (with some alterations in method) in *Metropolitan and Urban Growth in the U.S.A.: 1900–1960* (1963).

Table 1, taken largely from Bogue (1959, Chapter 3) and official Census sources, summarizes the main trends quite adequately. While roughly a third of the U.S. population lived in “principal” metropolitan areas in 1900, the fraction in officially designated Standard Metropolitan Statistical Areas had exceeded two-thirds by 1970. By these measures, metropolitan growth exceeded the growth of nonmetro-

politan areas in every intercensal period of this century, including the depression decade of the 1970's. "Nonmetropolitan," of course, cannot be equated with "rural" population; nonmetropolitan territory contains numerous smaller cities and towns, as well as rural-nonfarm and rural-farm components. While these latter populations are beyond the purview of this essay, they constitute an important sector of the total U.S. population, and some attention will be given them in passing. For the moment, however, I want to retain a sharp focus on the 200-odd metropolitan complexes as the arenas within which the most dramatic population shifts in the U.S. have occurred.

TABLE 1.—ESTIMATES OF METROPOLITAN AND NONMETROPOLITAN GROWTH, 1900-70

Census year	Number of SMSA's	Total U.S. population (millions)	Metro-politan population (millions)	Metro-politan population as percent of total United States	Rates of growth (percent change in preceding decade)		
					Total United States	SMSA	Non-metropolitan
1900.....	152	76.2	24.1	32	21	-----	-----
1910.....	171	92.2	34.5	38	21	33	15
1920.....	194	106.0	46.1	44	15	25	8
1930.....	1115	123.2	61.0	50	16	27	7
1940.....	125	132.2	67.1	51	7	8	6
1950.....	1147	151.3	84.3	56	15	22	6
1950.....	168	151.3	84.5	57	15	22	6
1950.....	212	151.3	89.3	59	15	-----	-----
1960.....	212	179.3	112.9	63	19	26	8
1960.....	243	179.3	120.2	67	19	-----	-----
1970.....	243	203.2	140.2	69	13	17	6

¹ Adapted from Bogue (1959), table 3-1, p. 46; for 1900 through 1950, Bogue identifies "principal" metropolitan areas, i.e., those with at least 100,000 inhabitants.

Note: All estimates are from official census sources. In each case, area is held constant.

IIB.3. *Suburbanization of Population*

Within the metropolitan complex, there is a long-term shift in population that is variously labelled as "deconcentration," "decentralization," or "suburbanization." Weber was clearly aware of these outward shifts—large cities and their suburbs were growing at different rates near the end of the 19th century. Indeed, in an article entitled "The Timing of Metropolitan Decentralization" (1959), I have been able to show that ten out of the ninety-nine largest metropolitan areas (largest as of 1950) were suburbanizing by the turn of the century, long before the automobile-truck-highway complex began to exert its major influence. In this respect, Hawley's monograph on *The Changing Shape of Metropolitan Areas: Deconcentration Since 1920* (Hawley, 1956) is somewhat misleading. This study covered the period 1900-1950. By aggregating the data over all metropolitan areas in the study—and by largely ignoring the individual experiences of particular metropolitan areas—Hawley was led to place too much emphasis upon the automobile-truck-highway complex; hence the subtitle. Carriages, horse-cars, and intra- and inter-urban electric railways played a key role in pre-1920 (indeed, pre-1900) "deconcentration" around the larger and older metropolitan centers. (The Hawley volume's greatest virtue lies in its treatment of what he calls "extended metropolitan areas," delimited *not* by county lines, as in Bogue's work and mine, but in terms of five-mile distance intervals as far out [when feasible] as 35 miles and over.)

Regrettably, the work of Hawley and Bogue, together with most of mine, ceases with 1950 Census data. Indeed, we are largely confined to the half-century 1900–1950 for most of our generalizations about suburbanization or population decentralization. One exception is a study of mine (Schnore, 1965, Chapter 6) confined to the 1950–60 intercensal decade, and another is a more recent effort (Schnore and Klaff, 1972) that uses preliminary 1970 Census data in order to estimate the major trends for 1960–70. Work in progress at the Center for Demography and Ecology, University of Wisconsin, will soon produce a more definitive picture—taking into account the all-important factor of annexation by central cities. Such annexation clearly tends to mask the actual amount of suburbanization or decentralization that has occurred. Hopefully, the current effort will yield an improved estimate of the role of annexation and a number of other community characteristics in suburbanization.

In any case, Table 2 summarizes the situation for the years 1900 through 1970. Again, I depend heavily upon Bogue's estimates for the half-century 1900–1950, and "splice" the 1960 and 1970 census data to the end of the Bogue series.

TABLE 2.—MEASURES OF SUBURBANIZATION, 1900–70

Census year	Number of SMSA's	Total SMA (millions)	Percent in central city	Percent in ring	Rate of growth (percent change in preceding decade)		
					Total SMSA	Central city	Ring
1900.....	1 52	24.1	89	11	.....	.....	.....
1910.....	1 71	34.5	87	13	33	35	27
1920.....	1 94	46.1	85	15	25	27	22
1930.....	1 115	21.0	82	18	27	23	34
1940.....	1 125	67.1	80	20	8	5	14
1950.....	1 147	84.3	76	24	22	14	35
1950.....	168	84.5	58	42	22	14	36
1950.....	212	89.3	59	41	.....	.....	.....
1960.....	212	112.9	51	49	26	11	49
1960.....	230	119.6	51	49	.....	.....	.....
1970.....	230	139.4	2 54	2 46	2 15	2 5	2 26
1970.....	243	.....	.....	.....	17	5	28

¹ Adapted from Bogue (1959), table 3-2, p. 49; intercensal rates are computed with area held constant to the extent that city annexations permit.

² Preliminary data from Schnore and Klaff (1972); annexation by central cities are not taken into account.

In any case, we have reached this point where the outlying rings of metropolitan areas now contain a plurality of the American population. This situation constitutes the culmination of a true "revolution" in population distribution, and there are no clear signs of an abatement of this massive shift to the suburbs.

IIB.4 *Suburbanization by Social Class*

For many years, dating at least from the original statement of the "zonal hypothesis" by Ernest W. Burgess (1923), American sociologists have contended that the urban and metropolitan population has been "sifted and sorted" in space according to socioeconomic status. Moreover, they have contended that there is a clear-cut tendency for the upper strata to shift residence from the central city to the suburbs. This gives rise to a concern about loss of community leadership cadres, a declining tax base, and mounting psychological separation—or "alienation"—between the rich and the poor.

I have been studying this question (among others) for almost twenty years, and I have concluded that the common image of the rush to suburbia on the part of the urban elite yields a distorted picture of reality and is a vast oversimplification. We have tended to take the experience of the larger and older metropolitan areas as common to all metropolitan areas. This is plainly unwise.

If I may be permitted to quote from my latest book (Schnore, 1972):

Results indicate that residential redistribution according to "social class" is occurring in all these metropolitan areas and that the *pattern* of change varies systematically. Regional differences are pronounced and, as prior research has suggested, age of this city and population size appear to be important factors. The percentage of adults in the high school and college categories in the rings of older and larger metropolitan areas generally increased disproportionately compared to the central cities. A variety of patterns of change occurred among the younger and smaller metropolitan areas.

If men of practical affairs often are confused about urban issues—especially about questions pertaining to cities and suburbs—this should be no great surprise. The plain truth is that the scholarly community is even more confused about the main trends. Pinkerton's (1960) review of the literature emphasizes this confusion in embarrassing detail. Most of the difficulties in determining the nature of recent trends in the redistribution of social classes stem from (1) a lack of consensus regarding the appropriate areal units, time intervals, and measures of "social class"; (2) an obtuse reliance on cross-sectional data for testing inherently longitudinal propositions; and (3) a heavy dependence on case studies of individual urban areas, usually larger or older metropolitan complexes. (pp.82-83)

In any event, the need for more carefully designed research is quite clear. Significant studies have been published by other investigators—notably Joel Smith (1970) and Avery Mason Guest (1971)—that contribute to our understanding of the process of "social class" selection in residential terms. The availability of the 1970 Census materials, along with methodological advances of the 1960's, should lead to a firmer grasp of the main facts and their antecedent conditions.

IIB.5. *Suburbanization by Family Type*

The most creative of recent research on the areal distribution of family types has been carried out by two men trained at the University of Wisconsin (Madison)—Professors Ozzie Lee Edwards (University of Michigan) and Avery Mason Guest (University of Washington). I shall summarize some of their published work, largely in their own words, in order to give the flavor of current thinking on the subject.

Guest has published a significant report on "Patterns of Family Location" in Cleveland, Ohio, using census tract data and "path analysis" in order to evaluate some ecological hypotheses concerning the location of different family types. (Guest, 1972)

We defined six types of families or pseudo-families on the basis of available 1960 data. Four types represent idealized stages in the life cycle of married couples: Young Couples, husband under 45 with no children under 18 at home; Young Families, husband under 45 with children under 18 at home; Old Families, husband over 45 with children under 18 at home; Old Couples, husband over 45 with no children under 18 at home. The other two types of families, Single Heads and Primary Individuals, do not contain married couples as heads of the household. In Single Head families, there are relatives (perhaps some children) living together, while Primary Individual living units generally consist of one to three unrelated individuals. (pp. 161-162)

What is the areal distribution of these types of family? One aspect of their typical locations is shown in Table 3. Guest summarizes these findings in these words:

As Table [3] shows, it is indeed true that these family types vary with distance from the Cleveland CBD. Young Families and Old Families in the mature child-bearing stage are found disproportionately on the outskirts of Cleveland, while Single Heads and Primary Individuals are found more often near the center. Old Couples, presumably just through the childbearing period, are somewhat decentralized, although the relationship with distance is slightly curvilinear. The peak concentrations occur near the outskirts, but there is a clear drop in concentration in the last two mile-distance zones. The sixth family type, Young Couples, presumably about to begin childbearing, shows little relationship with distance from the CBD.

TABLE 3.—MEAN PROPORTION OF FAMILY TYPES BY 1-MILE DISTANCE ZONES FROM CLEVELAND CBD¹

Zone	Family type					
	Young couples	Young families	Old families	Old couples	Single heads	Primary individuals
0-1 (13)	5.7	16.7	5.2	12.0	10.5	50.8
1-2 (35)	7.5	25.3	8.0	16.4	17.0	25.6
2-3 (46)	8.1	27.6	8.7	20.3	14.6	20.5
3-4 (47)	8.3	27.6	9.6	23.7	12.8	17.8
4-5 (46)	7.3	25.2	11.2	27.6	11.6	16.9
5-6 (44)	6.3	28.8	13.0	28.9	9.6	13.3
6-7 (35)	6.0	32.3	13.9	29.1	8.3	10.4
7-8 (28)	8.0	41.1	13.4	23.3	6.7	7.4
8 plus (39)	6.5	39.6	14.8	25.4	6.1	7.5
Grand mean (353)	7.2	30.4	11.4	24.1	10.8	16.1
Standard deviation	3.0	10.7	4.8	7.1	4.9	12.7
Zero-order r with linear distance from CBD	-.10	.52	.54	.43	-.65	-.60

¹ Number of tracts in parentheses.

Source: Guest (1972), Table 1, p. 163.

However, it should be emphasized that most of the variance in each family type is left unexplained by linear distance from the CBD. We were unable to find significant other spatial patterns, such as sectoral or location in relationship to Lake Erie, that might account for much more of the variance in the family types.

These relationships between distance and the proportion of each family type are generally consistent with our expectations. Given that families with children, Young Families and Old Families, should be attracted to the outskirts by the presence of recreational activity and spacious housing, we would expect them to be particularly decentralized. Young Families might also be decentralized through the use of new housing. Single Heads and Primary Individuals should be particularly centralized by their use of the small space of central housing. Furthermore, since these families are often headed by elderly widowed persons, they might be found particularly in old housing near the city center. There may be some propensity for widows to live in the neighborhood where they lived as spouses in families with children. The relatively strong propensity for Old Couples to be decentralized is somewhat surprising, given the fact that they should have fewer space needs than families in the childbearing stage and that they might be found in the old housing near the city center. On the other hand, the weak relationship between the proportion of Young Couples and distance from the CBD is generally expected. Location in areas of new housing might lead to their decentralization. (pp. 162-163)

Following a detailed investigation by path-analytic techniques, Guest summarizes the apparent reasons for centralization or decentralization of types of family:

Young Families and Old Families are decentralized, but apparently for somewhat different reasons. Young Families are on the outskirts primarily due to

the presence of relatively new housing, while Old Families are there because of low density housing.

Both Primary Individuals and Single Heads are found toward the CBD because they live in old areas. Primary Individuals are also particularly centralized because of residence in high density areas; density is less important for Single Heads.

Of the other two types, only Old Couples had much relationship to distance from the CBD. In this case, paths have noticeably opposite effects. Thus, Old Couples are decentralized due to residence in low density areas but centralized due to residence in older areas; that is, there are forces pulling them toward both the center and outskirts of Cleveland. There is also some tendency for location in new neighborhoods to decentralize Young Couples, whereas location in high density neighborhoods tends to centralize them. . . .

It is clear that the arguments of the human ecologists are valuable for understanding the location of types of families in the metropolis. Much of the tendency for family types to be located close to or distant from the CBD may be explained through the distance-density and distance-Age relationships. In fact, the tendency for Young Families and Old Families to be decentralized and for Primary Individuals to be centralized can be almost completely explained by the model.

Given the massive evidence (Muth, 1969) that population densities decline in a fairly regular manner with distance from the CBD, one would expect generally similar patterns of family distribution in most American metropolitan areas. Indeed, we (Guest, 1970) have shown that patterns of family distribution in sixteen other metropolitan areas are generally similar to those found in Cleveland.

The direct effect of areal Age on patterns of family location may indicate the importance of the neighborhood life cycle in understanding the distribution of population. Neighborhoods, regardless of their housing and site characteristics, may indeed pass through life cycles in their family composition, from Young Families to Old Couples, Primary Individuals, and Single Heads. This, of course, has been only suggested, not demonstrated, by the model. While areal Age may exert a direct effect on family location, there is little evidence that it has much indirect effect through other variables.

The ecologists' model would suggest that patterns of family distribution in relationship to the CBD should be most distinct in the largest metropolitan areas, whether for reasons stemming from the greater competition for central land or from the generally old age of the area around the CBD. However, we have elsewhere (Guest, 1970, p. 162) correlated (for Cleveland and the sixteen other metropolitan areas) population size with the predicted change in the proportion of each family type for each mile distance zone from the CBD. This analysis showed that the proportions of Young Families and Old Families increased most rapidly with distance from the CBD in the smallest places, while the proportions of Single Heads and Primary Individuals decreased most rapidly with distance from the CBD in the smallest places. This result was consistent with Muth's (1969, p. 152) finding that the density gradient changed most rapidly in the smallest places. While these results seem to be contradictory to current ecological theory, we have no present explanations. Obviously, more research is needed into the process of neighborhood change as cities age and grow in population. (pp. 168-169)

Edwards' research report was also a case study of a single metropolitan area—Milwaukee, Wisconsin. In this case, however, the total population is not studied; rather, the investigation is of "Patterns of Residential Segregation Within a Metropolitan Ghetto" (Edwards, 1970). The study would have been vastly improved had Edwards used the detailed family typology employed by Guest; instead, Edwards examined only four family types—Younger Couples, Younger Families, Older Families, and Older Couples. (At the same time, it must be said that Guest's study would have been improved by attention to the white-nonwhite differences; this would seem especially important in a city like Cleveland, where a substantial black "ghetto" encompasses much of the East side, while the West side remains largely white in occupancy.) *Both* studies suffer from a familiar problem: trying to

make longitudinal inference (generalizations about changes over time) with cross-sectional data ("snapshots" referring to one point in time).

In any case, Edwards' study is worth attention for its ideas. Summarizing in his own words, Edwards says:

The residential segregation of families by income and by a stage of the family life cycle within Milwaukee's black community resembles in both pattern and degree that in the white community. The greater the difference in income, the more dissimilar are the distributions by census tract. Dissimilarity is greater between younger couples without children and older couples with children than between any other pair of family types defined by husband's age and presence of children. However, segregation by income was substantially greater than by family type in 1960. The bases of selectivity of blacks in "changing" areas of the city, where the proportion black is still relatively low, and of whites in the "suburban" areas adjoining the city are similar. Families in the higher income groups and couples with children are over-represented in these areas. It would appear that given the pressures of limited housing space in the inner core of the black community, given the fact that certain amenities are not available in that area, and given the economic and social barriers which restrict the movement of blacks into the suburbs, the changing areas must function as "suburbs" for the black community. . . .

In this study we have attempted to measure residential segregation within a metropolitan ghetto. We discovered that Milwaukee's Inner Core, the place of residence of a racially segregated population, is not an undifferentiated mixture of elements of the nonwhite population. Within this area, nonwhite families of different income level are segregated to a degree which is moderate in an absolute sense but approximates that of similar income groups in Milwaukee's white community. In addition, nonwhite married couples living in the Inner Core were classified according to stage in the family life cycle and segregation between family types measured. This form of residential segregation was disappointingly small in the light of previous suggestions as to the family type composition of areas of urban communities. However, residential segregation of nonwhite family types within the Inner Core approximated that of family types within the White Community.

The data of this study provide further evidence of the positive relationship between social distance and spatial distance. Segregation is greatest between those families which differ most in level of income. Although the distinctions are less pronounced, segregation between family types also reflects this positive relationship between social distance and spatial distance. Those family types which differ most in life style are most segregated from each other. Indexes of segregation for family types reflect the curvilinear pattern of change in life style as the family passes through its life cycle. These principles are applicable to the Inner Core as well as to the White Community.

Of particular interest was the function of the Changing Area as a place of residence for elements of the nonwhite population. It appears that the Changing Area serves the nonwhite population in much the same way as the Suburban Area does the white population. The Changing Area is characterized by a disproportionately large number of nonwhite families in higher income categories and nonwhite families with children as is the Suburban Area by white families of higher income and white families with children.

The patterns suggested here may be obscured somewhat by the size of the areal unit. However, they are sufficiently distinct to create general impressions and to provoke further interest. Level of income is a key factor in the distribution of urban families. The life cycle also seems to be a useful frame of reference for studying this distribution. There is particular need for further consideration of this subject as it applies to the nonwhite family. (pp. 185, 191-192)

It is clear that much work remains to be done on this topic in the future. The 1960 and 1970 Census data, in particular, should be utilized for the purpose of ascertaining important changes that have occurred within cities over the decade of the 1960's. Current research at the University of Wisconsin (Madison) should help add to the sum total of our knowledge and understanding on the issue of segregation by (1) socioeconomic status, (2) family types, and (3) color. It is to the last of these topics that I turn now.

IIB.6. *Suburbanization by Color*

The popular image of city and suburb in metropolitan America is clear: the central city is being abandoned by whites in a great suburbanward exodus, leaving the metropolitan core area increasingly to blacks. What are the facts?

The main trends since the turn of the century are reasonably clear. Taeuber and Taeuber (previously cited) have assembled the basic data shown in Table 4. They explain the long-term trends—through 1960—as follows:

The racial composition of metropolitan areas in the United States from 1900 to 1960 is shown in summary fashion in Table [4]. Of the white population in 1960, 63 per cent lived within the 212 SMSA's recognized in the census, as compared with 65 per cent of the Negro population. Of the metropolitan Negro population in 1960, 80 per cent lived in central cities, and 20 per cent lived in the rings. Metropolitan whites were more evenly distributed, with a slight majority living in the suburban rings. Thus, Negroes composed 17 per cent of the population in central cities, but less than 5 per cent of the population outside central cities.

TABLE 4.—DISTRIBUTION OF POPULATION WITHIN METROPOLITAN AREAS,¹ BY RACE, 1900-60

Year	Total	White	Negro
Population in metropolitan areas (in thousands):			
1960.....	112,385	99,509	12,194
1940.....	72,576	66,487	5,840
1920.....	52,598	48,779	3,547
1900.....	31,836	29,399	2,352
Percentage living in central cities:			
1960.....	51.4	47.8	79.6
1940.....	62.7	61.6	74.6
1920.....	66.0	65.9	67.2
1900.....	62.1	62.8	54.5
Percentage by race, inside central cities:			
1960.....	100.0	82.4	16.8
1940.....	100.0	93.1	9.6
1920.....	100.0	92.9	6.9
1900.....	100.0	93.3	6.5
Percentage by race, outside central cities:			
1960.....	100.0	95.0	4.6
1940.....	100.0	94.1	5.5
1920.....	100.0	93.0	6.5
1900.....	100.0	90.7	8.9

¹ The historical data pertain to standard metropolitan statistical areas as defined in the 1960 census, with no adjustment for changing city boundaries.

Source: U.S. Bureau of the Census, "U.S. Census of Population: 1960, Selected Area Reports, Standard Metropolitan Statistical Areas," Final Report PC(3)-1D (Washington, D.C.: U.S. Government Printing Office, 1963), table 1. Reprinted in Karl E. Taeuber and Alma F. Taeuber, "Negroes in Cities" (Chicago: Aldine Publishing Co., 1965), p. 57, table 11.

The trends in these various percentages are in part explained by the northward movement of Negro population. In the North, there has never been any significant amount of rural and village settlement by Negroes, and they have been excluded from nearly all new housing developments in the suburbs. In the South, by contrast, Negroes have long resided in many rural and village places that have been brought into the metropolitan sphere as urban settlement expanded outward. Within both North and South, the rapid urbanization of Negro population has contributed disproportionately to the growth of Negro population inside rather than outside central cities. For whites, particularly in the older and larger metropolitan areas, the central city population has been growing slowly if at all, while there has been a large migration to the suburbs. (p. 56)

A colleague and I drew similar conclusions from the same basic data, though we concentrated on the twelve largest metropolitan areas as of 1960, and stressed detailed trend data for the period 1930-1960. For those areas and that time period, we came to the following conclusions:

It is no exaggeration to call the growth of nonwhite population in our major cities one of the truly outstanding social trends of the twentieth century. In 1900, when 43 percent of the white population was living in urban communities, only 22.7 percent of the nonwhite population lived in cities. At our most recent census in 1960, 69.5 percent of all whites and 72.4 percent of all nonwhites were urban dwellers, making the nonwhites more urbanized than the rest of the American population.

