

RG 453

White House Conference - Followup Memo to Cliff Alexander, etc.

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Office of the White House Press Secretary

THE WHITE HOUSE

WHITE HOUSE CONFERENCE TO
FULFILL THESE RIGHTS
CABINET MEETING, AUGUST 25,
1966

The President today received the final report of the White House Conference "To Fulfill These Rights".

The report was presented to the President by the Honorary Chairman of the Conference, Mr. A. Phillip Randolph, international President of the Brotherhood of Sleeping Car Porters, and the Chairman of the Conference, Ben W. Heineman, Chairman of the Chicago and North Western Railway Co. The report was presented to the President at today's Cabinet Meeting.

The report includes the recommendations of the 29-member Council to the White House Conference and a summary of discussions which took place during the two-day conference held in Washington June 1 and 2. Also included are the resolutions passed by any one of the twelve panels at the conclusion of the Conference. The report's recommendations deal with economic security, education, housing, and the administration of justice.

Receiving the report, the President expressed his gratification, and that of the Nation for the work done by Mr. Randolph, Mr. Heineman, the Council and the 2,500 conferees who assembled in Washington June 1 and 2.

He also announced his appointment of senior officials in those Cabinet Departments whose work is particularly affected by the recommendations of the Conference. These are the Departments of Justice, HUD, HEW, Labor, Commerce, the Bureau of the Budget and the Office of Economic Opportunity.

The senior officials are a) to examine the recommendations in the report that bear on the work of their Department, b) to make an interim report to the President within 30 days for possible utility of the recommendations for departmental action or legislation, c) to reply to the report's criticisms of present programs, d) to describe the efforts their Departments will make to keep the report under consideration in the future, e) to examine the full 5,000 page verbatim transcript of the conference for recommendations or suggestions made by the conferees.

Those senior departmental officers will form a committee, to be chaired by Harry C. McPherson, Jr., Special Counsel to the President, and Clifford Alexander, Deputy Special Counsel to the President. The committee will meet regularly at the White House, to examine ways by which specific programs can be made more effective in securing civil rights and relieving conditions of poverty.

The President also instructed Governor Farris Bryant to see that copies of the report of the Conference were forwarded to every Governor. The President asked the Vice President to convey copies of the report to Mayors in over 500 cities in the United States.

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The President informed Mr. Heineman and Mr. Randolph that the report would be sent to Mr. George Meany, President of the AFL-CIO, and Mr. Beverley Murphy, President of Campbell Soups and head of the Business Council.

The President said: "It is important that the recommendations of the Council and the Conference receive serious attention by local, State and Federal government officials. And much more than official action is involved here. Many of the recommendations in this report deal with the role of the private sector in fulfilling the rights of Negro Americans. Organized labor, the business community, foundations, religious, educational and civic organizations have a vital role to play in that crucial effort.

"The recommendations of this Conference should be studied and discussed by every thoughtful and responsible American, and wherever practicable they should be implemented without delay.

"There may be recommendations on which it is not possible to secure agreement among men of good will. That is to be expected with a subject of this gravity and complexity. But the report gives us an agenda for debate and action for years to come. Thus it more than justifies the months of painstaking effort that went into its preparation."

Members of the Inter-Departmental Committee


Department of Health, Education and Welfare	Lisle C. Carter, Jr.	Assistant Secretary for Individual and Family Service
Department of Housing and Urban Development	H. Ralph Taylor	Assistant Secretary for Demonstrations and Inter- governmental Relations
Department of Labor	Stanley Ruttenberg	Assistant Secretary for Manpower and Manpower Administrator
Bureau of the Budget	William D. Carey	Assistant Director
Department of Justice	John Doar	Assistant Attorney General Civil Rights Division
	Roger W. Wilkins	Director, Community Relations Service
Office of Economic Opportunity	Bertrand M. Harding	Deputy Director
Department of Commerce	LeRoy Collins	Under Secretary of Commerce

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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. William L. Taylor
Staff Director

FROM : Walter B. Lewis, Director
Federal Programs Division 

SUBJECT: The Report of the White House Conference "To Fulfill These Rights"--
Economic Security and Welfare

DATE: November 15, 1966

This is the report of the Federal Programs Division on the White House Conference's recommendations on economic security and welfare. All members of the Division contributed to the preparation of this report. I believe it is in a form which will enable you to expeditiously present the Commission's comments on the Conference's recommendations.

Economic Security

Before proceeding to the individual recommendations, several general observations are in order. First, in addition to discrimination, the problem of Negro unemployment is associated with problems in other areas: health, housing, education, transportation. Accordingly, the measures presented in the employment section must be part of a broader program; they alone are insufficient to solve the problem. To provide effective solutions in one problem area, we must mount, simultaneously, related efforts in the others.

Second, the report sometimes takes a piecemeal approach to unemployment by considering rural unemployment, teenage unemployment, and so on. These represent significant segments of the problem, but this approach tends to obscure the broad nature of the needs and possible remedies. For example, Section V recommends that jobs "be generated for . . . Negro teenagers which utilize their present skills while preparing them with new and better skills for occupational advancement." Such an objective surely is applicable to all unemployed persons.

Third, we support recommendations for intensive counseling and training, but urge explicit recognition of the shortage of trained counselors and instructors.