The concentration of nonwhites in very large cities is even more dramatic. The central cities of our twelve largest metropolitan areas contained 13.2 percent of the United States population in 1960. At the same time, these cities held over 31 percent of American Negroes. (These cities are New York, Los Angeles-Long Beach, Chicago, Philadelphia, Detroit, San Francisco-Oakland, Boston, Pittsburgh, St. Louis, Washington, Cleveland, and Baltimore. In the California cities there are substantial numbers of persons of Chinese and Japanese ancestry who are also treated as "nonwhites" in census statistics; but the nonwhite population in most cities is almost entirely Negro.)

Actually the rapid influx of nonwhites is not confined to a handful of very large places. Every one of the fifty largest cities in the continental United States—each containing at least 250,000 inhabitants in 1960—showed increases in their proportions of nonwhites between 1950 and 1960, our two most recent censuses. This trend was evident in all sections of the country, North and South, East and West. In some cases (e.g., Minneapolis, St. Paul, and El Paso), the increases are modest, with a difference of only one or two percentage points. In other instances, however, the changes are substantial: for example, Newark changed from 17.2 to 34.4 percent nonwhite, and Washington's proportion of nonwhites rose from 35.4 to 54.8 in 1960.

There were regional differences, however, in the experience of metropolitan areas. Fully 70 percent of the 212 Standard Metropolitan Statistical Areas currently recognized showed increasing proportions of nonwhites between 1950 and 1960, but this figure conceals an important difference between the South and the rest of the country. Outside the South, nine out of every ten, metropolitan areas showed nonwhite increases over the decade. In the South itself, the trend was radically different, for only 35 percent of the southern metropolitan areas (27 out of 77) experienced relative gains in numbers of nonwhite. *In other words, six out of every ten southern metropolitan areas had lower proportions of nonwhites in 1960 than in 1950.* In general, it was only the larger southern metropolitan areas that gained larger numbers of nonwhites.

The twelve largest metropolitan areas listed earlier now contain almost a third of the American Negro population. The proportion of whites in the United States who lived in the twelve central areas has fallen slightly but steadily since 1930, while the proportion of nonwhites has consistently increased, doubling in the thirty-year interval. Between 1950 and 1960 these central cities lost over two million whites while gaining 1.8 million nonwhites. In addition, although the white population has become progressively more concentrated in the suburban "rings" around these cities, the relative number of nonwhites in these rings (only 3 percent in 1930) has grown by just two percentage points in thirty years.

The collective pattern described above is generally reproduced in each of the twelve areas taken individually. *The total population increased rather slowly in the depression decade of 1930-1940, then grew faster over the last two decades, with the nonwhite populations growing at rates from two to four times greater than those of the white populations. . . .*

Thus the relative number of whites in every one of the twelve large central cities has decreased drastically over the last thirty years. This trend started slowly in the 'thirties, gained momentum in the 'forties, and became most pronounced during the 'fifties. The experience of one central city—Washington, D.C.—touches on the dramatic. In 1939 almost three-quarters of the inhabitants living in the city of Washington were white; currently, more than one-half of the residents of this city are nonwhite.

In contrast to the sharp drop in the proportion of whites in the central cities, the most common pattern in the suburban rings is one of near stability in racial composition. Thus despite the rapid absolute growth of the ring area, and despite the fact that the nonwhite *rate* of growth in the ring often is higher than that of the whites, the proportion of whites in eight of the twelve suburban rings changed by less than three percentage points between 1930 and 1960. In Washington, D.C., and in Baltimore, the relative number of whites in the ring actually *increased* substantially during these thirty years.

Since 1930 the nonwhite population has expanded rapidly in every one of the large central cities; correspondingly, the central city white population has remained relatively stable or has substantially declined. This process of racial turn-over reached a peak of intensity between 1950 and 1960. The population decline of our largest cities would have been much more pronounced if increased numbers of nonwhites had not partially compensated for the loss of the white population. As we have noted, the flow to the rings was even greater over the last ten years than it was earlier.

But this "decentralization" movement involves a distinct color line. While the cities are becoming more and more nonwhite, the rings maintain an amazingly high and constant proportion of white residents; without exception, from 93 to 99 percent of the population in the rings of our twelve largest metropolitan communities are white and this situation is basically unchanged since 1930.

Continuation of the trends documented here would certainly have tremendous implications for the future of the metropolitan community in the United States. (Schnore and Sharp)

We also speculated on some of the reasons for these massive shifts over the thirty-year interval on which we focussed our attention:

One reason why the central city is losing its white population is that whites in the city are older and have higher death rates. More importantly, underdeveloped city land for the building of new homes is in very short supply. Those dwellings that are available often are not as attractive to young white families as comparably priced homes in the suburbs. Finally, for a number of whites, fears of various kinds—threats of possible physical violence, hazards of declining property values, concern over the color composition of schools—begin to operate when nonwhites become neighbors.

The ring population is increasing at a tremendous rate not only because of movements into them but also because suburban areas have a high proportion of young couples who are producing children at a very rapid pace. They are "baby farms" in an almost literal sense. Additional factors which have contributed to the accumulation of population in the ring include the greater ability of American families to pay the higher costs of transportation; the decentralization of industrial and commercial enterprises; and the construction of vast suburban housing tracts and massive expressways which lead into the heart of the city.

Nonwhites are increasing in the larger cities because of the higher birth rates of central city nonwhites and because of the "pull" of a more favorable political-economic climate. The big cities have the jobs to which nonwhites can aspire, even though they may not pay well.

Why have nonwhites clustered near the center of the city and avoided the outer city and the ring? Part of the explanation is certainly the low economic status of the nonwhite and his inability to afford a new home in a more expensive neighborhood. *Most observers would agree, however, that the major factors in residential clustering by race are restrictive selling practices which ultimately create separate housing markets for whites and nonwhites.*

Our conclusion was rather grim, and we are pleased to note that the 1970's have yet to witness the devastating ghetto riots of the 1960's:

We can anticipate that the rest of the twentieth century will be marked by a continuation of the established trend toward concentration of the American Negro in large cities and a continuation of the accompanying social upheavals that have captured the attention of the nation in recent years.

Other writers have detected a hint of change from sample data. Reynolds Farley (University of Michigan sociologist and demographer) summarizes the data available to him on the eve of the 1970 Census:

Several studies have indicated that central cities and their suburban rings are coming to have dissimilar racial compositions. A closer examination of the data reveals that suburban rings do not have an exclusively white population. There are now, and always have been, suburban communities of blacks. In recent years, the growth of the Negro suburban population has accelerated. This growth appears concentrated in three types of areas: older suburbs which are experiencing population succession, new developments designed for Negro occupancy, and some impoverished suburban enclaves. Despite this growth, city-suburban differences

in the proportion of black population are increasing, and patterns of residential segregation by race within suburbs are emerging which are similar to those found within central cities. In the past, city-suburban differences in socioeconomic status were different among whites and Negroes. Unlike whites, the blacks who lived in the suburbs were typically lower in socioeconomic status than the blacks who lived in central cities. The recent migration to the suburbs, however, is apparently selective of higher status blacks, and it is likely the census of 1970 will reveal that the socioeconomic status of suburban blacks exceeds that of central city blacks. (Farley, 1970, p. 512)

Farley is even more direct in his opinions concerning the consequences of black suburbanization :

The suburbanization of blacks does not herald a basic change in the patterns of racial segregation within metropolitan areas. Cities and their suburban rings are becoming more dissimilar in racial composition, and the out-migration of some blacks from the city will not alter this process. It will do no more than slow the growth of the black population of some cities while adding still greater diversity to the already heterogeneous population of suburbia.

It does indicate that Negroes, similar to European ethnic groups, are becoming more decentralized throughout the metropolitan area after they have been in the city for some time and improved their economic status. However, improvements in economic status brought about not only the residential decentralization of European immigrant groups but also reductions in their residential segregation. Negroes have deviated widely from this pattern for, despite economic gains and some decentralization of predominately black residential areas, the residential segregation of Negroes has persisted. Even during the prosperous period from the end of World War II to the present, there is no evidence that the residential segregation of blacks decreased. It is possible that the suburbanization of blacks will alter this pattern, and a future census may reveal integrated suburban neighborhoods. In the meantime, we can be certain that the residential segregation patterns of central cities are reappearing within the suburbs. (pp. 526-527).

Only a detailed analysis of the 1970 census data—just now becoming available for close scrutiny—will yield a full picture of the major trends in suburbanization by color. Work at the University of Wisconsin is proceeding apace. Professor Harry Sharp is updating the trends for the twelve largest metropolitan areas, and Karl and Alma Taeuber are replicating and extending their monumental work on *Negroes in Cities*. It will not be long before we will have the full facts concerning the 1960's.

IIB.7. *Trends and Projections for the Total Metropolitan Population*

The most ambitious effort to project the total metropolitan population is that of Patricia Leavey Hodge and Philip M. Hauser in a work entitled *The Challenge of America's Population Outlook, 1960 to 1985* (1968). Their work, based on Census sources, contains a wealth of information on key trends through 1960. Sponsored by the National Commission on Urban Problems, this study is the most comprehensive yet undertaken with existing census data as of the late 1960's. Table 5 is taken from their work. They are careful to note that the estimates for 1985 are *projections* of recent trends, and *not predictions* about the actual course of events awaiting us in the future.

TABLE 5.—METROPOLITAN AND NONMETROPOLITAN POPULATION BY REGION: 1960 AND PROJECTED 1985

[Numbers in thousands]

Region and metropolitan status	Population		Change 1960-85		Percent of region		
	1960	1985	Amount	Percent	1960	1985	Change 1960-85
United States.....	179,323	252,185	72,862	40.6	100.0	100.0	-----
Metropolitan.....	112,884	178,138	65,254	57.8	63.0	70.6	+7.6
Nonmetropolitan.....	66,439	74,047	7,608	11.5	37.0	29.4	-7.6
Northeast.....	44,678	58,517	13,839	31.0	100.0	100.0	-----
Metropolitan.....	35,350	47,328	11,978	33.9	79.1	80.9	+1.8
Nonmetropolitan.....	9,328	11,189	1,861	20.0	20.9	19.1	-1.8
North Central.....	51,619	65,723	14,104	27.3	100.0	100.0	-----
Metropolitan.....	30,963	44,642	13,679	44.2	60.0	67.9	+7.9
Nonmetropolitan.....	20,656	21,081	425	2.1	40.0	31.2	-7.9
South.....	54,973	78,910	23,937	43.5	100.0	100.0	-----
Metropolitan.....	26,436	46,156	19,720	74.6	48.1	58.5	+10.4
Nonmetropolitan.....	28,537	32,754	4,217	14.8	51.9	41.5	-10.4
West.....	28,053	49,035	20,982	74.8	100.0	100.0	-----
Metropolitan.....	20,135	40,012	19,877	98.7	71.8	81.6	+9.8
Nonmetropolitan.....	7,918	9,023	1,105	14.0	28.2	18.4	-9.8

Note: 1960 boundaries of SMSA's used for 1960; 1967 boundaries of SMSA's used for 1985.

Source: U.S. Bureau of the Census, "U.S. Census of Population, 1960, Selected Area Reports, Type of Place", final report PC(3)-1E, table 1; and appendix A, table A-1, in Patricia Leavey Hodge and Philip M. Hauser, "The Challenge of America's Metropolitan Population Outlook, 1960 to 1985," New York: Praeger.

Table 5 shows that metropolitan areas are expected to increase by 57.8 per cent over the 25-year interval at issue. Nonmetropolitan population growth will be largely a function of natural increase, since net migration losses will continue to be felt in this type of territory. Table 5 also projects broad regional differences by metropolitan status. The Northeast will apparently show the least change. The prospect for all of the remaining three regions is that they will undergo further substantial "metropolitanization." The South and the West are expected to show the greatest increase within metropolitan areas, with the North Central region (The Midwest) expected to show a somewhat more moderate increase. There are many technical limitations to this kind of effort; the authors are fully aware of them, and couch their conclusions in very careful language:

It is projected that the total population of the United States in 1985, under the assumptions employed, would be 252.2 million—with a possible range of from 240.7 to 263.6 million. Of the 252.2 million persons anticipated in the United States by 1985, it is estimated that 178.1 million or 71 percent of the total population would reside in metropolitan areas. Then, the metropolitan population of the nation by 1985 may well be as large as the total population was in 1960. This projection indicates that the metropolitan population would increase by some 65.3 million or by 58 percent during the 25 years from 1960 to 1985. In contrast nonmetropolitan United States would increase by only 7.6 million persons, or 12 percent.

Although the Northeast would show the smallest metropolitan increase both in rate of population growth and the proportion of the metropolitan population, the population residing in metropolitan areas in this region, at 47.3 million, would exceed its total population of 44.7 million in 1960. By 1985 the Northeast would have lost its position as the most metropolitanized region in the nation, with 81 percent metropolitan, to the West which will have become 82 percent metro-

politan. The West will have achieved this status as the most metropolitanized region by reason of almost doubling its metropolitan population between 1960 and 1985—an increase of 99 percent.

The North Central states would retain their rank as the third most metropolitan region with 68 percent of the population concentrated in SMSA's in 1985. The metropolitan population of this region would increase by 44 percent.

The South will continue to experience the greatest relative increase in the proportion of the metropolitan population. This proportion would increase to 58 percent in 1985, from 48 percent in 1960—a 10 percentage point increase. Metropolitan population in the South would increase by 75 percent.

It is clear that each region of the nation must be prepared for great metropolitan population increases by 1985. Of the total metropolitan increase of 65.3 million in the United States, the West would absorb 19.9 million additional metropolitan inhabitants, the South 19.7 million, the North Central states 13.7 million and the Northeast 12.0 million.

The annual growth rate of SMSA population between 1960 and 1965 was considerably below that between 1950 and 1960, 1.8 as compared with 2.4 percent (geometric). This reduction in rate of growth was evident in each region, and is, of course, reflected in the projections to 1985.

Between 1960 and 1985 the metropolitan population of the nation as a whole would increase at a rate of 1.6 percent (geometric) per annum. The annual growth rate of the population resident in SMSA's in the West would be 2.6 percent; in the South, 2.0 percent; in the North Central states, 1.2 percent; and in the Northeast, 1.0 percent. The annual growth rate anticipated in the West is one that would double the population about every 27 years, whereas that of the Northeast would require about 70 years for a doubling. (pp. 7-10)

Thus the problems of providing adequate housing for metropolitan populations loom largest in the future for all regions of the United States. The most common notion among demographers and social scientists is that we shall have to double the currently existing housing stock by the end of the century, at least within metropolitan areas.

IIB.8. Trends and Projections by Color, City and Ring, in Metropolitan Areas

In view of the emphasis in this paper, the question of future changes in the color composition of cities and suburban rings in American metropolitan population deserves at least a few words. Again, Hodge and Hauser (1968) have provided the most thoughtful consideration of this question. The basic data are contained in Table 6. The authors summarize the highlights of this summary table in these words.

A 40.6 percent increase in total U.S. population is projected for 1960 to 1985, involving a 37 percent growth in whites and a 68.2 percent growth in nonwhites (Column D).

Of the total population growth, nearly four-fifths (79.4 percent) is projected for outlying parts of metropolitan areas (the SMSA Ring), with the balance about evenly split between metropolitan central cities and nonmetropolitan territory (Column E).

The proportion of nonwhite population in central cities is projected to rise from 17.8 percent in 1960 to 30.7 percent in 1985, with the proportion of nonwhite population in outlying parts of metropolitan areas changing only from 5.2 to 6.1 percent (Columns F and G). (p. 58)

TABLE 6.—SUMMARY—RESIDENT POPULATION OF THE UNITED STATES; 1960 AND PROJECTED 1985

[Numbers in thousands]

	Population		Change 1960-85		Percent of total change	Percent distribution by color	
	1960	1985	Amount	Percent		1960	1985
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
United State	179,323	252,785	72,862	40.6	100.0	100.0	100.0
White	158,832	217,714	58,882	37.0	80.8	88.6	86.3
Nonwhite	20,491	34,471	13,980	68.2	19.2	11.4	13.7
Metropolitan ¹	112,884	178,138	65,254	57.8	89.6	100.0	100.0
White	99,692	151,164	51,472	51.6	70.6	8.83	84.9
Nonwhite	13,192	26,974	13,782	104.5	18.9	11.7	15.1
Central City	58,208	65,581	7,373	12.7	10.0	100.0	100.0
White	47,852	45,435	-2,417	-5.1	-3.3	82.2	69.3
Nonwhite	10,356	20,146	9,790	94.5	13.4	17.8	30.7
SMSA Ring	54,676	112,557	57,881	105.9	79.4	100.0	100.0
White	51,840	105,730	53,890	104.0	74.0	94.8	93.9
Nonwhite	2,836	6,827	3,991	140.7	5.5	5.2	6.1
Nonmetropolitan ¹	66,439	74,047	7,608	11.5	10.4	100.0	100.0
White	59,140	66,550	7,410	12.5	10.2	89.0	89.9
Nonwhite	7,299	7,497	198	2.7	.3	11.0	10.1

¹ 1960 boundaries of SMSA's used for 1960; 1967 boundaries of SMSA's used for 1985.

Source: Patricia Leavey Hodge and Philip M. Hauser, "The Challenge of America's Metropolitan Population Outlook, 1960 to 1985" (New York: Frederick A. Praeger, publishers, 1968), p. 58.

These authors' conclusions are thus somewhat different from those implied in Farley's thinking, previously quoted. Which analyst is more correct will only be determined when all the factual data from the 1970 Census become available, but it is reasonably clear that black suburbanization is not—and will not be—as dramatic a change in population distribution as the massive shift (primarily out of the South) toward Northern and Western metropolitan central cities.

IIB.9. *The Problem of Annexation*

A final note must be appended to this discussion. I have made some calculations of the percentage nonwhite in fifty large cities, distinguishing (a) those with extensive annexations between 1950 and 1960 and/or between 1960 and 1970 and (b) those with no annexations between these intercensal decades. The results are shown in Tables 7 and 8.

In Table 7, twenty-two cities that either had no annexations (or very minor boundary changes) the percentage-point shifts in nonwhite population are in the direction of mounting black proportions. Note especially the large gains in percentage nonwhite in the very largest cities. Washington, D.C. and Newark now have black majorities. Moreover, all but one city (Akron) shows a clear trend upward in proportions black over the two post-war decades considered here.

TABLE 7.—COLOR COMPOSITION OF 22 CITIES WITH NO BOUNDARY CHANGES 1950-60 AND 1960-70 OR MINOR CHANGES DURING THE 2 DECADES

	Percent nonwhite in city			Total population 1970	White city population 1970	Nonwhite city population 1970
	1950	1969	1970			
New York.....	9.8	14.7	23.4	7,867,760	6,023,535	1,844,225
Chicago.....	14.1	23.6	34.4	3,366,957	2,207,767	1,159,190
Los Angeles.....	10.7	16.8	22.8	2,816,061	2,173,600	642,461
Philadelphia.....	18.3	26.7	34.4	1,948,609	1,278,717	669,892
Detroit.....	16.4	29.2	44.5	1,511,482	838,877	672,605
Baltimore.....	23.8	35.0	47.0	905,759	479,837	425,922
Cleveland.....	16.3	28.9	39.0	750,903	458,085	292,819
Washington.....	35.4	54.8	72.3	756,510	209,272	547,238
St. Louis.....	18.0	28.8	41.3	622,236	364,992	257,244
San Francisco.....	10.5	18.4	28.6	715,674	511,186	204,488
Boston.....	5.3	9.8	17.2	641,071	524,709	116,362
New Orleans.....	32.0	27.4	45.5	593,471	323,485	269,986
Pittsburgh.....	12.3	16.8	20.7	520,117	412,280	107,837
Buffalo.....	6.5	13.8	21.3	462,768	364,367	98,401
Minneapolis.....	1.6	3.2	6.4	434,400	406,414	27,986
Newark.....	17.2	34.4	56.0	382,417	168,382	214,035
Oakland.....	14.5	26.4	40.9	361,561	213,512	148,049
Rochester.....	2.4	7.6	17.6	296,233	244,118	52,115
St. Paul.....	2.0	3.0	4.6	309,980	295,741	14,239
Miami.....	16.3	22.6	23.4	334,859	256,377	78,482
Akron.....	8.7	13.1	8.3	679,239	623,076	56,163
Jersey City.....	7.0	13.5	22.2	260,545	202,813	57,732

Now it is often asserted by observers of the urban political scene that one of the main motives for central city annexations of outlying suburban territory is to keep a white city majority. How successful is such a strategy? Table 8 suggests that—if this is indeed a major motive—only Indianapolis succeeded in lowering the percentage black between 1960 and 1970. And in that case, the entire surrounding county (Marion) was consolidated with the city of Indianapolis. If we had detailed social and economic data for the annexed territory itself—color, income, etc.—we would be in a far better position to evaluate the situation. At the moment, the only way to achieve the desired results is to aggregate the Census data over blocks and/or census tracts, and this is clearly a very tedious and time-consuming enterprise. This work probably will be done, but only at substantial costs in both money and time. We cannot expect the results of such a study to be available for some time to come.

TABLE 8.—COLOR COMPOSITION OF 28 CITIES WITH EXTENSIVE ANNEXATIONS 1950-60 AND/OR 1960-70

	Percent nonwhite in city			Percent population in 1960-70 annexed areas	Total city population 1970	White city population 1970	Nonwhite city population 1970	
	1950	1960 in 1950 bound- aries	1960 in 1960 bound- aries					1970 in 1970 bound- aries
Houston.....	21.1	26.0	23.2	26.6	2.9	1,232,802	904,443	328,359
Milwaukee.....	3.6	10.5	8.8	15.6	1.0	717,099	605,372	111,727
Dallas.....	13.2	18.7	19.3	25.9	1.3	844,401	626,146	218,255
San Antonio.....	7.2	7.9	7.4	8.6	2.2	654,153	597,723	56,430
San Diego.....	5.5	8.5	7.8	11.1	1.4	696,769	619,498	77,271
Seattle.....	5.8	9.8	8.3	12.6	0	530,831	463,870	66,961
Cincinnati.....	15.6	22.0	21.8	28.1	.2	452,524	325,394	127,130
Memphis.....	37.2	42.7	37.1	39.2	21.9	623,530	379,224	244,306
Denver.....	4.4	7.7	7.1	11.0	11.1	514,678	458,187	56,491
Atlanta.....	36.6	46.6	38.4	51.6	.7	496,973	240,551	256,422
Indianapolis.....	15.0	23.0	20.7	18.4	(1)	744,624	607,902	136,722
Kansas City.....	12.3	19.3	17.7	22.8	13.8	507,087	391,496	115,591
Columbus, Ohio.....	12.5	19.0	16.6	19.0	4.9	539,677	437,255	102,422
Phoenix.....	6.2	8.4	5.9	6.7	11.1	581,562	542,510	39,052
Louisville.....	15.7	21.4	18.0	24.1	3.5	361,472	274,511	86,961
Portland, Oreg.....	3.5	5.7	5.6	7.8	4.0	382,619	352,635	29,984
Fort Worth.....	13.3	17.3	15.9	20.6	2.8	393,476	312,521	80,955
Long Beach.....	2.6	5.1	4.3	8.2	2.2	358,633	329,084	29,549
Birmingham.....	39.9	41.1	39.6	42.2	.8	300,910	173,937	126,973
Oklahoma City.....	9.3	13.8	13.1	16.1	2.6	366,481	307,628	58,853
Toledo.....	8.3	13.5	12.7	14.3	22.2	383,818	329,068	54,750
Norfolk.....	29.7	32.6	26.4	30.2	0	307,951	215,055	92,896
Omaha.....	6.7	10.0	8.7	10.6	20.7	347,328	310,599	36,729
El Paso.....	2.6	3.1	2.6	3.6	.1	322,261	310,612	11,649
Tampa.....	22.0	29.0	16.9	20.1	5.0	277,767	222,082	55,685
Dayton.....	14.1	22.8	21.9	30.9	1.2	243,601	168,407	75,194
Tulsa.....	10.0	14.0	10.0	13.5	28.1	331,638	287,047	44,592
Wichita.....	5.0	11.7	8.3	10.7	14.2	276,554	246,943	29,611
Total United States.....				12.6		203,165,699	177,612,309	25,553,390

¹ Indianapolis 1960 data were recomputed to represent the 1970 city area for the 1970 report. An alternative would be to show the population for the 1970 area. Indianapolis annexed the whole of Marion County between 1960 and 1970.

III. NEEDED RESEARCH AND IMPLICATIONS FOR POLICY

Food, clothing, and shelter—these are the basic human needs, and government can hardly neglect them. This essay has been concerned with shelter alone; housing and population distribution have come to be recognized as matters of national concern.

There is a long history of Federal involvement in the area of housing. While it is true that "the first public policies concerning housing in this country were established at the local level, and date back to the period of the colonies," it is equally true that "the Federal Government's first important action in relation to housing was taken [as early as] 1892 when Congress passed a resolution to provide \$20,000 for an investigation of slums in cities of 200,000 people or more." (Beyer, 1965, pp. 448 and 454-455) Beyer devotes an entire chapter (14) to the "History of the Government's Role in Housing." Congress and the Executive branch have displayed an increasing sensitivity to housing needs over the years. But not enough has been done. More time and energy (and ink and paper) have been expended on rhetoric than on assembling the basic facts and on doing the difficult research that has yet to be accomplished. The research needs are clear at all three of the levels we have recognized in this essay: the dwelling, the neighborhood, and the metropolitan community.

III. RESEARCH NEEDS

Careful work must be done at all three levels of analysis. The research already accomplished needs replication and improvement, of course, but there are a few new topics for research that might be carried out.

The Dwelling.—The nature of housing from an internal standpoint—or at the smallest "micro" level—needs further study and understanding. What are the changing patterns of facilities that housing units contain? What are those desired? What constitutes "decent" housing? If the latter question cannot be sensibly answered, then what are the minimal requirements for different subgroups of the population? What are the impacts of different physical arrangements upon social interaction within and between families?

There is a modest tradition of empirical research in sociology, dating mainly from the post-World War II research of Robert K. Merton and his colleagues, that examines some of these questions, but by no means do we have a coherent body of hard evidence. The closest current sociological work is largely speculative in character. We must be aware that illustrations and advertising in such publications as *House Beautiful* and *Better Homes and Gardens* do not represent the sum total of space-age technological spin-offs available. The family—as a production as well as a consumption unit—should be queried as to some of these matters. Survey research, undertaken largely by economists and by sociologists, at the Universities of Chicago, Michigan and Wisconsin, have yielded many small clues to the situation. Ideals and expectations with respect to housing and its constituent facilities can be readily conceived as research topics.

The "micro-ecology" of the dwelling itself deserves attention. There are numerous aspects to be dealt with under this rubric. One is the implications for inter-familial interaction of such things as room size, layout, routing of the internal "paths" within the house or apartment or whatever. (Reconstruction and remodelling should also be studied, whether by merger or by cutting up single family dwellings into apartments.) Within my range of acquaintance, three efforts stand out as promising: (1) Robert Gutman (a Rutgers sociologist)

is working on "the built environment" in collaboration with architects; (2) Robert Sommers (social psychologist, University of California at Davis) studies "psychological geography" or "small-group ecology," and (3) Roger G. Barker (social psychologist, University of Nebraska) has written a great deal on "ecological psychology."

Another topic deserves attention—"communes" and other "unusual" housing arrangements. Examples could be listed indefinitely, from the hippie "crash pad" to the Kennedy Compound at Hyannisport, Massachusetts. There is a strong middle-class bias in the census and in census-based research. Survey researchers (e.g., National Opinion Research Center [Chicago], the Survey Research Center [Michigan], and the Wisconsin Survey Research Laboratory) are especially sensitive to this fact. In the U.S. the census has increasingly become a gigantic sample survey, unlike the attempts at complete enumeration sought prior to World War II. (Sharp and Schnore, 1971)

The Neighborhood.—Another "micro-ecological" set of efforts should be directed at phenomena at the level of the *neighborhood*. Regrettably, it is difficult to get people to agree on the very names and boundaries of what constitutes their own neighborhood. (See the research by William Form and his colleagues on Lansing, Michigan [Form, *et al.*, 1954].) Given the limited effort devoted to the topic by sociologists, it is no surprise that so little has been learned about the American city neighborhood. As I remarked earlier, we have to depend more on British research experience than American for facts and ideas on this subject. Current research at the University of Chicago on that city's "Community Areas" promises to be enlightening.

The Metropolitan Complex.—I am most sensitive to the needs here because this is my special area of interest—the "macro-ecology" of the larger communities in which a steadily increasing proportion of our population lives and works. At various points in this essay, I have pointed to specific research needs in this sphere. Suffice it to say that we need careful updating—via the 1970 Census—in order to discern what has transpired in the 1960's and in order to determine if there are any significant variations from the long-term trends I have discussed here: "metropolitanization," suburbanization and polarization by class and color.

IIIB. POLICY IMPLICATIONS

There is no lack of opinion concerning urban growth policy, and housing policy is usually treated in the course of discussions of urban and rural growth and decline. As I write these words, my eyes are directed to a set of books on my desk. The titles alone are instructive, and the authorship and sponsorship of each volume constitutes an impressive list of individuals and institutions:

Robert C. Weaver, *Dilemmas of Urban America* (Cambridge: Harvard University Press, 1965)

Kenneth J. Arrow, James G. March, James S. Coleman, and Anthony Downs, *Urban Processes as Viewed by the Social Sciences: A National Academy of Sciences Symposium* (Washington, D.C.: The Urban Institute, n.d.)

Brian J. L. Berry and Jack Meltzer (editors), *Goals for Urban America* (Englewood Cliffs, New Jersey: Prentice-Hall, 1967)

- Bernard J. Frieden and Robert Morris (editors), *Urban Planning and Social Policy* (New York: Basic Books, 1968)
- Advisory Commission on Intergovernmental Relations, *Urban and Rural America: Policies for Future Growth* (Washington, D.C.: U.S. Government Printing Office, 1968)
- Committee on Social and Behavioral Research, Division of Behavioral Sciences, National Research Council, *A Strategic Approach to Urban Research and Development: Social and Behavioral Science Considerations* (Washington, D.C.: National Academy of Sciences, 1969)
- Donald Canty (editor), *The New City* (sponsored by the National Committee on Urban Growth Policy, and published by Frederick A. Praeger for Urban America, Inc., 1969)
- Anthony H. Pascal (editor), *Thinking About Cities: New Perspectives on Urban Problems* (Belmont, California: Dickenson Publishing Co., 1970)
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- Commission on Population Growth and the American Future, *Population and the American Future* (Washington, D.C.: U.S. Government Printing Office, 1972)
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This list is merely a sample of what is available in print. It is by no means exhaustive. We suffer from a glut of policy pronouncements. As part of an advertisement for still another book on the subject, the Director of the Printing and Publishing Office, National Academy of Sciences—National Academy of Engineering, observes that “since 1960, several White House task forces, countless congressional committees, and many public interest groups have attempted to define a national urban growth policy.” This is only too true. But where do we stand with respect to a *coherent* urban growth policy? We have none, and it appears that we will not have one until much more solid research is accomplished.

The President’s Domestic Council, in the last report cited above concludes its review with “Administration Recommendations to the Congress”:

Part of the task before us involves the eradication of outmoded, duplicative, and often counterproductive governmental programs, together with the cumbersome and inefficient structures administering them. But this is not enough. More importantly, we must design programs and structures that can respond swiftly, effectively, and responsively to growth problems and opportunities. In response to this challenge, and in accordance with section 702 of the Housing and Urban

Development Act of 1970, the Administration recommends the enactment of the following proposals during the second session of the 92d Congress.

The recommendations include (1) Government Reorganization with a proposed Department of Community Development; (2) Revenue Sharing, now passed by both houses of Congress; (3) Expanded Rural Credit; (4) Planning and Management Assistance; (5) a National Land Use Policy; (6) a Powerplant Siting Act; (7) a Tax Policy to Conserve Natural and Cultural Values; and (8) Welfare Reform, perhaps the most controversial of all eight proposals. Most of these proposals—if enacted—would have a bearing, either direct or indirect, upon urban housing. (Powerplant Siting, for example, might play a large role in metropolitan growth and redistribution of population between areas. Similarly, a massive dose of Rural Credit might be aimed at reversing or slowing the flow of migrants to our cities and metropolitan areas.)

Scanning these reports, and the recommendations they contain, I am impressed with one major theme: the notion that “balanced growth” is highly desirable, and that New Towns, in particular, should exhibit “social balance.” The latter term is often used as a euphemism for “desegregated” communities—with a “balance” between classes, ages, and races. I am skeptical about all the alleged virtues of heterogeneity, and the assumptions upon which the usual arguments are based. Herbert J. Gans (1961) has convinced me how fatuous are most of the discussions of “social balance,” especially in planning circles. In my view, Congress would do well to defer action that insists upon “balance” until we have some hard evidence on which to base sound policy.

The Housing and Urban Development Act of 1970 contains language that I find unconvincing; Section 702(a) of Title VII, for example, asserts:

The Congress finds that the rapid growth of urban population and uneven expansion of urban development in the United States, together with a decline in farm population, slower growth in rural areas, and migration to the cities, has created an *imbalance* between the Nation's needs and resources and seriously threatens our physical environment, and that the economic and social development of the Nation, the proper conservation of our natural resources, and the achievement of satisfactory living standards depend upon the sound, orderly, and *more balanced development* of all areas of the Nation.

Furthermore, the Act goes on to say:

(d) The Congress further declares that the national urban growth policy should—

(1) favor patterns of urbanization and economic development and stabilization which offer a range of alternative locations and encourage the wise and *balanced use* of physical and human resources in metropolitan and urban regions as well as in smaller urban places which have a potential for accelerated growth.

I have added italics in order to show how Congress has succumbed to the general notion that “balance” is good and “imbalance” is bad.

The rhetoric of “urbanology” is shot through with explicit and implicit notions of the unquestioned desirability of “balance”—within apartment houses, within neighborhoods, within whole communities, etc. Age and sex composition, color, and social class “balance” are the apparent desiderata. This fundamental assumption must be questioned.

I should make clear that this is not a plea for continued segregation on any basis. I share the “liberal bias” of most academicians in

the social sciences. With respect to the communal use of space, segregation is all too evident. What are the alternative goals? Can we spell out a rationale for "balance" that does little more than give lip service to Constitutional and other rhetorical imperatives? The "real world" may intervene. And what are the constraints? Will a certain measure of separation, segregation and striving for the *status quo* override all our efforts at "balance"? This notion of "balance," indeed, may be the will-of-the-wisp of the 1970's as far as urban research and policy are concerned. We still have a lot to learn, and hasty action does not appear to be in order at this point in time. This is not to say that we must somehow "wait until all the evidence is in." It is simply a plea for more support for the kind of research that will allow realistic policy to be formulated and implemented. This is the task of the 1970's.

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AN AGENDA FOR THE PRESIDENT

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The gap between national concept and reality, of belief in potential options and the facts of their existence in the United States, can no longer be tolerated. In the squabbles over which group gets what—the question of what is there to be divided—and how to increase it—has been overlooked. This essay is devoted to the presentation of a half dozen facets of the latter problem.

The era in which the United States defined the arena as well as the games that were to be played on the international front is at an end. Our wealth is no longer so considerable, our forms of social and economic organization are no longer so unchallengeable. The time of profligacy, of winning so much that the droppings of the table are or seem to be trivial is over. Time has run out for thoughtlessness.

The question may well be asked why this note is addressed to the President. With equal justice it probably could have been addressed to the Presidency, but regardless of whether it is to the man or to the institution, it is to the sum of these that the American people look for leadership. This is the focal point of resolving that balance between immediate need and future payoff, between current consumption and investment in the future.

The ordering of the presentation which follows will appall the logician. Some of the elements are clearly subsets of the others, but as Moynihan has pointed out, the only thing that social scientists have taught us is that everything is related to everything else. With this in mind, let us advance.

TRANSPORTATION AND COMMUNICATION TECHNOLOGY VS. THE AMERICAN STANDARD OF LIVING

There is a basic incongruity between the enormous strides that have been taken in international transportation and communication technology, on the one hand, and the American standard of living and labor costs on the other. The devaluation of the dollar which we have just experienced is a long over-due *initial* response to this incongruity. We face a competitive world which does most of the things we do just as well as we do them, but with \$5.00 a day (or cheaper) labor vs. the \$5.00 an hour equivalent here.

The variation in labor cost is far from a unique phenomenon. Historically, however, the United States was able to enjoy this variation because of a number of factors, primary among them the existence of a unique market, in terms of scale. It was the length of production run as much as proverbial American ingenuity which made the mass production line practicable and which permitted the use of enormous

capital investment in tooling up, thus making United States labor input vastly more productive than its equivalent abroad.

This, however, is no longer unique to the United States. The European Common Market on the one hand and the vast markets of South East Asia and Latin America on the other, provide more than adequate support for optimum production runs. These markets now can be assembled and serviced from a central production facility because the costs of freight have tumbled so very, very sharply. Recent innovations in dry bulk containerships and clearly foreseeable decreases in the cost of air freight make much of the world essentially one market.

American technology has been exported abroad, frequently by American firms. Our corporations have invested in excess of 125 billion dollars in overseas production units. The Servan-Schreiber thesis of *The American Challenge*, which pointed out to Common Market manufacturers that their principal competition might very well not be each other but rather American subsidiaries abroad, needs deepening. Let me add to the Schreiber thesis that the principal competition of American manufacturers whose production facilities are located in this country are their equivalent production facilities abroad. By definition, they do most things as they are done here—with much cheaper and increasingly productive labor.

In another statement, I have pointed to the export of labor intensive employment by the United States at the cost of opportunities for the central city poor; of the shift of basic needle trade employment, for example, or electronics assembly work and the like. Much of this work used to be done in central city facilities: the sweat shops of the Bowery, the radio assembly plants of Camden or Jersey City. Now they are sited in Formosa, the Philippines, or equivalent places. It is both possible and in many cases quite practical to use key punch services in Mexico or the Caribbean, rather than using United States equivalents, at one-third the cost. The air freight costs are trivial. The communication technology involved in discussing what is to be done, clarifying errors, in supervising the actual through-put, are cheap and convenient. *And this is not going to go away.*

The world is very small, and increasingly locations are essentially homogeneous from a production point of view. How do we justify the United States present standard of living? And if we have difficulty doing that, how then does the United States successfully provide all the increased social services which are called for?

There are very few things which the United States does uniquely well. Agricultural production is perhaps the primary case, along with large scale, complex, expensive equipment—particularly airplanes and computers. The export potential of the former is substantially limited by the political realities in most countries which call for the support of local food producers, to avoid being completely dependent upon imported foodstuffs.

The second area requires very purposeful governmental intervention. If we turn to airplanes, for example, basic development costs are so very, very high as to be beyond the grasp of individual companies, even the giants of the United States defense complex. From this point of view—if no other—while the decision not to continue with the SST may have been an *ecological triumph*, it may also prove

to be an *economic disaster*. In the computer field, tremendous strides have been made in terms of overseas production. Much of this is as a function of American licensing and/or subsidiaries. But the basic labor bill in any case, and increasingly much of the software which absorbs nearly as much of the total cost of production, is being absorbed abroad.

At the same time, there has been basic aging of American production facilities. Seymour Melman has undertaken some detailed analysis of United States machine tool facilities, which are among the oldest in the West. The same is true throughout our basic production plant. In many areas what we face is not merely competition in wage rates, but competition in terms of age and sophistication of equipment as well. We are losing this latter battle as well as the former. The seven percent investment credit, used with considerable success by the Kennedy Administration, has been emulated in less generous detail by the current administration. It compares very poorly with equivalent legislation in most industrialized countries.

Yet, the political difficulties of securing even the current legislation are very considerable. How do we move from the present adversary relationship which seems to characterize our country: the state of belligerency between the production oriented and consumeristic facets of our society, to some comprehension of their interdependence? A little belligerence in this area is undoubtedly a good thing. How much more than a little we can afford to live with is an open question to which the President must give serious thought. However, the supply of service jobs and the filling in of the web of social services which is obviously required by American society can only be successfully undertaken by an economy which has grow-power. This is to say nothing of the necessity for fitting into that economy, in a meaningful and positive fashion, groups which have been severely kept from the faucet, minority groups and particularly women.

What is to be done here? The life of a remittance nation, dependent upon dividends from overseas manufacturing facilities, may be good for a very few, but only a very few; it does not provide nearly enough jobs for the broad mass of the polity. We do not have to invent the future here, we need only look at the England of 1910 to see its shortcomings.

HOW DO WE BUFFER THE FALLOUT FROM A MONOLITHIC ECONOMY?

The path from anecdotal-descriptions of an individual happening at an individual moment of time, within a specific setting, to generalizations that pull together many similar case studies and provide some perspectives with which to view the individual happenings as part of a modular phenomenon is a long and tedious one. We still have not pursued this path in terms of the problem of the individual who falls out of what, for lack of a better term, I have labeled the *monolithic economy*. There is less and less in the way of flexibility of role within our society for the individual, whether white collared or otherwise, who for any of a number of reasons loses his job, particularly after the age of 40.

At this late stage of the game there is no point even referring to the demise of the family farm. The romantic efforts to regenerate this orga-

nization within a market context on the part of youth groups proves only their lack of general viability. The same is true of the small store: the individual proprietorship, the corner grocery store, the stationery emporium or the like, which once provided a safety valve for the man who lost his job. Secured through his own savings or the accumulation of advances and hand-outs from relatives and friends, it provided a basic floor for status and livelihood. This is no longer available. The modern day supermarket, frequently exceeding 30,000 square feet of space represents an investment of nearly a million dollars. Its weekly volume exceeds that of a year by the family grocery operation. In the age of the discounters, the concept of do-it-yourself general merchandise operations still may attract those who have no alternative—but the attrition rate is enormous. Even furniture operations, which are perhaps the most archaic form of retail merchandise distribution, are giving way from individual proprietorships to vast chains, many of which are now adapting to the self-service and pick-up, take-out format.

The man, therefore, who loses his job loses more than the immediacies of comfort and paycheck. He literally may have no place to go. Check any meeting on franchise opportunities and see who is present there. And despite an enormous capacity—there simply aren't enough hamburgers and/or fried chicken eaten by Americans to support the displacees.

We have seen the beginnings of this in terms of high technology displacement: the engineers and scientist who were involved in weapon systems which have disappeared. This has made a dramatic story. There were large numbers and concentrated locuses of displacees at a particular moment of time. Not so dramatic, but probably involving even more individuals, is the general plight of the over-40 white collarite who increasingly finds the avenues of alternative employment opportunities blocked.

And this affects not only the white collar individual but also the skilled trades. Some of the fervor with which craft unions block easy access to apprenticeship programs is a tribute to this fact of life. Their members are fearful of their own jobs—and not uncommonly the major inheritance which they can offer their children or near relatives is access to the same occupational niche. Poppa may envision his son as a college graduate and not getting his hands dirty: at the back of his mind though there is the feeling that—just in case—the union card is a life preserver.

Do we turn to the Japanese solution of essentially lifetime tenure on the job? Certainly this is a concept which is substantially alien to the American way of doing business, to the arms-length trading position between owners and executives and workers. Our high *cash* wages have in part been supported by a high flexibility of hire and fire. The increasing costs of unemployment insurance which must be borne within the expense pattern of the firm and of high cost termination and lay-off agreements are altering this balance. One can't have it both ways—efficiency in the machine, high immediate wages for the worker and long-term security. Where do we turn?