Moreover, the recommendations fail to take into account the ubiquity of employment problems, many of which are faced by all unemployed persons, although more intensely by Negroes. Efforts designed exclusively to secure jobs and training for the unemployed Negro are unlikely to succeed, so inextricably interwoven are his problems with those of others whom such efforts disregard: other minorities and unemployed whites, particularly the hard core unemployed.

Recommendation I: Metropolitan Job Councils

We support the proposal to establish Metropolitan Job Councils "to provide and sustain a climate within which Negroes can get more and better jobs . . . to coordinate such efforts with training, welfare, and other services." The instrument proposed, however, is sorely wanting. The recommendation would create another advisory body at the local level to "review," "coordinate," "identify gaps," "set goals," and so on. The Council might be an excellent focal point for taking stock, setting priorities, and developing coordination plans, but it would have no operational responsibility, no authority over the efforts it would be directed to coordinate.

The rationale for such an organization is the necessity for government and the private economy to work together to achieve these objectives. Apparently, the Council considered existing government programs inadequate to forge such a relationship. To be effective, the Council must have governmental authority, a point that is underscored by the notable lack of success in achieving voluntary metropolitan cooperation and the dimensions of the task, which includes coordinating local Employment Services, welfare, and poverty programs. Two necessary features for successful Metropolitan Job Councils are (1) a unique amalgamation of Federal, State, and local authority with private enterprise and (2) geographic representation sufficiently wide to incorporate the relevant labor market.

Recommendation II: Create a Rural Jobs Task Force

This recommendation provides for the appointment of a Rural Jobs Task Force to develop and coordinate a comprehensive program of economic assistance for rural Negroes. On September 28, the President's Committee on Rural Poverty and National Advisory Commission on Rural Poverty were appointed. The Committee and Commission were charged with developing appropriate means by which existing government and private programs, policies, and activities regarding economic and community welfare of rural people may be better coordinated or better directed to achieve for the rural population the quality of living and levels of opportunity available to other levels of the population. A report is due in September 1967. We recommend that these advisory groups be specifically charged with the task outlined in this Section.

Recommendation III: Develop a Comprehensive Human Resource Program to Set Goals, to Measure Progress, and to Structure the Action Undertaken "To Fulfill These Rights."

The recommendation that the U.S. Department of Labor should take the lead in developing additional and better information on employment and unemployment is well taken. The paucity of economic statistics at the local level is well known, as is the need for more detailed information on minority group members at the national level. We recommend that the data collection

process be carried out at the Federal level so that the statistics collected will share a common conceptual and methodological framework. Specifically, there should be a full-blown population census conducted every 5 years and, annually, a major household survey on the order of the 1968 survey proposed by OEO. In this way, the need for comprehensive data mentioned above would be met. Furthermore, the annual survey would provide a vastly improved bench mark for estimating monthly developments in employment and unemployment for a given locality.

There are, of course, a number of prerequisites to effective analysis of this information and related program planning. One such prerequisite is that the data pertain to the entire population, not just to Negro workers. The proposal for a human resource budget implies that the unemployment problems faced by Negro youth, unskilled Negro workers, and older Negro workers are somehow of a different order from those faced by white workers in the same categories. We do not accept this. The disadvantages faced by a teenager, an unskilled worker, or an older worker in the job market are intensified when the worker is also Negro, but are basically the same disadvantages faced by any worker in such position. Only that portion of their job problems directly attributable to discrimination in recruitment, hiring, training, or promotion can be offset by special efforts directed to solving the employment problems of minority group workers. The problem of the Negro teenager, the unskilled Negro worker, or the older Negro worker cannot be solved outside the context of solving the problem for all teenagers, all unskilled workers, and all older workers.

The Council's proposals for human resource budget are basically structural in concept and unsuitable for coping with problems of inadequate demand. The specific activities that it suggests can be carried out only in the context of an expanding economy characterized by a low overall unemployment rate. The proposals for projections of employment and unemployment by race, major industry, area, and occupation may require an amount of technical expertise not available at present; they certainly require the use of detailed time series that are available only at the national level.

Recommendation IV: Develop Government Financed Program on Public Works and Services to Guarantee the Availability of Jobs to Able Workers Who Cannot be Placed in or Trained Properly for Regular Employment

We endorse the proposal that the Federal Government should adopt a policy of guaranteeing employment for all able workers who wish to work. Given the full employment policy embodied in the Employment Act of 1946, adoption of this proposal would be a logical step. Every effort should be made to fulfill the Employment Act's promise to the individual by preparing him

through whatever training and counseling efforts are required to compete equitably in the private labor market. A large-scale public works program should not be considered as the ultimate solution to this problem especially in periods of high economic activity; rather, it should be considered primarily as a tool for combating unemployment in periods of national recession or in chronically distressed areas.

Recommendation V: Mount Comprehensive Year-round Employment, Training, and Counseling Programs for Negro Youth

The Council's formula for dealing with the employment problems confronting Negro youths is commendable. Of course, the elements of the formula must provide for more than refinement of approaches of recent origin, such as expansion of the special summer youth job placement program, but also for re-examination of older approaches of the Employment Service-High School Cooperative Program and the high school vocational education program. To the Council's recommendation that the vocational education program be modernized should be added the observation that modernization should include adoption of a work-study proposal that would enable those who need both employment and education to obtain them simultaneously. We strongly endorse the expansion of the Neighborhood Youth Corps and the Job Corps.