It is very clear that we are moving in the direction of increased bureaucratization and property interest in specific employment niches. This is most obvious as we view some of the newer areas of a social

service employment nature. All too frequently, whether poverty program, skills training program, or housing development, the elementary jobs become an end in themselves; the initial function of the organization as gauged in through-put to consumers of services, is forgotten, moving us into make-work for the new bourgeoisie, black-white-spanish-speaking.

While we have a desperate need for flexibility in social intervention programs, a need for continual experimentation, and for expanding the state of an art whose present capacities are completely inadequate, this is in substantial measure inhibited by the job interests which have arisen around old programs. At best these latter can be reshaped and the office holders within them retitled, but the property interests that encrust and dominate the jobs become more and more rigorous in exacting continuity of status and employment.

This is far from novel; any reader of Max Weber is very familiar with the process. American economic and social organization, however, has always benefited from a relative fluidity in this regard—yet the odds are very high that this may be a thing of the past.

THE USELESS POOR

One of the great debates of the Founding Fathers in putting together the Constitution and the system of government that evolved around it was the fear of the landless poor, of the urban propertyless mob. Looking back to that time of virginity, of endless opportunity, of a continent waiting to be plundered, one is perhaps amused by this concern. Unfortunately, as the bicentennial of the Declaration of Independence rolls near, the situation, feared then, becomes a reality now. It becomes a reality not because of some innate shortcomings of the urban poor, not because of their race mixture (though this has perhaps made the specific groups in question much more victimized than might otherwise be the case), not because of their absolute lack of education or of training or of any of the other platitudes that have been uttered, but rather by the loss of *function* of the poor.

If there were no race question the basic *reality* of this statement I think would have surfaced earlier. Race has tended to obscure the fact that the urban poor who once provided a very meaningful and significant source of basic labor which provided central cities with much of their economic reason for being, are now increasingly a non-sequitur in an industrialized society.

The United States is not unique in facing this fact of life. Even countries such as Brazil, Mexico, and Venezuela, each of which has enjoyed increases in gross national product approximating six percent a year compounded annually over the last ten years, have substantially the same number of people engaged in industry as was the case at the beginning of the decade. Wassily Leontief, in reviewing the *Report of the President's Commission on Automation* may well have assessed the situation properly when he compared its findings with those of a mythical horse census of 1910. The census might well have viewed the internal combustion engine as obviously freeing horses for higher things: social activity, perhaps even paraprofessional training. Obviously, however, it wasn't truly impacting the center of the pork-chop.

Let me suggest that there will be more and more and more people of all races who will be left behind by the strides of the machine. The Western European countries have been buffered by an enormous level of capital investment and rebuilding consequent to World War II, by great increments in total production, but even more so by the use of imported labor: the Greeks, Southern Italians, Tunisians and so on, who have been imported as the marginally employed. They have served to protect the native stock of the several Western European countries from the impact of the machine. This time, however, may well be drawing to a close. The United States in this regard at least provides some illustration for the others to worry about.

How do we provide meaningful work opportunities? Is the shorter work week an answer—or is it too costly in terms of competitive through-put? If action on the many hungry social fronts may provide an outlet, who is going to pay for it? How do we adjust the balance between private and public spending to support an even greater service establishment than is presently the case?

And this is not merely a problem of the blue-collar worker, it holds true of the floods of students attending education courses—for whom there are no teaching jobs, the English majors, the History majors and the you name it, who face a blank wall at the annual meetings. Where are the jobs—meaningful jobs—going to come from? Our cities have been permitted to become welfare centers for the dropouts and the cast-offs of our economic society and this has perhaps been made palatable by race, at least for the non-impacted. Now that the problem has been broadened perhaps we can come to grips with it, but only with help and leadership from our elected leader.

FEDERAL POLICY ON HOUSING IN THE SUBURBS

Slowly and often reluctantly, the vast mechanisms of State and Federal Governments are beginning to pry open the suburbs for low and moderate income housing. The present administration has substantially won the fight to make any man's housing dollar nearly as good as any other man's. There are many exceptions to this generalization but I think it substantially holds. The next level, to provide access to the new zones of job growth in the suburbs to the blue collar workers and their equivalent, perhaps even to move some slight level of public housing to those hitherto reserved spheres, is evolving quite rapidly. The tenor of recent court cases, particularly the Madison Township case, which have successfully challenged freeze-out zoning on the part of suburbs leaves little doubt that there will be housing available to many more of the working central cityites than is presently the case.

All of this is a source of much congratulation among those of liberal bent who have fought for the cause for many years. What remains to be considered, however, is what is the impact of this going to be upon the central city. I have reference here not to the argument of black political genocide, i.e., the decrease in population and dispersion of blacks from the core city lessens their potential power base, but rather to the consequences for the municipal entity itself.

I would suggest that the major element which is presently gluing the central city together—to whatever degree it is *being held together*—is the suburban housing shortage for the less than affluent.

When this adhesive is removed, what then?

The problem of the central city is not the problem of how to maintain middle class whites, it is how to maintain any semblance of middle class individuals once alternative accommodations are open to them. We have shown little capacity to deal with the relatively slow degeneration of the city—a decline whose pace has been hindered as indicated before by the difficulties of securing suburban housing. How then are we to face the very rapid degeneration which will take place, that *is* taking place, now that the suburbs are opening up?

We know very little about the ecology of cities. Unquestionably, however, there is some minimal mass concept of urban appeal which holds whether it is the intown department store which can adjust to a slow decline of sales, (particularly when buffered by inflation) but cannot adjust to abrupt sales losses nearly as well, or the municipal transit system, or any other amenity. Once this mass is lost, a slow decline may accelerate faster than the worst of our nightmares. The costs of running cities are relatively inflexible to declines in population. Their revenues, however, are highly sensitive to this. The rate of housing abandonment which is presently taking place is nothing compared to what can be anticipated. An analysis undertaken, for example, of Co-op City—the new 15,000 unit housing development on the very periphery of the Bronx highlights the fact that much of its tenantry has moved from areas of the Central and South Bronx which were slowly declining—but which will now go under very rapidly.

What is desperately required here is some level of overall planning (that dreadful platitude!) some more systematic analysis of the results of inputs than the simple minded numbers game that we are playing with housing starts. The cities at present are not dying gracefully. How do we anticipate the future rather than running after it in this vital sphere. There is a relentless market mechanism at work here, true, but the pace of its advance is substantially determined by governmental housing policy and subsidies. This relationship remains to be comprehended by Washington's policy makers.

SOCIAL SPENDING VS. THE GROSS NATIONAL PRODUCT

In the last ten years we have been witness to the bankruptcy of municipal government. Increased social demands in the face of limited tax resources have essentially broken the fiscal backs of most United States municipalities. The demand in turn has been for increased State assumption of social burdens. It was the State and only the State that could broaden the base of resource through income taxes and sales taxes which when applied in the immediacy of a community were practically self-defeating as industry—and population—moved to avoid their burden.

This theory enjoyed considerable vogue and still does. It was both easy and popular to blame the woes of the municipality to the shortsightedness of the state legislature. I think that New York State and California both, however, give evidence that there is no magic bullet

in the State House, that the State too may well have a finite limit upon its practicable resources.

What then of the Federal Government? Again, the response to any unmet social need has been the call for the Federal Government to provide resources for A or B or C or some composite of all of them. Where are these resources going to come from? The basic fact of life is that the American economy has been growing, at best, at around three or four percent a year and even this rather modest figure simply has not been met in the last several years. At the same time, however, social spending in the United States has been increasing nearly ten percent annually. For example, if we take state and local total expenditures by function, education costs have expanded by even more than this over the last four years. Public welfare costs have gone up by 50 percent in two years. The health and hospital bill, gauging by state and local expenditures alone have moved from 6.6 billion dollars in 1967 to over eight and a half billion by 1969, and police and fire costs have increased nearly 25 percent in the same span.

The incongruity between resource and expenditure is not a function of who is responsible for what, but rather is basic to a need/taste for social spending which expands at the rate of ten percent a year contrasted with total national resources that expand three percent. This is further complicated by the new militancy and organization of service workers. Strikes by major industrial unions are relative paper tigers compared to equivalent efforts by the garbage collectors or hospital workers. And this will not go away.

Granted that the mythological redistribution of resources, i.e., the reduction of the armed services, might provide a one-shot input—over a period of time this too would be absorbed. Unless there is some basic alteration in the disposition of the pie, the growth of the pie itself simply is inadequate. Are we to have therefore, a redistribution of spending between the private and public sectors a la the Galbraithian approach or do we have some level of reduction in the increments attendant to the service sector? If we have the latter how are we going to absorb all the people who are coming into the market for governmental or neogovernmental jobs? And further how do we support these social needs in the face of enormous requirements for capital investment in the American economy?

LONG RANGE PLANNING AND CAPITAL DEVELOPMENT IN A CONSUMERISTIC DEMOCRACY

The title of this last section might very well have been the title of the entire list of areas in question. It is a lengthy and cumbersome one, but I think it highlights one of the principal problems of the time. Our system of political economy is a logician's nightmare. It calls for competition and yet it is against the dominance of the winner. It calls

for relative non-interventionism by government within an ever growing provision of social services, of efficiency and welfarism. Its viability is not so much a function of the American spirit, (whatever that may be) but rather the fact that it delivers. It delivers goods, it delivers a standard of living which for the most Americans at least is the envy of the world. But to stay in power, it must be continuous in its pay-off capacity. And those pay-offs for the vast bulk of Americans have been promulgated endlessly and very effectively, by the advertising and the mass media. There is the house with detached two car garage, and the cars to fill that garage and all the other symbols of the "good life."

True, there are carpers in this hardware paradise, but their ranks are relatively thin. One of the basic challenges of our time obviously is to fit this triumph of goods orientation into the needs of our economy which desperately calls for enormous increases in capital investment whose payoff may be long in coming, and into a society which cries out for much more in the way of creative public service inputs. Not the least of the incongruities in the former is the increasing contradiction between the capacity to provide goods and the ecological capacity of the earth to absorb those goods.

How do we provide a workable resolution? Certainly, the simple primitivism which calls for a no-growth economy, which demands the cessation of additions to the power capacity of the economy, has great appeal—particularly to those people who use to relish Robinson Crusoe or the cornucopia of goodies found by the Swiss Family Robinson on their wrecked ship. They will not do for a nation whose population has long passed the 200 million mark and continues to soar.

What is a happy balance here? To what degree, must we optimize within the present known problems, at the possible cost of the future? One relatively trivial example may be appropriate in this regard; it is the case of large lot zoning. At one and the same time, the requirement of large land areas for individual houses undoubtedly has substantial impact on reducing the housing amenities that are available to many Americans—yet it is probably the most effective form of land banking and preservation of development options for the future that we have. Do we take a cookie cutter shaped by present requirements and impose it over our entire terrain or do we turn our back on the immediacies in order to minimize future opportunity costs?

None of the problems that are mentioned are new and certainly are not original. Neither their lack of novelty nor perhaps even their shapelessness prevent answers to them from being an absolute necessity for our future. And their resolution *and the forceful promulgation particularly* of the answers, are the responsibility of the Presidency.

THE UPPER MIDWEST COUNCIL: A PROGRESS REPORT ON GROWTH POLICY STUDIES

(By George Thiss, Executive Director, the Upper Midwest Council,
Minneapolis, Minn.)

The following thoughts are presented as a progress report of one of the studies of the Upper Midwest Council. We are presently involved in trying to determine how government through the creation of public policy has and continues to affect population distribution patterns within the State of Minnesota. This is public policy as seen through the eyes of the private sector (primarily the business community), and through the eyes of the public sector (government), both local and state.

First of all, what is the Upper Midwest Council?

The Upper Midwest Council is in its fourteenth year as a private, non-profit, non-partisan corporation supported by foundations, businesses and individuals serving the region identical to the Ninth Federal Reserve District with issue identification, research and action programs. The Council was established to serve as an independent synthesizer and disseminator of information about the region, Minnesota, Montana, North Dakota, South Dakota, the Upper Peninsula of Michigan, and northwestern Wisconsin. We seek to understand the problems and potentials of the region and to establish program priorities, meeting and solving today's problems and anticipating tomorrow's needs in maximizing our region's potential.

The Council's strategy is to arouse concern and stimulate involvement in emerging issues of regional importance, working through leadership in business, government, education, and labor, through organizations and individuals, continually striving to improve the quality of life for all citizens in this multi-state area.

Why study growth?

The Council has seen in its previous studies some of the results of differing patterns of population distribution. The patterns of distribution within the state sometimes hinders and sometimes helps the achievement of the best quality of life. The Council has wondered whether the past policy of having the population distribution be determined by random governmental and private decision is in the best interest of the public at large.

What is the study?

The Council's Board established a Growth Study plan and objectives early this year under the leadership of its newly elected president, Bruce K. MacLaury, who is also president of the Federal Reserve Bank of Minneapolis. The chairman of the study committee is James C. Peterson, Chairman of the Executive Committee, Dain, Kalman & Quail, a region-wide investment and securities broker.

Several hypotheses behind the study are:

1. There is not a national or a state growth policy.
2. Government can affect population distribution.
3. State government ought to consider a policy.

The objectives of this study are :

1. To gather information by answering the following two questions :
 - (a) What public policy decisions or actions, primarily state and local, influence the population distribution policy ?
 - (b) What policies in the public sector, national, state, and local, does business think has influenced, both in a positive and negative way, its decisions to expand or relocate ?
2. To determine the conflicts from the information.
3. To determine discrepancies.
4. To develop options for policy decisions and the consequences of each.

This present study is just for Minnesota, but it is believed that the results will be of assistance for other states throughout the country.

The methodology has been for the staff to do personal interviewing to gather the information. The results are presented to a 30-person committee established in an advisory role to this study. The committee is broad based geographically and represents many disciplines. Gathering the information the staff has personal interviews with business executives who have recently made a corporate decision to expand or relocate part or all of their basic employment facility, and also with leadership at the state government level, primarily department commissioners. We have also conducted interviews at the local level with private and public individuals in many communities. Because the results cannot be tabulated in the sense that some studies are, it is somewhat subjective. The final report will be the results of the interview, staff analysis of relevant material, conclusions drawn, and the advisory committee's responses.

There are many studies, primarily industrial location studies, that have been carried out in the general area in which our study has a concern. As a part of our effort, we have analyzed those studies that might help us achieve our objectives. The outline of our analysis is attached.

What are we finding ?

First, it may be obvious but important to say there is not an awareness of a national growth policy on settlement or population distribution. As we talked with businessmen and government leaders within the State of Minnesota, we found that they did not recognize a national policy. The present administration also said this in its report, *Report on National Growth 1972*. At the same time, we do find individuals saying that recent past actions or decisions at the federal level are affecting settlement. We have to assume from this that they are affecting it in a way that is not under an overall plan or a conscious effort by a generalist at the federal level.

Federal decisions that have had or are having an effect, according to those we have consulted, are the following :

1. The original decision on where to place freeways—which states and which parts of the specific states.
2. Where dollars are allocated between states.
3. Where dollars are allocated within the state.
4. Projects that generate capital or employ people.

5. The financial incentives to regional multi-county development and the financial guarantees to new town development.

6. Regulations and guidelines for transportation decisions made within a state.

The committee sees the welfare system as having had an effect between rural and urban areas, but cannot prove this; nor does it know the specific results. It merits further study than our committee will undertake.

How do state decisions affect population settlement?

We are also finding that there is not a state growth policy or policy on population distribution. In fact, there is probably less at the state than there is at the national level, because there is no single document which has addressed the subject. At the national level at least this has happened. Again, we find that there are decisions or actions at the state level that are affecting settlement. These decisions or actions are being made by private decisions or public decisions with objectives other than population distribution. The effect on settlement is random and obviously not planned or taken into account.

We find that the following state decisions are having the greatest effect on population distribution within the state:

1. Location of highways.
2. Location of airports.
3. Location of public post secondary education institutions.
4. Location of other state employing institutions and offices.
5. The quality of elementary and secondary education.

We then find that state public sector decisions which are having the greatest effect on the population distribution between states are the following:

1. The decisions listed above particularly transportation decisions and quality of education.
2. State attitude toward business and industry.
3. State taxes (actual and believed).
4. The state's role in training the labor force.

Government decisions are not the main reason for population distribution between states, but these decisions and attitudes do have an effect.

These conclusions are not shared equally by the private decision makers and government leaders. For instance, government believes that the state attitude toward business and industry is less important while business and the private sector sees this as being exceedingly important. We find that almost everybody agreed that local attitude can have an effect—positive or negative—toward settlement in the particular community.

We also find that the non-private sector is more prone to think in terms of the services such as education being of high value whereas the private sector tends to take them for granted.

Other factors or decisions that we find are having an effect on population settlements within a state are:

1. Land use decisions.
2. Regionalism—multi-county development and planning distribution.
3. Power plant siting.
4. Quality of higher education.

5. Quality of vocational education.
6. Differing real estate taxes between communities.

Local government decisions that seem to have the strongest effect on distribution are:

1. Community attitude (mentioned earlier).
2. Local taxes.
3. Zoning, coding, etc.
4. Sewer placement.

The committee feels that the areas of environment, land use, and energy will have a great effect on population distribution in the future, even though in our study we are not finding much evidence at this time. This would include recent federal and state decisions and also decisions about to be made. The attitude of both government and citizens toward energy and the environment add to this probable effect.

Through all of this we see no policy and minimal decisions by generalists.

The state and the federal have no comprehensive policy—many good separate examples exist that show the effect of decisions that are made by individual departments such as HUD or HEW at the national level or the highway department or education committees at the state level. There is a pushing and pulling between levels of government, and between the single issue programs. In many ways this is accepted and promoted as part of our American system—specific programs for specific objectives—but concern exists over the duplication and overlapping of programs due to lack of coordination.

It can be reasonably asked: why have a policy? why not continue as in the past? or, if we have a policy, will it do any good?

There seems to be more of a desire to have some settlement guidelines or goals at the national, state and regional levels. Our discussion so far leads to some thinking that says:

1. There are not enough resources, physical, human or financial so we can afford to continue our present policy of no policy at either the national or state level. Increasingly there is evidence of a shortage of money, a shortage of natural resources, a shortage of human resources to accomplish the goal of maximum quality of life for all people in the country.

2. The absence of a growth policy probably means we do not use our present resources as well as possible.

3. The state has a concern that the federal government may be developing a growth policy and determining priorities not in the best interest of the state. It is very possible the federal may view the situation in reverse—states setting up separate policies that may not be in the total national interest.

4. The great number of units of government makes for an administration that is inefficient, costly and uncoordinated.

Our committee has not proceeded to the point of dealing with these questions in depth, but in discussions so far, the following thoughts are being discussed:

If the present policy (no policy) is continued at the federal and state level, the results may lead to more problems than we can afford.

Even if a policy cannot be developed, for political reasons or shouldn't be developed because it won't be successful, it may be important to have a public discussion on the alternatives and the consequences.

It may be better to try a policy, even though it is recognized that the effect may be minimal, and changes will have to occur.

State government leaders and decision makers in the private sector are showing signs that they might prefer a policy. Our committee, though, realizes that the persons we have interviewed may wish a policy but once it is decided, they might be very reluctant to make the changes to implement the policy.

We find in our study that the private sector and public sector are cautiously looking for some carefully developed goals and guidelines in population distribution. Before this study is completed the Council plans to outline the policy options open to the state, develop objectives, strategies, and consequences of each option.

After reviewing the results to date of our study and rereading the *Report on National Growth 1972*, there are several thoughts that come to my mind:

The reason "why" we might need a national growth policy is not faced. It would be helpful if the administration or Congress were to project the future if the present policy of no policy is continued . . . maybe there is not a problem or maybe it is a severe problem.

The administration's report does not discuss the role of the private sector. It should.

The federal level should consider a national study similar to the one we are conducting in Minnesota—determine how past federal decisions have affected population distribution.

The federal government ought to work closely with states and regions, public and private, as it proceeds in this area of a growth policy.

The 1974 report ought to develop reasons for and against and the options open to the federal government.

HIGHLIGHT SUMMARY—FACTORS INFLUENCING INDUSTRIAL LOCATION

Study	Most important factors	Role of Government	Importance of tax considerations
Study 1967 ACIR study	Market, basic cost and economic factors	<ol style="list-style-type: none"> 1. Rules, regulations and attitudes of Government more important than height of taxes. 2. More technical assistance and reorganization for efficiency and equity recommended. 	<ol style="list-style-type: none"> 1. Not primary in interstate comparisons. 2. Can be significant within States or economic regions especially due to local property tax differentials.
1971 Manvel study	Same		The researcher must look at financing capacity and effort of the whole State system.
1972 Wisconsin study	<p>Specific factor importance (allocation of 100 points):</p> <ol style="list-style-type: none"> 1. Proximity to market—11.5 percent. 2. Business taxes—10.1 percent. 3, 4, 5. Supply of skilled labor, per unit labor cost and worker attitudes—26.3 percent. 6. Government attitude toward industry—6.9 percent. <p>Among labor factors adequate supply of appropriate labor is most important.</p>	<ol style="list-style-type: none"> 1. Viewed as relatively significant in this study. All labor factors account for 28.4 percent of total. Government follows with 25.7 percent of total, with negative aspects of business taxes and Government attitude weighted more heavily than positive aspects of quality of services and efficiency. 2. Different industries give different relative ranking. 	<ol style="list-style-type: none"> 1. This study notable for high attention given to business taxes especially when viewed negatively. The 2 most important single factor and most important governmental factor. 2. Different industries do not show as much range of difference on negative tax perceptions as on other factors.
1962 John Due	Markets, basic labor, and economic considerations most important. Attitude as significant as facts, especially when viewing taxes.	Recognizes that business climate and negative publicity may influence decisions even before or without any factual investigation.	<ol style="list-style-type: none"> 1. Attitudes, beliefs, and tax climate often overwhelm tax facts. 2. Must identify which firms gain and lose from specific tax rules. NTA 1970-72 studies make the same.
1967 Coblett (industrial reactors)	<p>4 primary factors are:</p> <ol style="list-style-type: none"> 1. Markets. 2. Labor. 3. Transportation (access to market, quality of service and government regulations). 4. Raw materials—in that order. <p>Then site, city character, utilities and facilities are secondary, followed by local tax climate, planning and zoning and local government reputation as items 9, 10, 11, out of 18 factors.</p>	<ol style="list-style-type: none"> 1. Appears definitely secondary. 2. Business and tax climate reputation, and regulations important if basic supporting facilities available. 	<ol style="list-style-type: none"> 1. Local tax climate as important as facts, but only 5th on list. 2. Special inducements are on the list of factors, but are last of 18 (only tertiary). They are not valuable or wanted if basic economic advantages are not present.