Recommendation VI: Affirmative Actions by Private Employers, Labor Organizations, and Government to Provide More and Better Jobs

We support the proposal for increased affirmative action by private employers to improve job opportunities for Negroes. But means of achieving this goal should be suggested. For example, it could be suggested that the President call a conference of leading businessmen across the nation to consider the formulation and execution of an affirmative action program. The Plans for Progress program could well serve as a model to be both emulated and enhanced. The Federal Government should encourage State and local governments to adopt contract compliance programs. It should urge labor unions to ensure equal opportunity at all levels and assist them in this endeavor. Beyond this, it should, as necessary, vigorously enforce Section 703(c) of the Civil Rights Act of 1964.

A truly significant recommendation made by the Council is that Title VII of the Civil Rights Act of 1964 be improved and expanded. Employees of State and local governments, clubs, educational institutions, and employers and unions with eight or more employees or members should be covered. Authorization to issue "cease and desist" orders is particularly important, but, where conciliation fails, substantive remedy powers are required to make the complaint mechanism practical. Remedies such as mandatory back pay awards to persons suffering job discrimination and significant damage awards should be included as a deterrent to discrimination. There is also a necessity for vigorous use of all methods of informing governmental personnel--Federal, State, and local--of Federal equal opportunity requirements.

Recommendation VII: Initiate and Reinforce Supportive Services to Facilitate Movement of Negroes into Jobs

Justifiably, the Council recommends federalization of the public employment service. Federalization would enhance the overall effectiveness of the system through uniformity in high service standards and adequate pay scales; through an enlarged awareness of the relationships between employment and such other areas as housing and transportation, and through a keener consciousness of the necessities of intergovernmental relations.

Where improvement of the Negro's access to jobs is concerned, we support federalization as a means of fighting discrimination. It is with this improvement in mind that we emphasize the relevance of Federal facilities site selection, open housing, increased standard housing construction, dispersal of low-cost housing, and transportation. In light of the criticality of transportation in all this, the Federal government should encourage alteration or increase in local transportation service to maximize job availability for Negroes and others among the disadvantaged.

Among the needs recognized in this recommendation is that for enlarging training opportunities under the Manpower Training and Development Act. Presumably the purpose is to counter any tendencies toward unreasonable selectivity where such variables as age and education are concerned. A suggestion to expand on-the-job training is compatible with this recommendation, especially in view of the favorable placement record in this training. Among other needs are those for ensuring training of the highest quality, for improving the record of placing graduates in jobs (particularly training-related jobs), for improving follow-up services, and for fostering coordination of agency efforts at all levels. Attempts to enhance training and training opportunities must be addressed to the fulfillment of these and related needs.

Recommendation VIII: Strengthen Income Maintenance and Labor Standards Programs

The goals embodied in this section are commendable but are not fully reached by the thrust of its recommendations. For example, the relevance of the prescriptive paragraphs to income maintenance is not readily apparent. The Council mentions unemployment insurance in the introductory paragraph but not in the succeeding ones in which it might well have recommended the establishment of minimum standards for such aspects of the unemployment insurance system as eligibility criteria and the minimum amount and duration of payments. Also in the interest of income maintenance, the minimum wage should not only be increased but extended to cover workers in low-wage occupations characterized by inadequate, if any, coverage and by a concentration of Negroes.

Recommendation: Conspicuously absent from the Council's recommendations is a proposal for comprehensive enforcement of Federal equal opportunity policies. Accordingly, we recommend the full implementation of the policies set forth in both Title VI and Title VII of the Civil Rights Act of 1964, Executive Order 11246, and Executive Order 11063.

Welfare

Recommendation IX: Restructure Public Assistance and Related Welfare Programs

The view is widely held among specialists in this area that change must proceed at least along these lines:

First, cash payments and accompanying services to beneficiaries must be raised to a level which will provide them with a health and decency standard of living. The quality of the lives of the needy, as well as a sense of dignity and worth, must be included in the notion of a health and decency standard. This means that all needy, this is, all those who are unable to provide themselves or their dependents with a health and decency standard of living, must have such a standard provided for them, under certain safeguards. All needy, without regard to the current categories provided for by Federal statute, must be recognized and treated alike. The standard must be a national one, developed and enforced by the Federal government with, perhaps, such minor differences from State to State as can be supported by objective differences in costs.

Second, a massive effort, systematically directed, must be made to provide those among the needy adults who are employable with the capability for drawing an adequate livelihood from the economic system. In any such effort, full recognition must be given to differences among needy adults which affect their ability to benefit from such effort. A comparable effort should be directed to needy children. The change we have in mind is as much directed to bringing together, under one coordinated effort, all existing government programs which affect the employability of public assistance beneficiaries, as it is to creating new programs to accomplish this objective.

Third, a new relationship must be worked out among Federal, State, and local governments in order to carry out the two changes indicated above. The current relationship, supposedly one of partnership, left the States with great latitude but also led to the current unsatisfactory situation evidenced by such features as an inadequate level of cash payments and of services, widely restrictive programs, absence of some programs in some

States although provided for in Federal law, etc. What appears to be necessary is authority on the part of the Federal government to match the responsibility which it has, in fact, been carrying.

The directions of change indicated would represent important steps toward eliminating discrimination in the area of public assistance and would minimize the injustices which nonwhite beneficiaries now suffer by virtue of program inadequacies which compound the difficulties they already suffer in other aspects of their lives.