Tennessee Study (opinions of 307 manufacturing executives) (1955-65).	<ol style="list-style-type: none"> 1. Low cost and availability of labor. 2. Low cost electricity. 3. Favorable labor-management relations. 4. Community leaders cooperation were most important. Small plants often made decisions on a "personal basis without any economic advantage" they admitted. 	Cooperation by officials and community leaders viewed as important (rank 4).	Favorable community or State tax structure was 8th out of 10 factors and plant financing with revenue or G.O. bonds were mentioned 9th most frequently.
Kentucky study (before 1964--old; after--new).	New firms emphasize distance to customers, cooperation of community, and financial assistance. Older firms consider labor and marketing factors more important. Availability of labor, distance and cost of shipping, quality of labor and wage rates were viewed as most important.	New firms put more emphasis on cooperation and assistance than older firms.	Taxes were not mentioned by newer firms as they looked for other assistance; taxes were more important to older firms but still ranked down the line, 6th or 7th after market, labor, and other economic and cost considerations.
Fortune magazine survey, 1963	Availability of workers and proximity to customer, transportation and raw materials were viewed as top 3 of 10 factors. Labor, market, transportation, and other cost and economic factors are listed.	Government is not specifically mentioned or evaluated.	Not listed at all in top 10 considerations.
Experience, Inc., 1972	<ol style="list-style-type: none"> 1. No 1 pattern shown 2. Labor, market, material, transportation most important. 	<ol style="list-style-type: none"> 1. Some firms welcomed financial assistance. Others refused. 2. Highways important to all. 3. Police and fire taken for granted. 	Taxes described as "seldom a decisive influence." 20 out of 39 companies made no comment at all on taxes.
National Tax Association studies, 1970-72.	<ol style="list-style-type: none"> 1. No single measure or conventional average is reliable or representative of the States' position. 2. Representative firms must be analyzed, distinguishing industry differences. 	<ol style="list-style-type: none"> 1. Role of Government from tax side must be measured in different ways for different purposes. 2. It is recognized that other studies indicate the need for consideration of attitudes and services as well as taxes and charges. 	<ol style="list-style-type: none"> 1. Given any State-local tax system some firms in some industries gain and some lose, from the given set of features. 2. It is probable that no State will be superior or inferior on all features for all types of firms and industries.

PROPOSAL FOR A NEW HOUSING PROGRAM: SATELLITE COMMUNITIES

(By Bernard Weissbourd, President, Metropolitan Structures, Inc., Chicago, Ill.)

The term "urban crisis" has different meaning to different people. Those most immediately affected by hunger, lack of health services, unemployment, poor education, and housing shortages are the black and the poor—and their neighbors. Problems of air and water pollution, traffic congestion, and municipal finance, on the other hand, clearly affect everyone in the metropolis, whether he lives in the suburb or in the city. But to the poor these problems are not as immediate as their poverty. The "urban crisis" has a significantly different impact on different segments of the population, living in different sections of the metropolis. The severity of the problems also varies widely between metropolitan areas. In general, it is directly proportional to the size of the population, the growth of the population, and the size of the ghetto.

What strategies can we employ to combat these pressures? Financial aid to the cities, either by means of revenue-sharing or through the federal government's bearing a larger share of expenditures for education and welfare, will certainly be essential. Unwieldy governmental machinery will have to be bypassed, since problems of this urgency will not wait for the reorganization of fragmented governmental jurisdictions.

The program proposed here focuses on the problems of migration, pollution, transportation, unemployment, and segregation. Specifically, it recommends that:

1. The federal government, in cooperation with the states, should embark upon a land acquisition program for new satellite communities. Acquiring enough land in the metropolitan areas where the problems are the greatest to accommodate half of the population growth expected by the year 2000 would require the surprisingly small investment of less than \$3 billion. If the land were properly located, this investment could yield a profit, unlike other governmental housing programs, which are typically operated at a loss.

2. Antidiscrimination laws should be affirmatively enforced through the lending policies of the F.H.A., V.A., and federally insured savings and loan associations and through the denial of federal funds to builders of segregated developments.

3. Existing federal subsidies for housing should be redirected toward families earning between \$6,000 and \$12,000 a year, and income limits on persons eligible for subsidized housing in satellite new communities should be removed.

4. An income-maintenance program should be established for lower-income people to assist them in buying or renting older housing.

5. The federal government should provide funds to rebuild substandard central city areas, perhaps as "new towns-in-town," after making a sufficient number of new homes available through the new satellite communities program. This would assure immediate accommodations for those displaced from the buildings to be demolished.

The heart of this program is the acquisition of land for new satellite communities which would house part of the population growth of selected metropolitan areas. The need for new communities is now widely acknowledged, although there is widespread confusion regarding their fundamental purpose as well as their financing, location, and size.

For example, David Rockefeller has called for a \$10 billion private corporation to build satellite new communities on land acquired through the aid of a federal land corporation. The *New City*, a book produced by an impressive group of senators, congressmen, and national organizations of cities, counties, and mayors, advocates:

"... financial assistance . . . from the federal government to enable the creation of one hundred new communities averaging one hundred thousand population each and ten new communities of at least one million in population."

Moreover, the Congress has passed new legislation authorizing federal loan guaranties for financing new communities. This new legislation identifies four types of new communities as eligible for federal assistance: satellite communities (on the outskirts of existing metropolitan areas as an alternative to subdivision development), urban growth centers (additions to small towns and cities), new towns-in-town (within central-city areas), and independent new cities unrelated to metropolitan areas that are already in existence.

Yet, the Congress, by enacting legislation providing funding for all four kinds of new communities, has avoided answering such basic questions as: What are the fundamental purposes of new communities? What kinds and sizes of new communities are most urgently needed? Where should they be located? The program proposed here is based on the conviction that new communities developed under current legislative policies will be located in the wrong places, will be too few, and only a small percentage of them will be desegregated.

I propose to show that while we need new communities for many reasons, their most important function is as part of a desegregation strategy that deals realistically with race and class; that we need satellite new communities rather than isolated new towns; and that the federal government should begin now to acquire the land for these new satellite communities instead of continuing to guarantee loans for private land acquisition. Finally, I propose to identify those metropolitan areas with the greatest need—where the land should be acquired for satellite new community programs significant enough to have an impact on the ghetto.

DESEGREGATION—RACE AND CLASS

The 1970 census returns demonstrate all too clearly that the dire prophecies of black inner cities encircled by white suburbs are being fulfilled. At least four major American cities, Atlanta, Newark, Gary, and Washington, now have central cores that are over 50 percent black. In addition to these, seven other cities have black ghettos of more than

40 percent of the central city population. One reason is the flight of white population from the central cities. In Chicago, for example, the white population declined by more than half a million between 1960 and 1970; in Detroit there was a decline of 345,000 during the same period. The other factor, according to the Bureau of the Census, was that the "increase in the black population of the central cities proved to be both large and widespread, thus changing the racial mixture substantially." Though this situation is recognized as critical, most current proposals fail to deal realistically with political obstacles resulting from attitudes toward race and class.

Before addressing ourselves to this question, let us turn our attention toward another aspect of the problem. It has now become commonplace to recognize that the new suburbs are also the location of the new jobs, particularly the new industrial jobs, since industries find it more economical to build single-story plants on cheap suburban land than to build multistory plants on expensive city land. Only office jobs are increasing in the cities, and this trend is expected to continue. So we daily witness the remarkable phenomenon of inner-city blacks filling the expressways en route to their industrial jobs in the suburbs while, at the same time, suburban whites are fighting traffic in the opposite direction to get to their office jobs in the cities. This is a consequence of the separation of place of work from place of residence carried to absurdity.

The core of the problem is race. Black people need places to live near their work, yet white suburbia's level of anxiety at the prospect of an influx of black neighbors was expressed by President Nixon when he opposed Secretary Romney's proposal for using federal funds to open up the suburbs by calling it "forced integration"; and there are voices within the black community advocating total separatism.

The strong resistance of white suburbia to the acceptance of black neighbors, in large part, is based upon a fear of inundation by an alien culture. Each suburban community fears that, if it becomes the first of its neighboring areas to welcome blacks, it will become the central focus of the entire black migration. Given this white resistance and the understandable reluctance of black families to move into an inhospitable environment, legal and legislative efforts can open up the suburbs to only a few highly motivated black families intent upon securing better housing, better jobs, and better education for their children. Large numbers of black families will not be affected nor will the lower class or the unemployed.

Nevertheless, overcrowding in the ghetto and the resulting pressure on the white neighborhoods adjoining it must be relieved. Where housing is scarce and segregation prevails, the growing black population can only expand into the adjoining white neighborhoods. Block by block, as these white residents are squeezed out of their neighborhoods, they tend to reassemble in other ethnic or cultural enclaves farther out, which become that much more resistant to any black entry.

Land is scarce in the city, and urban renewal has destroyed more housing than it has created. It is very difficult to reproduce the high density of our ghettos except by building high-rise apartments—very high; these are now generally considered by ghetto residents as undesirable places to raise their children. The only land available, then, for housing the growing black population of our cities—if they are not

simply to displace their white neighbors—is in the areas next to be developed at the suburban fringes or on inner-city industrial land no longer suitable for industry. Once population pressures in the ghetto have been relieved through new construction in outlying areas, our inner cities can be rebuilt. London, for example, built new towns before the East End was cleared so that the residents of the East End had someplace to go before their homes were destroyed.

There is still another aspect of the situation that should not be neglected. Besides simply relieving the overcrowding in the ghetto it is also necessary to speak to the condition of despair in which most of its inhabitants find themselves. Satellite new communities provide an opportunity for white America to convince black America that there is someplace in the United States where there can really be hope, where Americans put into practice the ideals we profess, where there are good jobs, good housing, and a good education for children. Many black Americans may prefer to stay where they are, rejecting the new communities and the racial mixture they offer; but they would still be aware that this opportunity exists if they choose it.

We will be confronted for many years to come with a situation in which a number of central cities will be dominated by black groups. This means that one route for the black community will be the development of their own economic and cultural institutions, depending on their own initiative and on negotiations with white people having economic power in the city. Here an analogy to the biculturalism of their own initiative and on negotiations with white people having economic power in the city. Here an analogy to the biculturalism of Quebec might be relevant, where the French majority faces an English minority holding economic dominance.

An alternative route for black advancement lies in desegregation and the accompanying improvement in education, employment opportunities, and housing that a desegregated society can provide. The term “desegregation,” however, does not imply that every street or apartment building has black residents in precise proportion to the total population. Obviously, economic status, distance from work, arbitrary personal preferences (including those based on race), and many other factors will continue to affect where and how people choose to live.

Desegregation does require, however, that black people have the same opportunities to make choices that white people have. We must continuously be reminded that the success with which we develop an environment that will close the unconscionably wide gap between the opportunities available to black and white people will not only determine the future of many of our cities, it will also have an enormous influence on our national character and on our international relationships.

Any desegregation strategy must begin by making a proper distinction between race and class. This distinction has long been blurred, perhaps deliberately. Anyone with any experience in leasing apartments or in selling homes knows that it is much more difficult to mix different economic classes than to mix different races in this country. The 1970 census shows, in fact, that we are getting some small mixture of middle-income black and white families in suburban areas, and there are numerous examples of integrated buildings and neigh-

borhoods in the cities. However, comparable examples of economic integration of rich and poor are rare.

Almost all present financing for new homes and apartments involves the federal government in one way or another. About half of the outstanding mortgage debt on single-family homes is either F.H.A. or V.A. insured, and most of the balance is financed by savings and loan associations with deposits insured by the federal government and investments regulated by federal law. The remaining factor in home and apartment mortgage financing is the life insurance companies, and they most certainly would cooperate with any Equal Opportunity Program affecting the F.H.A., V.A., and savings and loan associations. If these lenders or loan guarantors were to provide funds only for equal opportunity developments, almost all new construction of homes and apartments would be desegregated, just as equal opportunity employers have partially succeeded in desegregating the work force.

It will be necessary, however, to design separate programs for different income groups. Only families earning more than \$10,000 per year are able, at current market prices, to afford new homes or apartments outside the South. In the northern and western metropolitan areas approximately 32 percent of all black families earn more than \$10,000 a year, as compared to 52 percent of all white families. This means that in a metropolitan area with a population which is, say, 20 percent black (though most, of course, have a smaller percentage of black families), approximately 13 percent of the total families who could afford to move into suburban areas might be black.

However, because the white families are already there, and because black families might hesitate to move into a potentially hostile environment, a much smaller percentage of black families can be expected to purchase or rent new housing in already built-up areas or in traditional suburban subdivisions, even with a free housing market. Since the percentage is likely to be relatively small, any action taken by the federal government in relation to open housing should not arouse enormous fears. Experience suggests that such a mix would be stable.

Moreover, the fact that practically all new developments would have to be equal opportunity developments under such a plan means that no single development would run the risk of becoming the focus of more extensive change. Builders would be able to prove compliance by demonstrating that they have, in fact, sold or rented to black families or show that they have unsuccessfully advertised for, and have not discriminated against them. Thus a modest degree of racial desegregation would be achieved; it will not, however, produce any substantial amount of economic mixture, since only families earning more than \$10,000 a year would be involved.

RACIAL AND ECONOMIC BALANCE

To facilitate the housing of black industrial workers near suburban plants other programs will be needed. This may be a more difficult goal because of the greater resistance to mixing economic classes than to mixing races. A better opportunity for achieving racial and economic heterogeneity is offered by new satellite communities. Desegregation

here would signify real options in terms of where and how people want to live. Given a choice of locations in new communities, it is quite possible that people would sort themselves out: some into white neighborhoods, some into black, and some into mixed. It is also possible that some management people living in the new communities will isolate themselves from the factory workers, while others will prefer to mix with them. These options must always be kept open, because the principle of free choice is quite as important as any of the other concepts discussed here.

Housing middle-income people and industrial workers in new satellite communities will require some form of subsidy, since some of them may be earning only about \$6,000 a year. This means that such a family can afford little more than \$125 a month for rent. Of all black families living in the North and West, 65 percent earn at least \$6,000 a year, as compared with 70 percent of all white families in those areas. This means that in a metropolitan area with a population, say, 20 percent black (again this figure is larger than average), approximately 17 percent of the total families who could move into such new communities would be black. Experience, again, indicates that such a population mix in new communities would be stable. However, even though black families would be welcome in such new communities, in contrast to the hostility of the existing suburbs, it is doubtful whether the percentage of blacks, at least in the initial phases of the program, would be as high as 17 percent.

Income groups earning less than \$6,000 a year present an entirely different problem. It is possible that the best way to deal with poverty is with money. Income maintenance or some form of negative income tax might be more effective answers to the problems of low-income families than housing subsidies. People in this income bracket may prefer to select older housing, spending a larger proportion of their total income on other necessities. If we are interested in achieving some degree of economic heterogeneity, new communities should then be prepared to accept their share of the new housing for this group in proportion to their presence in the metropolitan area as a whole.

The results of this program are likely to be that a small percentage of relatively affluent black families will live in the same suburban neighborhoods as white families of a similar economic level, in new housing. A larger percentage of both working-class and affluent black people will live in desegregated new satellite communities with whites of the same economic status. Poor families, both black and white, will live largely in the older housing and apartments, with a small percentage in new homes and apartments in new satellite communities.

High-rise public housing, on the other hand, should be reserved exclusively for adults—either the elderly or young single or married people without families. The buildings are adequately constructed and can be utilized in much the same way as luxury high-rise apartments, by adults. For large families, income maintenance might permit them to buy older housing, preferably in a neighborhood with good schools, and provide a much more suitable environment for the children.

This approach is the opposite of the one we are now pursuing. We have for some time been providing new housing for poor people through public housing projects and for the relatively affluent through government subsidies for single-family homes. Instead, we should be

providing new housing for middle-income people earning between \$6,000 and \$12,000 a year and allow those with lower income to acquire older housing through income maintenance. People with incomes over \$12,000 can afford their own housing, subsidized as at present through special income tax treatment of home ownership.

What has been proposed, then, is a four-point program :

1. Affirmative action to enforce antidiscrimination laws through F.H.A., V.A., and federal savings and loan association lending policies so that black families able to afford single-family homes can move to the suburbs.

2. Housing subsidies for middle-income people earning between \$6,000 and \$12,000 a year to enable them to afford new housing in new satellite communities.

3. An income maintenance program for lower-income people so that they may be able to purchase suitable older housing.

4. A new satellite communities program offering housing of varying price range in a choice of black, white, or racially mixed neighborhoods.

THE HIDDEN COST OF SUBSIDIES

The federal government pours at least \$10 billion a year in direct or indirect subsidies into the housing market. The federal budget directly allocates approximately \$4 to \$5 billion a year to housing, including appropriations for urban renewal, public housing, mortgage loan interest, and subsidy programs. This figure, however, does not include rent payments made for welfare recipients, which are indirectly financed by the federal government through matching funds to the states (in New York City alone these costs amount to \$800,000 a year). The federal budget figure also does not include the major benefit involved in the whole system of F.H.A. and V.A. mortgage guaranties, nor does it include the funds supplied by the savings and loan associations, which have financed the large portion of so-called "private" housing development. By insuring deposits in savings and loans and requiring them to invest these funds in home mortgages, the government has made available a continuing supply of money to the housing market at a lower interest rate than could be obtained in a competitive money market. It would be difficult to calculate the extent of this benefit.

The outstanding mortgage debt, however, of the savings and loan associations exceeds \$160 billion, and the outstanding F.H.A. and V.A. guaranties represent an even larger amount. If the interest differential is 1 percent, the benefit involved amounts to more than \$3 billion a year. The over-all cost to the government of its borrowings may be increased by these loans and guaranties, but to a degree next to impossible to measure.

To these subsidies must be added the cost to the federal government of the loss of revenues deriving from its tax treatment of home ownership. The deductions allowed home owners for mortgage interest payments and real-estate taxes is another form of subsidy. It has been estimated that, in 1966, the deductions for mortgage interest reduced revenues by \$1.6 billion, and those for property taxes caused a reduction of \$1.4 billion. It is also estimated that the failure to tax the value of occupying a home (imputed income) reduced revenues by \$4 billion. The total revenue lost to the federal government by special tax treatment

of home ownership, therefore, amounts to some \$7 billion a year, or more than the total amount in the federal budget earmarked for housing. Perhaps, this analysis reflects a rather extreme point of view. However, if we were to follow the example of the Canadian government which does not tax imputed income but does not allow the deduction of mortgage interest or of property taxes either, the gain in revenues would amount to \$3 billion a year.

The inequities involved in this arrangement are manifold. For example, the more expensive the house the larger the tax benefit of home ownership. If the home owner, on the other hand, were to decide to rent his house to another family, he would have to pay income tax on the amount by which the rent received exceeded his mortgage payments, operating costs, and real estate taxes, except for the special tax treatment for depreciation of real estate, which in the early years will also make his \$800 to \$1,000 return on his investment tax free. Instances of such special tax treatment exist throughout the tax laws. The investment credit for new plants and equipment is a comparable example.

My aim here is not to reform the tax laws but rather to emphasize the size and extent of the subsidies available to home owners and landlords in the form of tax benefits as compared with the subsidies for moderate-income housing, where a 3 percent interest subsidy on a \$16,000 mortgage amounts to only about \$480 a year. Its after-tax value to a taxpayer in the 40 percent bracket, however, is only \$192 a year, or considerably less than the subsidy to the home owner or landlord owning more expensive property in the example above.

It will undoubtedly take a major effort to organize and rationalize the whole subsidy system in the housing market. I am not suggesting that we do away with income tax deductions for mortgage interest and real estate taxes or for depreciation. I am rather suggesting that we try to understand their impact on the housing market and make sure that comparable subsidies are made available to lower-income people as well.

Unfortunately, many people become quite moralistic when subsidies for the poor are concerned and tend to worry about the problem of cheating. The opportunity to cheat is built into many of our housing programs when they specify minimum income levels. If a man's family is likely to be evicted from its apartment when his income increases, he is very likely either to avoid making more money or to be somewhat uncommunicative about the fact that he does. Such income limitations should be abolished in satellite communities.

If a person earning more money still wishes to live among his lower-income neighbors, he should be encouraged to do so for the sake of economic heterogeneity. If he goes out and buys a home or rents a more expensive apartment, he is receiving another kind of subsidy, in any event. Furthermore, eliminating such income limitation will aid in overcoming prejudice. Experience has shown that the best way to encourage desegregation is to offer a bargain. Such integrated developments as Prairie Shores in Chicago and St. Francis Square in San Francisco have largely been successful because they offered well-designed apartments at a little less money. This policy creates a waiting list of potential tenants who are more concerned with getting in than they are with who lives next door.

Of the \$10 billion that the federal government is spending in the housing market, a large portion has the effect of encouraging white home ownership in the suburbs and public housing for black people in the inner city. In other words, whether intentionally or not, it has resulted in increasing segregation. If we really were to decide to use these funds for the opposite goal, we could, within a decade, create many desegregated new communities, decrease overcrowding in the ghetto, reduce the pressure on its adjoining white neighborhoods, and encourage some black families to move into what are now all-white suburban areas.