In the welfare and related areas, the significant recommendations of the Conference are these:

1. "There should be explicit acceptance of the government's responsibility for guaranteeing a minimum income to all Americans. This involves (a) making available 'last resort employment' to those willing and able to work but who cannot find jobs and (b) utilizing an improved public assistance system to provide income to needy persons who are unable to seek employment because of age, physical and mental disability, family responsibilities or other reasons; and who are not adequately protected by social insurance programs."
2. "The Federal government should establish national standards for the level of public assistance benefits paid by the States, raising benefits to furnish a standard of living compatible with health and decency."
3. "High priority in setting national standards should be given to eliminating the separate categories of public assistance and substituting a single category based exclusively on need, to insure the availability of public assistance to all impoverished people."
4. "Legislation should be enacted to permit operating of public welfare programs by the Federal government in States which cannot or will not meet Federal standards."
5. "Under existing programs, the Aid to Families with Dependent Children should be strengthened to grant assistance to otherwise eligible families in cases where there is an employable male present in the household, provided that he is making reasonable efforts to secure or train for a job."
6. "Residence requirements for public assistance should be reduced or eliminated or the States should be reimbursed for payments to non-residents."
7. "Public assistance recipients should be given every opportunity and encouraged to seek and take jobs and training. The amount of earnings or training allowances which can be retained by public assistance recipients without impairing their benefits should be substantially increased."

8. "Standards and additional resources should be provided for State and local governments and community organizations to make available supplemental nonmonetary services to needy people, to strike at the basic causes of poverty."

We are in agreement with the foregoing recommendations of the Conference because they move in the desired directions. The first recommendation would require that the Federal government establish and enforce national standards in the public assistance area, both with respect to cash payments and services. Need and need alone would be the criterion for eligibility. If this recommendation were carried into effect, the Federal government would, necessarily, have to assume a different posture and relationship, financially and in other respects as well, toward the States, than the one presently in effect. This is a situation which we believe it is both necessary and desirable to work toward. The seventh and eighth recommendations stress the need to create the possibility for public assistance beneficiaries of becoming self-supporting members of the community. However, we would emphasize, too, the importance of bringing together in one set of hands, as it were, all governmental programs which bear on this objective in order that full coordination and maximum program benefit would be achieved.

It should be noted that the first recommendation, relating to the acceptance of the government's responsibility for guaranteeing a minimum income to all Americans, negates a portion of the fifth recommendation which contains the proviso that the employable male present in the household must make reasonable efforts to secure or train for a job. The basic recommendation requires that a minimum income be guaranteed to the family of an employable male even if he makes no attempt to secure or train for a job.

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U.S. COMMISSION ON CIVIL RIGHTS
HOUSING

HOUSING SUPPLEMENTS

Recommendations of the White House Conference

Federal legislation should be designed to increase the rate of housing production to 2 million units per year. Half of these units should be reserved for moderate and low income families. The rent supplement approach should be employed as a major tool to achieve housing improvement for these families, and should be both broadened in coverage and freed from present limitations.

The Problem

The most recent and complete survey of housing quality in the United States is the 1960 Census of Housing. At that Census, 90 percent of the Nation's nearly 8.5 million dwellings which were either dilapidated or lacking some or all plumbing facilities were occupied by households with annual incomes below \$6,000. Overcrowding was another frequent problem for low and moderate income families; over one-fifth of renter households in the \$2,000-\$2,999 income category, for example, lived under conditions of severe overcrowding with more than one person per room.

The burden of poor housing fell disproportionately upon nonwhites. In 1960, 80 percent of all housing units occupied by whites were sound with all plumbing facilities. The same satisfactory conditions obtained for only 44 percent of nonwhite-occupied dwellings.

While substantial numbers of nonwhite families in urban areas may have acquired improved dwellings since the 1960 Census through the "filtering-down" of housing left behind by whites, such scattered evidence as we possess suggests that overall the ghetto slums may be becoming worse instead of better. Mayor Lindsay's Task Force on Housing and Urban Renewal concluded in 1965 that during the preceding five years slum housing in New York had increased more swiftly than it was eliminated.

Similar evidence is found in the November 1965 special census of predominantly minority areas of South and East Los Angeles. In these two districts the proportion of substandard units increased from 1960 and 1965 -- in one district from 18 to 33 percent and in the second from 25 to 35 percent. Median rents increased also -- from \$69 to \$78 in the first district and from \$63 to \$75 in the second.

Nonwhites suffer disproportionately from substandard and overcrowded housing because of their predominantly low incomes, because they have a higher proportion of large families than whites, and because of discrimination and exploitation based on their color. But basic to solution of their housing problems is an adequate supply of dwellings keyed

to their space needs and ability to pay. At present, Federal programs provide only a tiny fraction of the new dwellings required to alleviate the shortage; and, barring a major technological breakthrough in construction techniques, it is unlikely that private industry alone can economically meet the need.

Limitations in the Present Program

While a greatly expanded program of subsidized housing would be expensive to the Government, failure to provide such housing to those who need it may be far more expensive in the long run. Subsidized housing cost can enable poor families to increase their budget allocations for items essential to good nutrition, health care, and education, thus reducing the burden placed upon public health and welfare programs. Subsidy programs intelligently designed to reduce the spread of urban blight can, in the long run, substantially decrease the need for massive renewal.

The President's rent supplement program offers a tool of unprecedented versatility for meeting the housing needs of low and moderate income households. In general, it pays the private landlord the difference between full market rental and 25 percent of the tenant household's income. In providing rental assistance for low and moderate income households to live in standard private market housing, the new program can increase the range of locations available for these families and allow them to seek housing consonant with their employment and other needs. It can save such families from the stigma that has often attached itself to conventional public housing projects.

Since there is no requirement regarding the proportion of the population within each building to be subsidized -- this decision is left to the private sponsors -- there will be opportunities for economic integration. And when an aided family's income has increased, the rent supplement can be adjusted or even discontinued, without the evictions and disruptions of family life often occasioned by income maxima in public housing.

Despite its promise, however, the present rent supplement program has serious limitations. First is its size. The Department of Housing and Urban Development now estimates that the present funds appropriated for rent supplements for Fiscal Year 1967 can provide housing for only 40,000 to 45,000 families. This is well below the one million new units for low and moderate income families called for by the White House Conference. Even assuming that the Conference request is unduly generous and that some housing needs can be met by other Federal programs -- conventional public housing, housing development corporations in rural communities, job and income improvement efforts, etc. -- the present authorization is grossly inadequate.

A second drawback of the present rent supplement program is its limitation to housing financed under Section 221(d)(3) of the National Housing Act -- and then almost exclusively to housing financed at the market interest rate rather than under the below-market rate program. The median monthly rent of units produced with 221(d)(3) market rate programs in 1964 was \$136, a figure that had gone up each year since 1962. Given the recent increase in FHA interest rates, steadily mounting increases in land and labor costs, and the generally constricted mortgage market, rents may well go considerably higher by the time the first rent supplement units are ready for occupancy.

Below-market-rate housing under the 221(d)(3) program achieves considerably lower rentals; median monthly rent in 1964 was \$102, some \$34 less than the market rate program. As long as the bulk of supplements are provided only for the higher cost program with present limited funding, it will be necessary either to limit them largely to families in the moderate income brackets or to cut back severely the number of families to be served.

Another limitation of the present program is its exclusion of the bulk of the existing housing supply which does not require extensive rehabilitation, much of which is fairly modest in price and could be utilized without waiting for new shelter to be programmed, designed, financed, constructed, and finally judged suitable for habitation. Still another is its limitation of sponsorship only to private nonprofit groups, limited dividend corporations, or cooperatives, de-emphasizing the capacity which profit-motivated entrepreneurs have demonstrated in the past to meet national housing crises. A further and severe drawback is the veto power given to local communities to keep themselves out of the program even where a substantial housing need can be demonstrated for their residents.

Finally, in providing housing only for persons who are elderly, handicapped, displaced from their homes by government action, or occupants of substandard dwellings or of homes extensively damaged by natural disaster, the present rent supplement program screens out the sizeable number of nonelderly persons who are paying 30 percent or even larger proportions of their small incomes for shelter but who -- by chance or by choice -- live in standard shelter not in the path of public improvement programs. It also excludes those whose houses may be technically standard but suffer from poor environmental conditions, or those who want to move from their present locations to an area with better schools or nearer a place of employment.

Some of these limitations in the present law impose particular handicaps upon minority families and present obstacles to desegregation.

Recommended Action

1. It is proposed that the President submit to Congress legislation providing for a broad program of shelter supplements with the following provisions:
 - a. Housing supplements should be available to any American family that cannot, without public aid, obtain decent uncrowded housing on the private market at a price within its ability to pay. As a minimum, the present law should be amended to include within the eligible categories all families with household heads below 62 years who are living in standard housing but who currently pay more than 25 percent of their income for shelter.
 - b. Housing on which supplements may be paid should be expanded to include the following categories: standard-purchase housing; existing standard dwellings; and a larger proportion of 221(d)(3) below-market-rate housing.
 - c. Profit-making groups should be permitted to participate as sponsors under the program. Certain procedural safeguards to protect both the residents as well as the Federal interest may have to be designed, but regular private investors should be encouraged to participate fully as builders and operators in order to maximize the rate at which dwellings are made available.
 - d. The local veto power over rent supplement projects should be removed.
2. High land costs are a primary factor in retarding the development of low and moderate income housing, in tying up builders' liquid capital, and in boosting the price of dwellings. The urban renewal program already allows for Federal write-downs of land acquisition, clearance, and site improvement costs in renewal areas. Legislation should be proposed to extend these benefits to land reserved for rent supplement housing outside of renewal areas. In addition, State development or housing agencies should be granted Federal loans to purchase outlying land before suburbanization and speculation escalate its cost. Such land could only be re-marketed by the States for Federally approved purposes, of which rent supplement housing would be one.
3. Continued support should be provided by the Federal Government to tests of new methods for increasing the supply of decent housing available for low and moderate income families. Since 1961, the Low Income

Demonstration Program of the Department of Housing and Urban Development has field tested some 40 proposals. It has shown, for example, that families of different income levels can successfully live in proximity. It has demonstrated that more low income families can successfully make the road to home ownership. It is underwriting field test of new technologic approaches. It is attempting to devise means of providing shelter for families whose incomes are too low for public housing.

Several of the techniques this program has pioneered -- including rent supplementation -- have already moved from the experimental phase to larger implementation. This program should receive not less than \$5 million yearly (\$3½ million more than appropriated for Fiscal 1967) for the next five years in order to continue its work. The larger sum will allow a somewhat enlarged staff to undertake larger demonstrations, to fund similar programs in a variety of settings under a multiplicity of conditions, and to utilize the lessons learned through one experiment in follow-up tests.