Specifically, satellite new communities should receive a priority in the allocation of federal subsidies for low and moderate-income housing in order to make it possible for everyone who works in the new community to live there. The amount of subsidy should vary with the income of the home owner or renter, so that no more than 25 percent of his income is required for rent or mortgage payments.

NEW-COMMUNITY OPTIONS

Why should we build satellite new communities? Why not consider a low and moderate-income housing program in suburban locations instead? The fact is that the present level of resistance to the construction of such housing in already established suburban areas is so great that it is unlikely that very much low and moderate-income housing will be built there. In bypassing these areas and creating new satellite communities on the vacant land beyond, the political opposition to desegregation is significantly reduced. Furthermore, building in such outlying areas where vacant land is still available requires a scale of development for roads, sewer and water, and other amenities, at least on the level of the planned unit development and approaching the scale of satellite communities, in any event.

Most of the advantages of new communities have been fully described elsewhere, so only a brief list will serve our purposes here. New communities offer options for living in black, white, or mixed neighborhoods; they can provide an integrated school system; they open up opportunities for employment in the new suburban industrial plants; they reduce automobile traffic by allowing people to live near their work. Thus lessening air pollution and the drain on our diminishing oil resources.

Certainly, satellite new communities provide an organizing idea which permits the planning needed to rationalize our transportation systems as well as our land use. Furthermore, only in satellite new communities will it be possible to aggregate the housing market efficiently in order to make industrialized housing feasible while their higher density would permit us to protect the environment by saving land and preserving open space. Definite financial benefits would result from federal land acquisition for new satellite communities, and these savings could be channeled into housing needed to accommodate population growth and replace substandard housing.

As mentioned earlier, influential proponents of new communities have called for ten new cities of 1 million people each and 100 new towns of 100,000 each. It is thought that a population of at least 100,000 is required in order to sustain the services necessary to a self-sufficient

community. Satellite new communities, however, need not be self-sufficient since they can depend on the central city for many of these necessary services. Consequently, they might be as small as 8,000 to 10,000 people: neighborhood size, large enough to sustain an elementary school, community center, nursery, convenient shopping center, service station, recreational facilities, and other local amenities. Such neighborhoods exist in the new towns of Farsta and Vällingby, near Stockholm, and in Tapiola, outside of Helsinki.

These are largely of townhouse and apartment communities as opposed to single-family homes, which are more characteristic of new communities in the United States. If one of the purposes of satellite new communities is to house the workers employed by outlying industries, they will have to consist partly of townhouses and garden apartments, since only persons earning at least \$10,000 a year can afford new single-family homes in the northern and western United States at today's prices. However, these townhouses and apartments could be sold as condominiums rather than rental units, if ownership is the desired goal.

Though satellite new communities might, in some instances, consist of as few as 8,000 to 10,000 people, in others larger populations are desirable, particularly if desegregation is our goal. Communities consisting of four such neighborhood units, or approximately 35,000 people, could offer a choice of white, black, or integrated housing, with an integrated school system as well as other community activities. Moreover, a satellite new community of 35,000 people could be linked to the central city and to other similar communities by mass transportation. This becomes even more feasible if the townhouses and apartments are centrally located near the mass transit station or bus stop, with single-family homes surrounding this central core. Such concentration of population at mass transit origins and destinations is necessary if it is to be workable at all.

Even larger satellite new communities are possible, through it is generally true that the larger the community, the more difficult the land acquisition process. Evanston, Illinois, an old suburban community, for example, has a population of 80,000 and a school system which is integrated without excessive busing.

In metropolitan areas with very small black populations, like Minneapolis and Seattle, other means of desegregation are possible so that satellite new communities there might be as small as 8,000 people. In those areas with large black populations where desegregation is a primary goal, new communities might better be built for 35,000 people or more.

Very little land is required for a satellite new community of 8,000 to 10,000 people. Three thousand dwelling units at a modest apartment density of 20 units to the acre could be built on only 150 acres of land. An additional 20 acres could easily accommodate a school, shopping center, and other community facilities. In most metropolitan areas, tracts under 200 acres are relatively easy to assemble. At mixed townhouse and apartment density, such a community might require 400 acres; if four such neighborhoods are joined together to create a community of 35,000 people, 1,600 acres would be more than adequate. Another 400 acres could provide space for a high school, additional recreational facilities, and for industrial and commercial uses. How-

ever, in most metropolitan areas tracts as large as 2,000 acres are usually quite difficult to assemble. In most places the government's power of eminent domain will be necessary to assemble the land for satellite new communities.

A community of 40,000 people on 2,000 acres provides a density of 20 persons to the acre. The city of Chicago (including all of the land devoted to offices, industry, commerce, recreation, and other uses) has a density of more than 70 persons per acre, or more than 3.5 times as dense. Older suburbs of Chicago, like Berwyn, Cicero, and Evanston also have much higher densities such as 30 persons to the acre, with mixed residences including single-family homes, duplexes, townhouses, and apartments. Even some of the newer subdivisions built since World War II and consisting entirely of single-family homes have similar densities.

The lower density of 20 persons per acre has been chosen to demonstrate that, even at this low density, only 1 million acres of land will be needed for a satellite new communities program accommodating half of the expected growth in selected metropolitan areas during the next 30 years. The cost of acquiring this land at \$3,000 per acre (the land for both Reston and Columbia was purchased for about \$1,500 an acre) is only \$3 billion. So, if we build at higher densities, less land and less money will be required; if the land can be purchased for less than \$3,000 an acre, a further saving can be obtained.

Half the expected population growth between 1970 and the year 2000 in 38 selected metropolitan areas amounts to 21 million people. These selected metropolitan areas account for over 85 percent of the population, 87 percent of the black population, and 90 percent of the population growth in all metropolitan areas of over 500,000 people. A more modest but more concentrated program involving 24 selected metropolitan areas would account for 72 percent of the population, 83 percent of the black population, and 72 percent of the population growth in metropolitan areas of over 500,000 people. These, then, are the metropolitan areas with the greatest degree of segregation, the greatest pressure on the environment, and the greatest problems resulting from size.

The more modest program would require 800,000 acres in these selected areas for new satellite communities. This land could be acquired for less than \$2.5 billion spent once, as opposed to the federal government's annual expenditure, both direct and indirect, of \$10 billion for housing.

LAND ACQUISITION

According to John Maynard Keynes, "compound interest is the second greatest invention of mankind". Discounted cash flow is the opposite of compound interest. A dollar I am to receive 20 years from now is worth only six cents today if I can earn 15 percent on my money. Discounted cash flow, or income stream, is a significant factor in any business, but particularly so in new community development where the question of future revenues from long-term transactions is crucial. In order to illustrate this concept, you might try calculating whether or not the Indian made such an obvious mistake when they traded the Island of Manhattan for \$24. If they had had the opportunity to invest the \$24 for 300 years at compound interest, the amount that investment

would be worth today might conceivably exceed the undeveloped land value of Manhattan Island: \$24 compounded for 300 years at 6 percent interest would be worth \$935 million today; at 8 percent, \$250 billion; at 10 percent, \$63 trillion; and at 15 percent, 3.8×10^{10} .

No planned development takes 300 years to complete, but a time line of 15 years is not unusual. Even during this period of time, the difference between what a million dollars would earn at 6 percent and at 15 percent is in excess of \$5.7 million. A private developer, borrowing money at a rate of 8 percent to 10 percent, is not unrealistic in expecting a 15 percent return on his money. British new towns, on the other hand, are considered economically successful if they return a profit of 8 percent. A private developer would consider this operating at a loss. Consequently, it would appear that the most economically feasible way to acquire land for new community development is through government purchase—whether by federal, state, or local metropolitan bodies. Not only can such governmental entities borrow money at the lowest available rates, but any profit from appreciated land values then returns to the public coffers.

I have suggested that the federal government, in cooperation with state agencies, acquire 1 million acres of land in certain metropolitan areas for satellite new communities. In addition to the value of early land acquisition to a satellite new communities program, the estimated \$3 billion required for this investment could be expected to yield a profit to the government.

Private land acquisition for new community development can presently be financed through federal loan guaranties. It appears that a number of such projects will be undertaken if only as a result of the rather favorable terms offered. The major flaw in this approach is that the land best suited to the development of new communities is seldom available under a single ownership and cannot be assembled without invoking the government's power of eminent domain. Consequently, many of these new communities will not be located where they are most needed. Moreover, piecemeal new community development competes with ordinary subdivision development, which makes desegregation difficult.

A bolder strategy is needed. If the federal government were immediately to acquire the land required for new satellite communities, thus pinpointing publicly their intended locations, many of the worst fears would be allayed. As David Rockefeller notes, a federal agency with "powers for planning and obtaining sites for new towns" might "perhaps provide guidance in terms of national land use planning." Whether the federal agency involved is part of the executive branch of the government or is a separate entity altogether, the land should initially be acquired and *owned* by that agency.

My own particular model for the kind of governmental agency required for land acquisition is the TVA. The Tennessee Valley Authority is an autonomous body, independent of Congress, which has chalked up an excellent record of performance in the task it was assigned to do. Government corporations in Canada—such as Air Canada and the Canadian National Railroad—function in a comparable way, as do similar corporations in Australia and other parts of the world. However, I have no quarrel with the idea of a private or quasi-public agency, such as David Rockefeller suggests, organized

on a not-for-profit basis, or a new kind of bank which would seek capital from commercial banks, insurance companies, industry, and other sources. This bank would offer long-term debentures with a modest interest return that would make possible full development of new towns yet be sufficiently remunerative to assure the continuing flow of capital to other projects.

While land acquisition for new communities by the federal government would appear to have many advantages, a realistic assessment of the mood of the present Congress would indicate that there is considerable resistance to the use of the federal power to eminent domain for this purpose. I would suggest, then, that Title VII of the National Housing Act—which now provides loans for private developers and state agencies for land acquisition—should be amended to provide *grants* as well to be made available to state agencies, such as the New York Urban Development Corporation, or to newly created metropolitan development authorities, as Canty has suggested. These grants might be based on a 90-10 formula (90 percent from the federal government, 10 percent from the local authority), similar to that used for highway programs, or perhaps 75-25. In any event, the ratio should be high enough to encourage the states to make use of the grants where needed. The precise method by which land acquisition is accomplished is less critical than the need to begin immediately. The construction of new communities to absorb metropolitan growth is a national priority that can only be described as urgent.

Local authorities, of course, should be involved in the process of planning the location of new communities. Perhaps the best agency for coordinating local with area-wide planning is the metropolitan area planning authority, which exists in nearly every major metropolitan area. In the Chicago area, for example, most federal grants to municipalities in northern Illinois must first be approved by the Northeast Illinois Planning Commission in order to show compliance with the commission's guidelines.

The profits to be made from a land acquisition program can accrue to the public's benefit. Private real estate investors now reap the profits from increased land values created by public construction of subways, bridges, roads, airports, sewer plants, and other public utilities. Advance knowledge of highway interchanges creates instant fortunes in real estate. If land value profits created by public expenditures are recaptured for the public benefit, they can be reinvested in various aspects of new community development. In England, for example, land investments for new towns have nearly all been profitable for the government, although private investors in this country might expect a higher return.

The Government could expect to acquire certain other financial benefits which, though impossible to calculate with any degree of accuracy, would be very real indeed. These benefits would consist in the reduction in public expenditures made necessary by severe social problems. For example, how much money could be saved the public if crime decreased in the cities, if superior schools graduated more productive citizens, if access to jobs reduced the welfare rolls? What are the costs generated by the physical and mental deterioration resulting from urban pressures, racial antagonisms produced by housing segregation, and air pollution attributable to automobile commuting? These are all heavy

social costs that society is paying for its present haphazard style of urbanization; they are all problems for which new communities claim to offer at least a partial solution.

A typical transportation cost benefit analysis model may help illustrate this point. A recently completed study comparing rapid transit with automobile transportation pointed out that a commuter switching from automobile to rapid transit saves approximately \$872 a year. In addition, the researchers call attention to the intangible benefits of reducing highway fatalities and air and noise pollution, improving environmental quality, and providing better access to jobs through rapid transit, all of which cannot be directly translated into dollars and cents. What this study does not consider, however, are the savings both public and private, accruing from the ability of people to live near their jobs. It is conceivable that the cost benefits deriving from the reduction in rush hour traffic, in both directions, might be sufficient to finance the entire new communities program.

The actual development of new communities, unlike land acquisition, should be accomplished by private developers rather than by the Government. Under renewal procedures might serve as a model here, although we might experiment with other mixtures of government and private responsibility. Land for urban renewal is acquired by a public agency which also plans the major streets, public utilities, and land uses. Parcels of land are then sold to private developers. In this case, there is usually a write-down on the land because these projects are generally undertaken in depressed areas, while in the case of new satellite communities, the land could be resold at a profit.

Of course, there is more to a new community program than buying the land. Roads and streets, sewers, water, and other utilities must be provided. While the land itself may cost less than \$3,000 per acre, the infrastructure (roads, streets, utilities) for such a project might well cost as much as \$15,000 per acre. This expenditure, however, is not entirely made at the beginning of the project since only major roads, storm water interceptors, and part of the sewage treatment plant must be installed then. Perhaps \$5,000 per acre would be a more realistic figure to represent the primary investment in the infrastructure. The balance can ordinarily be provided by land sales. The point is that these particular expenses will have to be met in any event if the land is to be developed at all. State and local governments ordinarily bear the burden of these expenditures, which are more costly for ordinary subdivision than for new community development. There is no reason why these expenses should not be shared by the private developer to whom the land is sold, perhaps with loans guaranteed under the New Communities Act.

Urban land values have increased more than 400 percent within the last 20 years. A single-family lot which sold for \$1,000 in 1950 cost over \$5,000 in 1970. This increase is greater by far than the increase in the cost of living in general and greater even than the increase in building costs themselves. Properly located land is a unique form of monopoly: the supply is limited, and increased demand sends prices soaring. If the land is acquired by a governmental agency, however, the profits—as explained above—will accrue to the public or be used for further new community development.

Numerous federal and state agencies presently are involved in the planning of roads and utilities. The federal government, moreover, is

financing the acquisition of open lands. It would seem to be highly desirable to coordinate all these various efforts, so that planning for roads, mass transit systems, sewers, and water can coincide with land acquisition for new satellite communities and thereby guide the growth of our metropolitan areas.

A final and singularly important reason for suggesting that land be acquired now by the federal government is to establish the credibility of the new communities program. People need tangible evidence that we actually do have a national commitment to desegregated new communities. In the building industry, announcements of new projects are generally credible only when the builder owns the land.

I believe that the land for satellite new communities should be acquired in the areas next to be developed in our fastest growing metropolitan areas. This belief is based upon the judgment that these are the places where desegregated new communities are most necessary, and also that these are the areas where population growth will occur anyway. The Nixon Administration, however, has proposed a very different policy.

In July of 1970, the President's National Goals Research Staff issued a report entitled "Toward Balanced Growth—Quantity with Quality." In effect, it recommended that both the government and the private sector intervene in order to change the pattern of population settlement and prevent the further growth of megalopolis. The Nixon Administration has thus called for the concentration of resources to bolster urban growth centers by improving employment opportunities and providing professional services in regions of limited growth.

While federal assistance and intervention in the development of urban growth centers may be desirable, as a substitute for a national urban policy it is sheer disaster. Even if migration to the cities continues, the influx will progressively dwindle. Since massive migration is already coming to an end, the plan for urban growth centers actually comes too late. Moreover, it is simply not possible to keep the largest metropolitan areas from growing without overhauling the entire economic distribution system, and the cost of such an enterprise would far outweigh the benefits. Major metropolitan areas will continue to grow for the same reasons that they have grown in the past, and industries will keep on locating on the outskirts of such cities in order to serve their markets and attract labor for their plants and warehouses. The situation must be quite exceptional if an industry decides to locate in an urban growth center in Kentucky in order to serve a market in Chicago.

The large metropolitan areas will also continue to remain the centers of the boom in office buildings. Office jobs in the New York area are expected to almost double by the year 2000 and to increase 2.5 times throughout the country as a whole between 1965 and the end of the century. It is remarkable that, though the 24 largest metropolitan areas contain only 34 percent of the nation's total population, they provide 65 percent of all its office jobs—and this percentage is expected to decline only slightly, in spite of government intervention to promote urban growth centers. The number of white-collar jobs first began moving ahead of blue-collar jobs in the mid-1950s, and it is expected that they will exceed all other forms of employment by 1980. Finally, metropolitan areas will continue to grow, even without sig-

nificant migration, by the normal process of the birth of children to the residents. Serving these children and their families will be a motivational factor in the choice of location for many "service" industries.

If this is the real significance of metropolitan areas, then we must treat as commendable, but perhaps futile, the attempt by the Administration to redistribute the population away from the major metropolitan areas. Certainly, whenever possible, government offices, universities, defense contracts, and the like, should be used to aid underdeveloped areas in the United States. This is simply a matter of not increasing congestion in built-up metropolitan areas. But to assume that any such effort can make a significant difference is a misconception. Whether we encourage new cities in the prairies or urban growth centers or further growth in metropolitan areas of less than 500,000 people will have very little impact on such metropolitan areas as New York, Los Angeles, and Chicago, which will all continue to grow.

Similar considerations preclude the building of many new cities in the prairies. It is possible to build a few, perhaps, and this effort might be encouraged in locations where a new university or federal installation provides an economic base for such an independent new town as an experiment in new technology. However, in the main, no cost benefit analysis can justify the federal government's intervention except where the action already is; for example, in the areas to be developed during the next three decades on the outer fringes of the suburbs now encircling the major metropolitan areas. *After* these areas have been developed with satellite new communities, we can consider the creation of "new towns-in-town" on the vacated inner-city land which will become available, to replace substandard housing no longer needed in the ghetto.

Some people give the term "urban growth center" a different meaning. They talk, instead, about adding to existing satellite old communities, of which Aurora, Elgin, Joliet, and Waukegan are examples in the Chicago area. This concept has some merit. There is no reason why these old satellite communities should not be enlarged, provided that a desegregation program is an integral part of the plan.

It is interesting to note that the United States is one of the few western nations that does not have a clearly defined land use policy. Stockholm acquired vast tracts of land over fifty years ago which are still under its control. In France, a combined five year national environmental and economic plan has been undertaken through which land can be acquired for development by national and local governments. The City of Rotterdam owns more than half the land within its borders and in 1941 acquired more than 1,500 acres outside the city limits, annexing several neighboring municipalities in which most of this land was located. The Canadian government in 1956 empowered the Province of Alberta to declare any area a new town and set up a corporation plan and finance it through the issuance of debentures and access to government start-up funds. The new towns of Great Britain, of course, are familiar models.

The United States, too, has its own historical precedents for governmental acquisition of land, and the Federal Government presently owns 33.6 percent of all the land in this country. The Nation's capital

was itself acquired and planned as a new town. Land grants to homesteaders and railroads peopled the west. During the Roosevelt era, land was acquired and new towns built by the government as part of an economic recovery effort. Throughout U.S. history, federal power to assemble land has always been authorized for transportation, highway development, dams, and for the preservation of parks and open areas. Until recently, federal land acquisition for housing has been primarily confined to areas adjacent to defense, atomic, damsite, and other federal installations. However, within the past few years we have seen the emergence of the State urban development corporation with its own right of eminent domain and authority to override local zoning ordinances. The New York State Urban Development Corporation has demonstrated that public land acquisition is amenable to a free enterprise system.

POPULATION GROWTH AND HOUSING SUPPLY

It is argued that even if some 20 million people lived in "new towns" they would represent such a small percentage of the population as not to be significant. The 1970 census shows, however, that 20 million people constitute more than half the total population growth expected between now and the year 2000 in the metropolitan areas with the worst problems. A program of properly located new satellite communities to house this anticipated growth in the metropolitan areas where it is expected to occur would certainly have a major impact.

It was once anticipated that the population would double between 1960 and the end of the century. The Nixon Administration, however, has been talking about a slower rate of growth, while Congress places the figure for population growth between 1970 and the year 2000 at only 75 million people. Anthony Downs believes that the 1970 census data indicate that an increase of 50 to 60 million is a more realistic figure, and estimates that most of this growth will occur during the earlier portion of this 30-year period, with a point of zero population growth reached well before the turn of the century. My own calculations are based upon an increase of 70 million people between 1970 and the year 2000.

Based on the larger projections of population growth, the Kaiser Commission established in 1968 a goal of 26 million new housing units to be built over the next ten years. I believe that this goal is excessive. It was officially adopted during the Johnson Administration and has become the basis for the housing policy of the Nixon Administration. This goal is based upon estimates of the number of new household formations, housing units required to replace substandard units, and units scheduled for demolition. Though the Administration's goal is based on too high an original estimate of future population growth, the error is partially offset by the fact that there are perhaps 10 to 12 million households that we could consider inadequately housed, even though only 6 million dwellings, would be classified as "substandard" by the official definition of the U.S. Bureau of the Census. Moreover, if the rate of abandonments continues to increase as it has in recent years, we may need still more replacement units than heretofore anticipated.

It is obvious that there are numerous uncertainties inherent in such projections. For example, the number of new units required each year

will depend partly on how fast we want to eliminate substandard housing. In addition, these projects must take into account the increased vacancy rate necessitated by the increasing mobility of the population. Since I believe that all these considerations are important, I would prefer to choose the higher rather than the lower goal, while recognizing that, if we conceive the timetable for eradicating the inadequate housing supply as fifteen rather than ten years, a lower rate of production would be adequate.

In spite of all these considerations, a goal of 2.6 million new housing units each year seems excessive in relation to a population growth of 70 million people in a period of 30 years. Even taking into account the replacement of inadequate housing, an increased vacancy rate, and the trend toward more abandonments, we should require no more than 40 to 45 million new units in the next 30 years, or an average of at most 1.5 million units a year. If we build 2 million units a year for the next ten years to replace substandard housing, the rate might drop off to approximately 1 million to 1.5 million per year for the remainder of the period. If the building industry makes the attempt to gear up for the Kaiser Commission's 2 million units per year, on the other hand, serious discontinuity will result later. A rate of 2 million new units a year, therefore, seems a more appropriate goal.

The most serious constraint in the maintenance of adequate housing production has been the erratic fluctuations of "tight" and "loose" money. During periods of "tight" money, other industries tend to attract a larger share of available investment capital than does housing construction. The production of housing, therefore, falls off drastically until a period of "loose" money causes it to spurt suddenly ahead. While the federal government's policy of increasing the flow of money to the savings and loan associations and into subsidized housing programs does manage to smooth out these periodic fluctuations to some extent, a perceptive new approach for providing fresh capital to the housing industry will be necessary before these problems are entirely solved. Certainly, industry cannot be expected to invest substantial capital in industrialized housing until it is convinced that the demand for its product will not vary widely from year to year.

The excessively high projections of future population growth have not only led to erroneous estimates of the demand for housing but to the concept of "megalopolis" as well. This concept, while useful for some purposes, has had the negative effect of raising the false specter of an American running out of land. The megalopolis known as the Atlantic Region which stretches from Massachusetts to Virginia includes the cities of Boston, New York, Philadelphia, Baltimore, and Washington (or five of the fourteen metropolitan areas with population over 2 million) and contains some 35 million people. Other megalopoles are the Lower Great Lakes Region, the California Region, and California Region, and the Florida Peninsula.

This situation sounds rather alarming unless two additional facts are also taken into consideration: there is no other identifiable urban region in this country that will exceed even 6 million by the year 2000, and none of these so-called megalopoles are actually running out of open space. It is not even accurate to refer to "San-San," as the California Region is sometimes called (San Francisco to San Diego), since a large amount of open country still exists in that region between

the mountains and the cost that could not possibly be filled up by the year 2000. Similarly, the concept of a "Lower Great Lakes Region" assumes a continuous urban belt between Detroit and Chicago. Though the towns of Kalamazoo, Jackson, and Battle Creek are certainly growing, an automobile trip on route I-94, connecting Chicago and Detroit, clearly shows that there are still miles and miles of undeveloped farmland along that stretch. Florida, of course, still has its share of everglades, the palmetto scrub, and orange groves.

The idea that we are running out of land is patently not true. On the other hand, there are far more serious threats to urban life which require immediate attention. Both automobile ownership and consumption of electrical energy and fossil fuel is increasing at a much faster rate than the population as a whole. The concentration of people in megalopolis means a concentration of consumers whose capacity for consumption is potentially very much greater than its present level. If we are successful in raising the incomes of people now impoverished in inner-city ghettos and they too become consumers of automobiles, ranges, air conditioning equipment, and other accouterments promised them as part of the "good life", the problem will begin to take on very serious dimensions. Thus, while availability of land may not pose a real threat, air and water pollution, depletion of our oil resources, and the disposal of waste heat emerge as possibly the most ominous consequences of the growing concentration of people in megalopolis.

Similarly, there is an enormous pressure to develop ocean shores, lake frontage, woods, and other natural resources outside the cities which will intensify as the society becomes more affluent. The real danger highlighted by the concept of megalopolis is not that we will run out of land but that we might run out of clean air, water, and natural resources.

CRITICAL TARGET AREAS

The 1970 census data not only indicate that previous population growth estimates and required housing units have been greatly exaggerated, they also show that a large percentage of that growth as well as a large percentage of the black population is concentrated in a few metropolitan areas. If we rank metropolitan areas according to size, growth, and black populations, we can then begin to establish some criteria for deciding which of these areas requires the most urgent attention, for which satellite new communities offer solution. It will also enable us to suggest the kinds of satellite communities needed and to estimate the amount of land required for these new communities.

Writers from each of the American regions tend to project the problems of their own area onto the country as a whole. The particular problems besetting New York and Los Angeles, for example, are often described as though they were typical of the entire country. I suggest rather that New York and Los Angeles are unique. Cities like Chicago, Philadelphia, Detroit, and Baltimore require a different kind of approach. Smaller metropolitan areas with fewer black people and less population growth can utilize other strategies more appropriate to their needs.

The census defines a place as "urban" if it has a population of 50,000 or more people. A town of 50,000 does not usually have an "urban

crisis." as the term is normally used, or share the problems of cities like Chicago and Cleveland. To use the term "urban" for such places sometimes misleads people into enlarging the scope of the urban problem. In fact, if we limit our attention to cities with populations in excess of 500,000, we will still find many metropolitan areas that neither manifest the problems nor require the solutions discussed here. Smaller metropolitan areas may need a strategy for desegregation or suffer from various other urban ills, but the scale of these problems is too small to warrant the construction of satellite new communities.

It is no longer appropriate to discuss metropolitan planning in broad, general terms. We need to consider each area separately and develop for each its own specific regional plan designed to protect the environment, provide for an adequate mass transportation system, and promote desegregation.

When all of the 1970 census data have become available and we are able to evaluate the latest statistics on employment, education, welfare, housing, crime, transportation, and the fiscal condition of the cities, perhaps some useful comparisons can be made in order to determine the effect, if any, the size of the metropolitan area, the growth rate of the population, and the size of the ghetto have on these problems. In the meantime, perhaps we can draw some tentative conclusions:

We should concentrate on the metropolitan areas with the largest populations, because that is where the people are, and size itself creates problems of transportation, pollution, and race relations.

We should concentrate on the metropolitan areas with the largest growth, because that is where the opportunities are, and that is where the environment will be destroyed if we do not act quickly.

We should concentrate on the metropolitan areas with the largest black populations, because that is where desegregation is most crucial.

VARYING LAND REQUIREMENTS

Applying these criteria to the metropolitan areas with populations over a million, it is possible to establish certain categories and to estimate the amount of land required for both a minimum and maximum satellite new community program.

The first category contains only New York and Los Angeles since their size and growth put them in a class by themselves. These areas will require, in addition to satellite new communities, either the construction of new cities on the scale of 500,000 to 1 million each, or the enlargement of existing suburban centers in order to accommodate the inevitable growth in population.

The only other comparable metropolitan area is Chicago, though I have classified it in the second category since it shares more of the characteristics of metropolitan areas like Philadelphia, Detroit, Washington, St. Louis, Baltimore, Atlanta, San Francisco, Houston, Miami, and Dallas than it does those in the first category.

All of the metropolitan areas in the second category grew by more than 250,000 people between 1960 and 1970, and all have black populations in excess of 250,000. The first seven of these areas have central cities that are over 30 percent black, and each urgently requires a new

satellite community program to desegregate, protect the environment, and accommodate part of the expected population growth.

The 13 metropolitan areas in the first two categories contain nearly 60 percent of the total urban population living in cities of over 500,000 people and 70 percent of the black population. A minimum program consisting of satellite cities and communities for New York and Los Angeles and satellite new communities for the other 11 metropolitan areas would, nevertheless, accommodate a very large percentage of the people affected by the "urban crisis."

If we add a third category consisting of the other metropolitan areas with populations over 500,000 which grew by more than 100,000 people in the last decade and which have black populations exceeding 100,000, we will have accounted for 72 percent of the population living in metropolitan areas of over 500,000 people, 83 percent of the black population of such areas, and 72 percent of the growth. (Chart 1) These metropolitan areas are Boston, Cleveland, Milwaukee, Cincinnati, Kansas City, Indianapolis, New Orleans, Tampa, Columbus, Louisville, and Norfolk.

Not all of these metropolitan areas require a satellite new community program of 30,000 to 100,000 in size. In fact, some of the smaller areas could best be served by satellite neighborhoods of 8,000 to 10,000 people. It is not our purpose here to plan all of the metropolitan areas, but rather to emphasize the need for focusing on areas of urgent need with a concentration of people and problems.

CHART 1

Metropolitan areas	Total population 1970	Black population 1970	Growth 1960-70
Group 1:			
New York.....	15,354,000	2,367,000	1,172,000
Los Angeles.....	9,588,000	824,000	2,036,000
Total.....	24,942,000	3,191,000	3,208,000
Group 2:			
Chicago.....	7,608,000	1,340,000	814,000
Philadelphia.....	4,816,000	844,000	473,000
Detroit.....	4,196,000	756,000	434,000
San Francisco.....	4,181,000	348,000	890,000
Washington.....	2,861,000	704,000	797,000
St. Louis.....	2,364,000	379,000	259,000
Baltimore.....	2,071,000	490,000	267,000
Houston.....	1,983,000	383,000	565,000
Miami.....	1,888,000	267,000	619,000
Dallas.....	1,556,000	249,000	437,000
Atlanta.....	1,390,000	311,000	373,000
Total.....	34,914,000	6,071,000	5,928,000
Group 3:			
Boston.....	2,754,000	127,000	159,000
Cleveland.....	2,064,000	333,000	155,000
Milwaukee.....	1,404,000	107,000	125,000
Cincinnati.....	1,385,000	152,000	127,000
Kansas City.....	1,254,000	151,000	161,000
Indianapolis.....	1,110,000	137,000	166,000
New Orleans.....	1,046,000	324,000	139,000
Tampa.....	1,013,000	109,000	241,000
Columbus.....	916,000	106,000	161,000
Louisville.....	827,000	101,000	102,000
Norfolk.....	681,000	168,000	102,000
Total.....	14,454,000	1,815,000	1,638,000

CHART 1—Continued

Metropolitan areas	Total population 1970	Black population 1970	Growth 1960-70
Group 4:			
Minneapolis.....	1,814,000	32,000	332,000
Seattle.....	1,422,000	42,000	315,000
San Diego.....	1,358,000	62,000	325,000
Denver.....	1,228,000	50,000	299,000
Portland.....	1,009,000	23,000	187,000
Phoenix.....	968,000	33,000	304,000
Total.....	7,799,000	242,000	1,762,000
Group 5:			
Rochester.....	883,000	58,000	150,000
San Antonio.....	864,000	60,000	148,000
Dayton.....	850,000	94,000	123,000
Sacramento.....	801,000	38,000	175,000
Fort Worth.....	782,000	83,000	189,000
Hartford.....	664,000	51,000	115,000
Honolulu.....	629,000	7,000	129,000
Salt Lake City.....	560,000	4,000	112,000
Total.....	6,013,000	395,000	1,141,000

A fourth category might consist of those metropolitan areas with substantial growth but relatively small black populations. Minneapolis, Seattle, San Diego, Phoenix, Denver, and Portland would make up this list. A satellite-new-communities program in these areas would relate to the goals of managing growth, rationalizing mass transportation, protecting the environment, and providing an alternative to ordinary subdivision development. Desegregation in these areas can readily be achieved by other measures.

A fifth category, very similar to the fourth, would include such smaller metropolitan areas as Rochester, San Antonio, Dayton, Sacramento, Fort Worth, Hartford, Honolulu, and Salt Lake City. They all had substantial growth and none of them had very large black populations. Some could use a desegregation program, and—while a satellite neighborhood program would undoubtedly be beneficial—the urgency and the scale of the need for such a program in these areas is minimal.

Cities like Pittsburgh and Buffalo form a category of their own. Each had an insignificant record of growth between 1960 and 1970. There would be very little reason for a new communities program in these areas, unless possibly to provide for replacement of substandard units: which is, of course, a program quite different from the one I described here.

AMOUNT OF LAND NEEDED

How much land, then, do we need for satellite new communities? The population of the United States as a whole grew by some 23.5 million people between 1960 and 1970, and about 15 million people were added to the metropolitan areas of over 500,000 in that period. As was noted, Congress expects the population to increase by another 75 million between 1970 and the year 2000, though some experts believe that a growth of 50 to 60 million is a more realistic figure in view of the declining birth rate. For our purposes, however, it is reasonable to assume that each of the metropolitan areas will grow by approximately three times the growth it experienced between 1960 and 1970, but at a declining rate.

In order to calculate how many new communities we will need let us assume that only half the population growth in each metropolitan

area should be accommodated in new satellite communities. The balance of the growth can fill up vacant land in existing suburbs or vacant industrial land in the cities (perhaps as new towns-in-town). Moreover, to anticipate population growth in these new satellite communities, land should be made available so that they can reach their ultimate size over a 30-year period. In that case, no additional land would be required to replace substandard housing, since the new units would originally be built with this purpose in mind. The substandard units thus vacated in the cities can themselves become the sites of new dwellings in the city.

A minimum new-satellite-community program would call for the acquisition of land in the metropolitan areas listed in Groups 1 through 3. One-half of the estimated population growth during the next 30 years in those areas amounts to approximately 16 million people. A maximum program, on the other hand, would involve acquiring land for satellite communities in all of the metropolitan areas listed in Groups 1 through 5. One-half of the estimated 30-year growth in these areas would amount to almost 21 million people.

At 21 people (or approximately six units) to the acre, a relatively low density, 1 million acres of land would be required to house 21 million people. The land, in appropriate locations, may cost from \$1,000 to \$3,000 per acre. Therefore, a maximum of only \$3 billion is required for the entire land acquisition program I have described. Even at lower densities, or with more land allocated for industrial parks and commercial use, \$3 billion should be adequate. The minimum program, of course, would cost even less.

At densities of 33 persons per acre (including land for recreational, commercial, industrial, and other uses) the program would cost at most \$2 billion. Densities, of course, will vary from one metropolitan area to another. In smaller metropolitan areas, available land for satellite neighborhoods and communities will be less expensive and lower densities may be preferred, while land will be most expensive in areas like New York and Los Angeles, and therefore somewhat higher densities will be desirable.

Funds for land development are an initial expense rather than an annual expenditure, and the land ought to be resold for development at a profit. Moreover, \$3 billion spent once is a surprisingly small figure compared to the \$10 billion *annual* expense of the federal government for housing.

LOCATION OF SATELLITE NEW COMMUNITIES

The metropolitan areas most in need of a satellite-new-communities program have already been identified. The next problem to be considered is where, within each metropolitan area, should they be located? While each metropolitan area requires a specific plan in order to adequately answer that question, there are certain definable principles to be considered in the acquisition of land.

The first step is to determine where *not* to build. In this regard, one can do no better than to paraphrase David Wallace's list of *don'ts*:

Don't build on the ocean beach. The shore and a substantial area next to it should be preserved in a natural state and be for public use and enjoyment.

Don't build at the river's edge or violate the riverside or the river's setting with inappropriate development. The equality and quantity of clean water, a vital natural resource, flood control, and public enjoyment require application of controls in all areas of the river landscapes.

Don't build on flood plains except under strict controls. Common sense (which doesn't usually prevail) would dictate limiting development where frequent floods occur.

Don't build on steep slopes or denude areas of forests. Amenity and water management, both vital to future urbanization, argue for this caveat.

Don't build in areas of great recreational value or unique visual personality. These areas can become the most valuable for people as open space close to urbanization.

Don't allow seriously harmful development in violation of principles of natural conservation to remain. We must not be forever victims of mistakes of the past. Over time, uses that are clearly not in the public interest should be phased out, and nature reestablished in our cities.

These environmental safeguards actually remove very little land from circulation in comparison with the total amount available. Even in the Atlantic Region, with its present low-density consumption rates, enough land is left after securing these lands to accommodate all the development anticipated for the next 50 years.

If the removal of certain lands from development defines part of the form which the metropolitan area will take, the rest is defined by the design of the transportation system. This element of the metropolitan plan should be considered next, not only because the nature of the transportation system will determine the location of the satellite new communities, but also because the existence or absence of a mass transportation system has a major impact on the employment opportunities available to their residents.

Automobiles serve only low-density areas efficiently. If sufficient streets and parking spaces are provided to accommodate the automobiles of all the residents of medium-density areas, very little land is left over for the buildings. More urban land is presently used for transportation facilities than for any other function outside of residential.

Most suburban zoning codes now require two parking spaces per apartment unit or townhouse, and over two-thirds of the land area in a typical suburban shopping center is earmarked for parking. A typical community college usually provides about 150 square feet of parking space per student, or one parking space for every two students. Though not all neighborhood obsolescence can be attributed to the automobile, it is certainly true that no urban neighborhood or industrial area developed prior to World War II has the space or design to accommodate a majority of its residents traveling by auto.

In the past, mass transit has been largely built to catch up with population growth, since only high-density population centers can support it. However, both Stockholm and Toronto have shown us that mass transportation systems (in these instances, subways) can determine future growth. Unless the origin and destination of the transit system are in clustered locations, it is not possible to have a mass transit system at all. The automobile, on the other hand, lends itself rather to low-density, single-family housing. The process, then, is circular—the more expressways that are constructed, the more single-family homes are encouraged. Conversely, if subways or high-speed buses are provided, high-density developments are generated at their nodes. Since this appears to be one of the facts of life, good planning suggests that such subway stations or mass transit stops become the foci of new

satellite communities with shopping, commercial, and municipal facilities, together with apartments, near the core, and single-family homes and townhouses located at the periphery.

A good deal of technological study has gone into the development of new mass transportation systems; it is not necessary at this stage to choose between them. It is sufficient to state that what is needed in most of our metropolitan areas is a series of new satellite communities linked to the central city and to each other by some form of high-speed mass transportation—whether it be subway, bus, monorail, or Gravity Vacuum Tube. Planning for transportation must be done simultaneously with determining the location of satellite communities, since each is closely related to the other.

In our larger metropolitan areas, the time now involved in traveling from one place to another exceeds the time devoted to any other single activity, except for sleep and education. The very least that will be accomplished by a good mass transportation system will be to provide inner-city residents with an opportunity to find their way quickly and inexpensively to the sites of the industrial jobs in outlying areas, while suburbanites similarly are able to commute to jobs downtown. Hopefully, if people eventually are able to live near their work, through the development of new satellite communities, the total burden on the mass transportation system will be considerably diminished. It is even possible that recapturing those millions of hours of commuting time will contribute toward an improvement in the quality of life for the residents of both our cities and the new satellite communities.

THE INNER CITY

This focus on metropolitan areas does not deny that rural problems such as poverty, hunger, disease, poor education, and substandard housing also require urgent attention. Our description of urban racism as a conflict of black and white, is but a simplification of a larger problem involving Spanish-speaking people, Indians, Appalachian whites, and other minority groups in many of our larger cities. And, finally, our emphasis on new satellite communities does not imply that inner-city housing problems should be neglected. Industries able to provide significant employment for ghetto residents should be induced to locate there. The test for the industrial use of the land relates to the number of jobs created per acre. Only a few industries will qualify. The Brooklyn Navy Yard is an example of land of this type. In more instances, the land will be suitable for construction of "new towns-in-town."

Until a sufficient number of satellite new communities are built to relieve crowding in the ghetto, emphasis there should not be on urban renewal programs that displace more persons than they accommodate, but on programs that seek to improve the quality of education, to reduce unemployment, and to give ghetto residents a voice in the public decisions that affect their lives. What should be built in the ghetto, now, are medical facilities, schools, libraries, neighborhood centers, and adult job-training facilities. After satellite new communities have relieved the pressure of overcrowding, substandard housing in the ghetto can be eliminated, and "new towns-in-town" can be built on

the vacated land. With over-crowding ended, ghetto rents and the artificially high value of slum buildings will decrease.

Creation of new satellite communities can serve as the catalyst for economic and social solutions to the nation's urban problems. Current policies and legislation, however, do not provide for these communities in sufficient number . . . in the most critical locations . . . or in a manner that will assure desegregation. Consequently, I have suggested a program of land acquisition now by an agency of the federal government. Most of the land needed could be acquired within two years of the passage of the necessary legislation through the government's power of eminent domain.

I am aware of the inevitable resistance to the idea of removing 1 million acres of land from private control by this method. But historic precedents for federal land utilization in the public interest exist. Land grants to colleges expanded public education; additional grants to railroads opened the west. And contemporary administrations have continued to acquire land for other public purposes such as construction of highways, slum clearance and urban renewal. I have tried to demonstrate that the creation of satellite communities by federal land acquisition would give us a new arena for the solution of our most critical urban problems. I believe that no other domestic public purpose deserves a higher priority.

Note: Portions of this article originally appeared in the February and March 1972 issues of *The Center Magazine* and are reprinted with permission of the Center for the Study of Democratic Institutions, Santa Barbara, California. Additional material was presented by Mr. Weissbourd at the ULI Spring Meeting held in Toronto in May 1972.

“THE PRESIDENT’S REPORT ON NATIONAL GROWTH, 1972”: A COMMENT

(By William L. C. Wheaton, Dean, College of Environmental Design,
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I. THE CONTENT OF THE REPORT

The President’s first report on urban growth consists essentially of three major points. First, it abandons the notion that there should or could be major national policies on urban growth, without quite espousing the feasibility of a policy on growth more generally. It does this by denying that there can be an urban growth policy without a policy dealing with both urban and rural growth. This is palpably a rhetorical exercise, since the report and all other reports clearly indicate that 80-90% of future population growth will occur in urban areas. Having denied the feasibility of an urban growth policy, it proceeds to describe the facts on migration, urban growth, the distribution of population between urban and rural areas, the distribution of population between central and suburban areas, the public management aids available to influence the local public policy, and an assertion that these matters are state and local responsibilities. As will be noted later, there is no evaluation whatsoever on any of these essential features of recent history.

The second major feature of the report is a long laundry list of federal, state, and local actions to cope with the problems resulting from the expansion of urban areas. These are recited without any attempt to evaluate the cumulative effects of these actions upon either the growth patterns of urban areas, or the environment, or the welfare of the American people. Nor is there any attempt to measure the cumulative influence, for instance, of federal aids or of state and local regulations or investments. The impression is created by the length of the list that somehow these aids must have beneficial effects or have a substantial influence. In fact, of course, many of the programs serve contrary or opposite purposes, and many are of such utterly trivial scale that they do not deserve identification.