4. A variety of special Federal programs have been designed to serve subsections of the housing market. There are, for example, special programs for the elderly; for rural families; for families displaced by public action. The Department of Housing and Urban Development should review all such programs to determine whether they might be broadened or restructured to serve the needs of low and moderate income families now excluded from their coverage.

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U.S. COMMISSION ON CIVIL RIGHTS
HOUSING RURAL HOUSING

Recommendation of the White House Conference

The authorization of federally chartered rural housing development corporations to build homes in rural areas for either the elderly or for agricultural labor, migrant or otherwise, is urged.

The corporations would be authorized to sell, transfer or lease the homes directly to the families or to local nonprofit sponsors for whatever price or rent the occupants can afford. Provision should be made for annual Federal grants to make up the difference between what the families are able to pay and the actual cost.

The Problem

Housing in rural areas is in worse condition than that in urban areas. While the 1960 Census rated 83 percent of the Nation's urban housing as "standard," only 60 percent of rural housing was so qualified. In addition, 15 percent of the rural housing was crowded compared with 10 percent of urban housing.

Rural housing occupied by nonwhite families is in much worse shape than that of white families. While 36 percent of white rural families lived in substandard housing, 89 percent of the nonwhite rural families did. Thirteen percent of white rural families, but 41 percent of the nonwhite rural families lived under crowded conditions.

Most Negro rural families, 85 percent, lived in the South; only 37 percent of white rural families were in this region.

Nineteen percent of white rural families had 1959 incomes of less than \$2,000; but 57 percent of nonwhite rural families had incomes this low.

The ratio of rural families living in poverty and in substandard housing is much higher among Negroes than among whites, but in terms of absolute numbers there are more rural whites than nonwhites living in poverty and inadequate housing.

For example, the number of rural white households living in housing that falls in the worst category (that which the Census calls dilapidated) is twice as high as the number of nonwhites, 731,000 vs. 364,000. But the ratio of rural families living in such housing is 5 percent among whites, 31 percent among nonwhites.

At any rate, the problems of Appalachia, the rural South where agricultural workers are losing their livelihood due to technological change, Indian reservations, Alaskan natives are so severe and so unamenable to relief by existing operating programs as to call for new programs and techniques.

Rural housing problems more than city problems are tied to declining economies and lowered demand for rural manpower; in many cases needs are of a kind which while extremely urgent now are likely to lessen in future years. For example, the children of Alaskan natives who are receiving high school and vocational education in boarding schools in Oregon or the larger Alaskan population centers are not likely to return permanently to the remote villages and their less-than subsistence economies.

There can be no quarrel with the statement of the White House Conference that for the potentially employable, housing should be located where the economic opportunities are. Improved rural housing should not be used to keep families in places with a declining economic base.

For those families who are not likely to migrate, including the elderly, and who cannot afford the financing provided by the Farmers Home Administration, new devices must be sought. Public housing is not always the answer. It costs too much, its quality is too permanent for many areas, it requires an elaborate administrative machinery, it provides only rental housing, and it requires the cooperation of the local governing body which is not always forthcoming.

The problem of housing for migratory workers is of a different order. It is a double problem; first, housing at the home base, and second, housing at the temporary place of work. Changing technology makes it possible for an increasing proportion of agricultural laborers to work the larger part of the year from a fixed base. In California it has recently been estimated that two-thirds or more of the agricultural workers can procure sufficient employment from a fixed base. This base is increasingly in the small towns of the Central Valley. Florida citrus growers have been looking for means of financing housing for agricultural laborers near the orchards as a means of assuring themselves of a dependable labor supply for the nine-months growing season. Some of the agricultural workers living at a fixed base can afford the Farmers Home Administration loans. But these are available only in places with populations under 5,500. Increasingly the workers seek the larger places because of the ampler community facilities.

Housing for short-term laborers should be regarded as part of the production cost. It should not be used to fortify a substandard wage structure.

Program and Cost

A rural housing program should address itself foremost to the more than one million rural households who live in dilapidated housing, that is housing which does not provide safe and adequate shelter and in its present condition endangers the health, safety, and well-being of its occupants. While some of the occupants of such housing may qualify now for the aids provided by the Farmers Home Administration, the majority are not likely to. Others may be able to qualify once training and resettlement in viable economic locations increases their income. But there will remain a large group who must continue living in the unhealthy, unsafe one- or two-room shacks common in impoverished rural areas unless a new kind of program is provided.

Housing programs for rural areas should be simple to administer, without the continuing administrative mechanism that public housing requires. They should consider the immediate write-off of part of the capital investment rather than the provision of long-term subsidies. The occupants should be expected to make regular monthly payments for a number of years, perhaps ten, after which time they would own the house if they wanted to and still occupied it.

Modern technology can undoubtedly produce for \$5,000 or less a modest house adequate for family living in rural areas. On the average, about half of the cost would be recoverable from the occupants through payments of about \$25 a month for ten years. This amount would appear feasible since southern rural Negro renters, for example, were paying in 1960 a median of \$27 a month.

To be meaningful, the program should be of more than token scale. A goal of 20,000 units per year should be regarded as the minimum. An initial government investment of \$100 million would produce 20,000 houses the first year. They would produce a gross income of \$6 million and a net (after administrative expenses) of \$5 million which would go back into the program; the second year's investment for 20,000 houses would be \$95 million. Each subsequent year the investment needed to sustain the 20,000-unit production rate would be reduced by \$5 million.

This type of new program should be in addition to a greatly expanded Farmers Home Administration direct-loan program, available to those families who can repay long-term loans. These loans should be extended to agricultural families wherever they may live.

Legislation

The proposed program would require new legislation. The principle of grants to provide new housing for agricultural workers is not new. Section 503(a) of the Housing Act of 1964 authorized Federal grants of two-thirds of development costs for rental housing for domestic

farm laborers to States, their political subdivisions and public or private nonprofit groups. Not much has resulted from this provision.

Rural development corporations, organized by political subdivisions as well as nonprofit groups would administer the program. Technical assistance should be available from the Farmers Home Administration. Eligibility should depend on need, not financial capability. Coordination with economic development programs should be established for that part of the program which deals with the potentially employable.

The proposed initial small scale could be stepped up if the program is feasible and desirable and demand calls for larger amounts.

Appendix

Attached is a description of some features of the Low-Income Housing Demonstration carried out by the Rosebud Sioux Tribe in South Dakota, with the aid of a \$610,000 demonstration grant from the Department of Housing and Urban Development. The demonstration is designed to develop new means of providing housing for an impoverished rural population in an area of limited economic potential.

APPENDIX

DEMONSTRATION HOUSING ON THE ROSEBUD
SIOUX RESERVATION, SOUTH DAKOTA

A demonstration program carried out jointly by the Department of Housing and Urban Development, the Office of Economic Opportunity, and other Federal agencies will provide 375 houses for those families on the reservation whose income is below \$1,500 a year. A production plant is being built in which the components for a 620 sq. ft. house will be produced. Indians to be trained by Battelle Memorial Institute, which designed the house, will produce the components and erect the houses. The houses will cost \$3,000 in labor and materials. The Public Health Service will provide sewers and water for the houses which are located in villages. For houses out on the prairie PHS will drill wells and provide hand pumps which fill a 40-gallon water tank in the kitchen. There will be outhouses. Heat will come from a space heater. Electricity will be installed in all houses but connected only in the village locations.

The cost of the houses will be written off for all practical purposes. Ownership will rest with the tribe for five years. The occupants will pay \$5 a month for two years. Payments for the third to fifth year will be established by the tribe on the base of paying capacity of the families after two years. Payments go to neighborhood organizations and will be used for improvements approved by the tribal organization. Occupants who have met their obligations and maintained the houses will own them free and clear five years from the date of occupancy.

Implicit in the plan are a number of assumptions: 1) Indians with incomes under \$1,500 cannot afford public housing (which also exists on the reservation). 2) A simple type of house of lower than customary standards is adequate under the circumstances. Screened and insulated, capable of protecting the occupants from the impact of a rigorous climate and several times as large as the present huts, it represents an enormous step forward. 3) The house should not be given away and the right to occupancy has to be earned by performance. Nobody is excluded by cost. 4) Writing off a \$3,000 investment is cheaper than providing subsidies over many years. 5) If the movement away from the reservation continues and there is no longer a need for the houses, the economic loss is not great. 6) A detached house for which the occupant chooses the location and which he will own meets the needs and desires of tribal families better than other alternatives.



DEPARTMENT OF JUSTICE

Community Relations Service

WASHINGTON, D C 20530

OFFICE OF THE DIRECTOR

September 26, 1966

MEMORANDUM FOR THE PRESIDENT

FROM : *Roger W. Wilkins*
Roger W. Wilkins

SUBJECT: Interim Report Regarding the Recommendations
of the Conference "To Fulfill These Rights"

This memorandum is written in response to a request contained in Harry McPherson's memorandum of August 26, 1966, that each member of the Interdepartmental Committee provide you with an interim report regarding the Conference recommendations within thirty days. We have undertaken here to accomplish the tasks set forth in items a) and d) of the sixth paragraph of the press release of August 25, 1966.

The statutory mandate of the Community Relations Service requires that it be involved in as many civil rights problems as there are in any community in the country. The Service provides technical skills and assistance rather than direct program aid in the specific fields to which the Conference addressed itself. Thus, the Service becomes involved in problems of economic security and welfare, education, housing, administration of justice and health as these problems become focal points for racial unrest in the communities in which it works. Working in this context, CRS rarely sees issues in these areas isolated from one another, but rather as intertwining parts of the overall problem causing racial unrest and Negro dissatisfaction.

Because of the unique way in which CRS is involved in the problems with which the White House Conference dealt, this paper will deal

broadly and generally with what we perceive to be the national community relations implications of the Conference deliberations rather than with the specific problem areas.

The extent to which this Administration is able to translate the recommendations of the Conference "To Fulfill These Rights" into concrete achievements throughout this country will, in large measure, determine the nature and quality of American life for decades to come. I believe that what this Administration does about the linked problems of race, poverty, urban development and automation will have greater impact on the future of this nation than any other single issue facing us.

It is quite clear that in the fall of 1966, the drive for full equality for Negro Americans has lost some steam and a good deal of direction. The issues and the goals are much less clear than they were a half decade ago. We now see that the problem is much more difficult and more complex and intertwined with other problems than most had believed it to be. Solutions do not now seem as easy to prescribe. These days, issues are more often confused by passion - than they are illuminated by reason.