The third major thrust of the President’s report is an espousal of revenue sharing as a means for increasing local power to grapple with urban growth problems. Here there might have been a genuine opportunity to accumulate the resources that would be available to states and local governments under general revenue sharing and special revenue sharing, either as proposed by the President or as revised by various committees in Congress, so that the nation might perceive whether these cumulative delegations of spending responsibility were significantly related, even in amount, to the expenditures of local governments or were significant in any functional sector as influences

upon the urban growth problems identified. There is no critical evaluation at all on whether local governments have any competence to handle new responsibilities thrust on them.

II. COMMENTS ON THE REPORT

This first report is indeed a sorry reflection upon the United States of America and its national leadership at this time. It is an apparent confession of intellectual bankruptcy, in the sense that it proposes no serious solutions to the problems of urban growth and instead seeks to gloss them over as beyond the competence of our national government or beyond its ability to conceive alternative patterns of growth or solutions to the major problems posed. Even worse, the report portrays the office of the President as socially and economically illiterate. There is no reference to the vast literature on the economic and social effects of urban growth which exists on a world-wide basis and which has led almost every advanced country and most developing countries to adopt national policies seeking to guide urban growth and internal migration into economically productive and socially attractive patterns. Read abroad or by those familiar with the issues and the field, the bland pretension that there are no issues and that nothing is known and that little can be done can at best be characterized as evasive.

This failure to deal with the issues is even more glaring since it is federal agencies which have taken much of the leadership in seeking to grapple with these issues and the reports of these agencies which in part inspired the Congress to adopt the legislation under which the report is required. Thus the Advisory Committee on Governmental Relations, representative of the White House, federal departments, the states, and local governments, has prepared a long series of thoughtful analyses of the problems of urban growth, internal migration, the government of metropolitan areas and their communities, the roles of the states, the fiscal inequities which beset local and state government, and other topics, yet the President's report fails to draw upon this rich and thoughtful body of material upon which the most varied leadership has agreed. Similarly, the report might have drawn on the numerous studies of the Council of Economic Advisers and on reports to them by distinguished experts. The report blandly recites the facts on internal migration from rural to urban areas and from the South to the North without any reference to recent studies for the Joint Economic Committee demonstrating that this migration has indeed increased economic opportunity and income for the migrants (Lester C. Thurow and Robert E. B. Lucas, *The American Distribution of Income: A Structural Problem*, Joint Economic Committee, USGPO, 1972). The report does acknowledge some federal responsibility in air and water pollution, in cases where these transcend state boundaries, but it ignores other features of the Environmental Protection Act which assert federal policy interest in the generation of air and water pollution and other environmental hazards. These can be controlled, indeed, only if the distribution of population and economic activity is guided in such ways as to prevent excessive environmental hazards.

In its failure of political will, the report differs sharply from the stands adopted by earlier administrations, Republican and Democra-

tic. Since the present administration is Republican, it should be noted that it was under President Eisenhower's leadership that the interstate highway system was created to build a modernized system of freeways across the country and serving major metropolitan areas, employing the novel concept of the Highway Trust Fund to insulate the fund from other appropriation processes or accounting in the national debt. The Eisenhower Administration also substantially redirected the earlier concept of urban redevelopment to include rehabilitation and renewal, a major change of policy, reflecting an evaluation of the effects of earlier policies. These examples of federal leadership are curiously not matched by current courageous or insightful efforts in the field of urban growth, whether in the innovation of new policies or in the evaluation and redirection of existing ones.

Older policies such as the interstate highway system continue to exercise enormous influence upon the pattern and distribution of metropolitan areas. When coupled with FHA mortgage insurance and HUD grants for sewer and water, these three policies alone provide immense incentives and opportunities for the dispersal of industry, residence and community facilities along the outer edges of our metropolitan areas. They have been profoundly influential in generating new and lower density forms of the metropolitan area which could not have existed without them and which have some features, at least, which generate acute urban problems. It is literally not possible to provide effective mass transit service to dispersed residential and industrial areas with any present technology. Yet these dispersed suburban areas have been largely financed and made possible by federal funds. It is literally not possible in many outer suburban areas to offer efficient school services to children without busing, yet these areas have been largely generated and made possible by federal aid. Any serious reconsideration of urban growth policy would surely have at least analyzed the aggregate impact of our present federal aid system for its modification along more coherent, efficient, or socially satisfying lines.

The development of an urban growth policy will be a very complicated, long-term project, as the report suggests. As the report asserts, no single statement on national urban growth policy will suffice. This is no excuse, however, for failing to undertake the policy reviews, the experiments, the studies, and the coordinated efforts required to develop such policies or even to identify those which are operative today and those which have been recommended by authoritative groups in the government and outside. As has been suggested, there are clear relationships between income, its distribution, and internal migration. No single national policy can deal with all of these relationships, but there could be much clarification of them, and there could be an assertion of the policies which would most clearly maximize economic growth, equalize the distribution of income, and equalize economic and social opportunity. In dealing with other aspects of an urban growth policy which might be adverse to such goals, compensations could be built in where more urgent urban goals, if any, appeared.

It is now evident that the central cities of some of our most important metropolitan areas are in the process of abandonment. We are fortunate to have a Secretary of Housing and Urban Development of such candor and integrity that he has admitted that this is the fact in testimony before this committee. At the same time, it is appalling that he

should apparently consider that the sum of present policies is insufficient to counter the abandonment trends, without proposing alternative policies. Can investors, property owners, or citizens of these places not be dismayed that he should seemingly write off these cities with their millions of inhabitants as a lost cause? Certainly a complete network of aids and a much more substantial allocation of resources will be necessary to counter the insidious forces of social disintegration which have led to the physical disintegration and abandonment of some large central city areas. The complexity of the problem, however, can scarcely excuse the abandonment of the human inhabitants of these areas and the other populations of their states and metropolitan regions to whatever fate they are consigned by the market, existing social trends, and present systems of aid and the government.

Similarly, national transportation policy exercises a profound influence both upon the structure of urban and metropolitan areas and upon the economic life of the inhabitants and the opportunities available to them. Despite the acknowledged facts, we continue to allocate roughly five billion dollars a year to highways, five hundred millions per year to transit, and two hundred millions per year to railroads. Systematic examination of the combined influences of these grants together with the other allocations of resources to air and water ways should be amenable to more rational distribution, to coordination with metropolitan growth policies, and to fostering a better social, economic, and physical environment. Even Henry Ford has acknowledged the mal-allocation of present resource allocations in this field. It is regrettable that the first report on national growth has not sought to deal with these issues.

III. RECOMMENDATIONS

There is much that Congress could do to evoke a more positive set of national policies on urban growth within the next few years:

(1) The Congress should make sure that the states are provided with adequate resources for planning for an urban growth policy within each state, with requirements that the states recommend policies on the distribution of population and economic activity, transportation systems, and the preservation of agricultural and natural resources. It should require that these plans be initially prepared within a three-year period. The sum of these state plans could then be examined by the national government to see whether it accorded with national policies, national trends in the distribution of population and industry, and national allocation of national resources.

(2) The Congress could similarly require and fund affirmative aids to metropolitan areas for the preparation of similar plans regarding the distribution of population and economic activity, transportation, the reservation of open space and the provision of areas for future growth. The A95 process of review was well advanced when it began to be weakened by the movement toward revenue sharing, which deprives local governments of major incentives towards participation in metropolitan planning and action. The regeneration of vigorous incentives in this field could doubtless spur the development of affirmative plans, particularly in the field of housing and transportation, and could spur the creation of action agencies to implement such plans through local or metropolitan instrumentalities.

(3) The Congress could also require the federal review of state and metropolitan plans to assure their consistency with trends in migration, economic development and the like, to assure that they provided reasonably for increasing equity in the distribution of income and equity in access to economic opportunity and to essential public services in the field of health, education, and transportation and equity in access to housing. Such federal plan reviews need not dictate internal elements in the distribution of land, for instance, or in the modes of transportation, which might vary widely from metropolitan area to metropolitan area or from state to state. However, the review could emphasize the equal access and equity requirements suggested above as indispensable to our national welfare. National goals of this type were spelled out as early as the Full Employment Act of 1946 and in greater detail in the Housing Act of 1949, the Environmental Protection Act of 1970, and similar major enactments of national policy as subsequently modified. Further federal incentives for such features in metropolitan plans can readily be conceived. They might consist of federal grants available to areas which more successfully spelled out their goals and provided acceptable means for implementing them.

(4) The Congress could do much to assure that local governments continue to adhere to national objectives under revenue sharing, if it inserts performance requirements in revenue sharing or block grant programs. As initially conceived, revenue sharing appeared to be "give away" money which could even be used for purposes contrary to those enacted by the Congress. Some recent court cases appear to suggest that something of the sort may be happening procedurally under "planned variations" or "annual arrangements." There is wide agreement that the administration of grants in aid has been fraught with excessive federal controls, to a level of detail which subverted both intended purposes and action itself. It would be consistent with the objective of eliminating such detailed controls to insist that local governments demonstrate positive achievement after a two-year period, as measured by broad performance standards.

(5) For several years some specialists have urged the institution of federal shadow powers which might be directly applicable in limited fields characterized by severe spillover costs. These powers need not be used unless or until both the state of jurisdiction and its localities had significantly failed to act in needed areas. In such instances, a direct federal power to regulate or to set aside local regulations contrary to federal policy or to build could exist on a standby basis. In part, the Environmental Protection Act already establishes such precedents by recognizing a federal power to regulate air pollution and water pollution where persistent state or local failure to act imposes negative external costs upon other states and localities. Thus there is nothing particularly new about the concept of direct federal intervention. Doubtless we will some day recognize the need for such action where state or local agencies demonstrate an unwillingness to act in ways required to preserve minimum standards of living for their neighbors. Doubtless too, it would rarely be necessary to invoke such powers of direct action if an adequate system of incentives existed.

(6) Finally, I believe that an independent system of monitoring and evaluation is essential to development of rational and equitable

national policies in this field. We have begun to devise social and economic indicators which are approximate measures of the rate of change toward desired goals or away from adverse conditions. Methods for measuring the social and economic consequences of migration are fairly well developed. Measures for measuring the output of educational and health systems could be devised. If federal aids were to be conditioned upon performance in each field, considerable room would be available for local ingenuity and variation in the achievement of enacted goals. There need be no direct intrusion into local administration, but it would be possible to allocate resources on an incentive system which would optimize local behavior. It would also be possible for the Congress to evaluate the performance of our federal system.

(7) If the executive branch is unprepared to develop such a monitoring and evaluation system, the Congress might establish it independently. Our universities and independent research institutes, the National Science Foundation, the National Academy of Sciences, and the Advisory Commission on Inter-Governmental Relations provide examples of institutions which are sufficiently independent to monitor federal actions in a critical and constructive way and to provide the information required by the Congress and the public for informed policy development.

IV. ELEMENTS OF URBAN GROWTH POLICY

Without defining all the elements of a national urban growth policy, it is possible to identify some of the most important:

(1) Each metropolitan area in the country should be required to develop a growth policy which deals with the distribution of urban activities, including population, economic activity, transportation and community facilities. Such metropolitan policies could readily reserve permanent open space as in high quality agricultural or natural resource use areas and, at the same time, provide adequate land reserves to accommodate future population growth. Such metropolitan policies should also provide equal access to housing for all population groups and an equitable distribution of jobs, industry and other taxables. They should provide for essential central city reconstruction, suburban expansion and, in the largest metropolitan areas, some new town or town expansion schemes to provide for higher quality and more equitable environments for a cross section of the metropolitan population.

(2) Most national policies and most scholarly and professional reports on the subject also provide specific incentives to foster the growth of medium-size cities and metropolitan areas. These policies stem from the belief, whether correct or not, that such cities minimize social costs, maximize economic and social opportunity and minimize the environmental and social disabilities of major metropoli. While there is a substantial body of professional judgment, supported by evidence, that these popular beliefs are in many cases untrue or unattainable in the light of the public's preferences and certain aggregate national goals, there appears to be little doubt that afore-mentioned policies are socially desirable (cf. W. Alonso, *The Economics of Urban Size, Papers, Regional Science Association, Vol. XXVI, 1971, pp. 67-85*). A federal set of urban growth policies could provide incentives

for the growth of different-sized cities in accordance with the preferences expressed in state or supra-state regional plans where such plans provide a coherent set of state or regional objectives. The United States need not adopt any single set of incentives. It is conceivable that after adequate study, the New England states might adopt policies seeking the regeneration of towns in the five thousand population-size class because of the abundance of opportunities for such towns as recreational and resort areas and their proximity to large populations seeking such opportunities. At the same time, it is conceivable that the states of the north-central region might recognize that towns in this size class were not economically feasible, given historic shifts in the pattern of agricultural servicing and marketing, and might wisely prefer to have their populations concentrated in cities with a minimum size of twenty-five thousand people. Once an adequate set of plans had been developed on a state or regional basis, federal aids might be channeled to fulfill the varying objectives of those plans rather than, as at present, often to achieve conflicting and internally inconsistent objectives.

(3) The preservation of rural farming and historical areas is also a common objective of urban growth policies. These goals, where soundly conceived, are not directed merely toward the preservation of obsolete towns, past population distributions, and the like. Indeed, the depopulation of some areas appears to be economically sensible and socially urgent. In at least one case, the cutover lands of northern Wisconsin, there is historic precedent in the United States for zoning such areas against habitation where it proved to be economically impossible for people to survive in a satisfactory way and fiscally impossible for local governments to provide them with minimum education, protection, and other services. Millions of square miles of rural area, desert, and mountains, and hundreds of historical communities, should be protected against scattered urban intrusion or destruction.

(4) Equality of essential public services is coming to be recognized as essential to the equal opportunity to which this nation is dedicated. Under these circumstances, equal fiscal resources for the provision of essential services becomes a national goal of considerable urgency. Urban areas have long suffered from migration to them which reduced the average educational level of both the area of origin and the area of destination. It is clearly impossible for an illiterate person to have equal access to economic opportunity in the United States today, to make his fair contribution to the national welfare or, in some instances, to avoid being a national burden. Under these circumstances, it is essential that some minimum of educational achievement be secured as a matter of national policy. This need not mean direct federal underwriting, since the federal government might readily assume all costs of welfare and of transportation, leaving to the states and localities all costs of education or all costs of health. Thus a national policy affecting urban growth could be achieved which prevented negative externalities without necessarily adopting an affirmative national policy. Equality of access to fiscal resources, however, seems to be essential.

(5) Resource-conserving growth policies also appear common among countries that have adopted urban growth policies. These are policies which allow the exploitation of natural resources for the national benefit without imposing negative externalities upon other areas or

the nation as a whole. Thus we can foresee that the generation of electric energy required by present national trends will require affirmative national policy action both to prevent the location of thermally and air polluting generating facilities in some areas and, at the same time, to affirmatively foster and permit the development of such facilities at places where they will have a minimum intrusion upon the natural and social environment.

(6) Finally, among this catalog of elements of urban growth policy there must be mentioned the development of political capacity in local government, which is a prerequisite to the achievement of any national policy. Typically in the United States today, local governments are powerless with respect to the most urgent issues facing them. They lack the fiscal resources necessary to deal with housing, health, education, welfare or transportation. They lack the legal jurisdiction required to deal with many aspects of transportation, employment, housing and natural environmental pollution. A wisely conceived set of urban growth policies would foster the reorganization of local governments to give them sufficient political power and financial capacity to deal with the many problems of urban areas which are purely local in character. It should delegate to them the administration of metropolitan, state, or national policies of concern to the larger area. It should create new instrumentalities subject to popular electoral control to handle those problems such as metropolitan transportation, natural environment regulation, employment, welfare and housing, which transcend typical local government boundaries and must be treated on a metropolitan area basis. Only through such regeneration of existing instrumentalities and creation of new instrumentalities can we minimize the prospect of direct state or federal administration of matters which should be handled more appropriately in a democratic society at some local level.

CALIFORNIA EFFORTS

Since the Report on Growth, 1972, adverts to California efforts in the field of growth policy, it may be useful to provide a brief summary of some of the programs developed in recent years in that state. California is the largest state in terms of population, one of the largest in area, and one of the most rapid in total growth and most advanced in urbanization. Thus it embodies some of the most urgent problems of urban growth, while happily avoiding a few of those problems typically associated with an older history and a higher state of physical obsolescence.

The state of California undertook to develop a state plan with 701 assistance in the years following 1963. Although many cogent elements dealing with economic development, information systems, preservation of natural open space, and preservation of agricultural areas were developed as staff studies, the effort to develop a state plan was substantially abandoned in 1965. A report on state plan process was later issued. This report provides little guidance regarding the growth and distribution of the population, for instance.

In recent years, the Council on Intergovernmental Relations has been delegated responsibility for state action in many of the fields ordinarily covered by state plans. It is a part of the Lieutenant Governor's office and seeks to link state executive policies with the policies of local governments. The Council has delineated regions within the

state as required for federal purposes. It has conducted studies of such important matters as statewide data systems, environmental quality controls, and equalization of local government resources. Its report has not tended to be couched in the form of affirmative policy recommendations for action by either the legislative or executive branch. The focus of its attention has been management improvement at the state, local, and regional government level to the neglect of the preparation of elements of the state plan.

The Governor's Commission on Environmental Quality filed an extraordinarily vigorous report in 1970 recommending a score of measures on which state policy action was essential to preserve the quality of the environment. First of these recommendations was that the subsequent recommendations would be fruitless in the long run if the state could not secure control over the distribution of population and economic activity. This followed from the continued growth of the Southern California region including Los Angeles, wherein increasing air and thermal pollution appeared to be unavoidable with continuing population increase. A few of the recommendations of this committee have been implemented, including the creation of air and water quality control districts on a metropolitan basis. The state has enacted standards for automobile exhaust pollution, and some of the regional areas are beginning to enforce water and air quality controls. The state has failed to enact coastal control legislation sought by some state officials, because of disagreements with local governments over enforcement jurisdictions. The state has ineffectual legislation authorizing partial abatement of property taxes on agricultural and natural resource lands. It has failed to adopt effective legislation or zoning standards in these fields. The state has a nominally existent division of housing and urban development, whose powers are substantially limited in the enforcement of a statewide building code in rural areas. It has an unevenly enforced county system of controls on incorporations and annexations. The inequities in its systems of taxation and state aid are demonstrated by the decision in *Jerrano vs. Priest*.

The main metropolitan areas of the state differ widely in their posture with respect to urban growth policy. The Association of Bay Area Governments has an adopted plan for the distribution of future population and limitations on its growth. Since this is essentially a voluntary federation, it has been unable to implement that plan. Outside of the Association, a Bay Conservation District strictly regulates fill in San Francisco Bay. An air pollution district is beginning to vigorously enforce air pollution controls. A series of metropolitan agencies have produced many elements of a transportation plan but have failed to find the means for administering or coordinating such plans. An independent rapid transit district is building a hundred million dollar subway system. Thus metropolitan planning in the Bay Area is progressing slowly with quite widely varying rates of progress, and with no effective coordination.

The other metropolitan areas of the state lag substantially behind the Bay Area in metropolitan level action. The Southern California Association of Governments is quite resistant to metropolitan planning in most functions. The earlier Los Angeles transportation planning effort failed to produce action on rapid transit or to balance future travel requirements within its projected highway system. There are

large areas of cooperation between the largest two governments in the Los Angeles region, the City of Los Angeles and the County of Los Angeles, and a widely cited "Lakewood Plan" whereby the county provides municipal services to unincorporated towns at cost. The San Diego, Sacramento, and Stockton areas provide other examples of varying states of intergovernmental cooperation and metropolitan planning. None are as vigorous in their actions as those cited for the Bay Area. National attention has also been sometimes focused on the Tahoe Basin Regional Planning Commission established by interstate compact with Nevada to plan for the limits on the growth of this unique natural recreation area. It is threatened with imminent serious air water pollution as a result of sustained population growth and continued year-round recreation use. Some staff studies have indicated that present peak-time summer populations already exceed tolerable limits so that the region is in a posture or may soon be in a posture of destroying itself. Despite the seriousness of these hazards, differences of viewpoint between the several counties involved and the states have to date prevented adoption or enforcement of effective plans which would assuredly preserve the area from destruction by those attracted to it.

Private efforts to generate state and metropolitan plans as development policies abound in California. A private organization, California Tomorrow, has published a sketch plan for the state. This plan deals with physical urban growth policies, conservation and regulation of rural and natural resource areas, the generation of economic and social opportunity on a more equal basis for all of the population, and creation of a system of local and regional governments which would be democratically responsible to their elected representatives. Thus it embraces social, economic and physical planning. The plan would also require the preparation of a state plan and annual capital budget for all levels of government through a state executive commission, with annual reports accompanying the budget on its rates of achievement

of plan objectives. This plan is a sketch, or outline, and has not been reduced to legislative detail. It is in some respects the most ambitious undertaking of its type in the world.

There are scores of other private efforts to deal with the issues in the urban growth field in California. Conservation issues are supported by a host of national and local organizations and have generated state-wide referenda on many issues. At the local level, active citizen response has produced two referenda in San Francisco which would have substantially stopped building in that city or severely limited further building. Citizen pressure has substantially stopped highway construction in most parts of the Bay Area pending the development of a metropolitan transportation system. A recent statewide referendum sponsored by a coalition of conservation groups would have imposed very severe restraints on many types of development and authorized legal intervention by citizen groups to preserve a wide variety of natural amenities. The very substantial votes attracted by these issues in the face of vigorously organized opposition is evidence of widespread public dissatisfaction with the present state of regulation and control on development. Similarly, repeated statewide referenda which would severely limit property taxes by local governments and which in the extreme form would have substantially bankrupted many cities and school districts have nevertheless attracted substantial popular support short of a majority. Again, the very widespread support for such extreme measures is evidence of widespread dissatisfaction with existing fiscal inequities.

The California experience suggests that strong incentives from the federal level will be required to overcome the parochial pressures or powerlessness which has dominated the state and local governments to date. It also demonstrates a widespread public dissatisfaction with the present systems of planning and development control, an earnest searching by its citizens and officials. These present a resource which could be made effective if national policies were clear, and created incentives for state and local planning and action.