There is increasing confusion about where we stand in civil rights today. Much progress has been made in the past dozen years. That progress is clearly evident in the Federal bureaucracy here in Washington and it can be seen in a variety of ways in American life -- but always as the exception, never as the rule. Bill Cosby is on the air; Edward Brooke is running for the Senate in Massachusetts; occasionally, an attractive model appears in the pages of the New York Times Sunday Magazine; and there is a sprinkling of Negro police captains across the country. The Negro middle class has been touched significantly by the civil rights revolution, but the majority of Negroes are poor and they have been touched imperceptibly, if at all.

Some undramatic, but deadly, statistics clearly illustrate the remaining problems:

- a measurable Negro unemployment rate which has recently risen to 2 1/2 times that of the white unemployment rate;
- a 27% non-white youth unemployment rate;
- a 75% participation in the labor force by Negro males with the percentage dropping to about 60% in places like Watts;
- a much heavier concentration of Negroes in menial occupations - nearly one half of the Negro men still work as laborers, janitors, porters, busboys and in similar service jobs; and the Negro male median income is 51% of the white male median income, just as it was in 1951;
- a non-white infant mortality rate, which in 1950 was 66% higher than the white infant mortality rate, but which is now 90% higher than the rate for whites;
- a proportion of Negroes living in substandard housing that is twice that of whites living in such housing; and because of segregation, 15% of the non-white families with incomes of \$10,000 per year or more live in substandard housing, whereas only 3.7% of white families with comparable incomes live in such housing;
- finally, at the height of this prosperity with all our fears about an overheated economy, Herman Miller, former Special Assistant to the Director of the Bureau of the Census states: "The unemployment rate for Negroes ... is greater than the rates for whites during any of the past three recessions."

These facts are practically invisible to us and to the middle and upper class people who generally form the consensus around this country, but they are neither invisible nor statistics to the Negroes who live in the ghettos and in rural poverty. They are the plain cold facts of daily

misery. And Negroes, particularly those in urban ghettos, who are now becoming increasingly more aware of their humanity and of the American dream, are not about to forget these facts, or the unfairness, the pettiness, the meanness and ineptitude that produced them. Nor are they made more patient or satisfied by the highly visible affluence in which they do not share.

It has thus become increasingly acceptable, and in some cases mandatory, for poor Negroes to articulate their grievances stridently, dramatically and insistently. The number of people involved in protest and the stridency with which their grievances are articulated are bound to increase as time goes by.

In earlier decades, the overwhelming majority of Negroes retained a profound faith in America, her institutions, her ideals and her ability to achieve someday a society reflecting those ideals. The flaws were in the white people - their meanness, their funny stupidity or their inconsistency - but not in the institutions. Now, however, there is a growing and seriously held view among some young militant Negroes that white people have imbedded their own personal flaws so deeply in the institutions that those institutions themselves are beyond redemption. This view, though still held by only a very small minority, is probably gaining adherents.

Apart from the militant minority's rejection of the institutions, there is also, I believe, a gentler, but more general and growing, Negro skepticism about the commitment and sensitivity of even "good" white people. I feel safe in saying, for example, that there is widespread belief among Negroes involved in civil rights that there will be no significant follow-up to or implementation of the recommendations of the Conference by this Administration.

Most white people - being aware of the progress yet hearing the increasing decibel level of black anger - are at least confused, often shocked and angered, or are jarred into a state of indignation. This is understandable since most white people have very little notion of the degradation and the pain inherent in being a Negro in America. White Americans have very little idea of how repressive, cynical and ugly they appear to Negro Americans. Because of this lack of understanding and because of latent

prejudice and fear, the strident strains of the new militance sound grotesque to most white American ears -- and very threatening.

The threat is intensified by the urban social and economic direction now being taken by the civil rights movement. The cities are becoming blacker and poorer. Negroes in the ghettos are becoming much more restless. The Negro urban thrust is bound to intensify and will thus challenge and frighten white people in the cities all over this country. White resistance will grow and Negro frustration and reaction will increase proportionately.

We may be on the verge of entering a deadly cycle of steadily escalating anger and racial polarization which will make progress virtually impossible. Some serious observers believe that we are on the brink of a second reconstruction.

All the evidence -- including the results of the Conference - indicates that we must invest a significantly greater amount of our financial and human resources, both in special attacks on Negro disabilities and on the problems of our cities -- many of which are deeply tinged by the race problem. The current white mood of retrenchment -- composed as it is of fear, resentment and ignorance - will make it very difficult for the Congress, state legislatures and city councils to respond to these problems appropriately.

Most weak politicians and many administrations around the country will reflect their electorates, take the safe course and either do nothing or veer toward a more repressive line with Negroes. It is possible that that would be the easiest course for us to follow at this stage. The problem is that such a course would permit the vicious cycle to continue. The course of educating the country and moving it forward is more difficult and politically more perilous, but in terms of morality and the future of the country, it is the course of wisdom and statesmanship and the only course to follow.

The strong thrust of the Conference proceedings is that much greater efforts must be undertaken at the local level. This is clearly true but it is also true that in almost no community in which CRS has worked have we discovered the required will, understanding or commitment

of resources that would give us any confidence that such efforts will be undertaken by communities on their own initiative. Our experience has convinced us that local progress in race relations occurs only after and because of strong civil rights protest activity or because of rioting. I do not believe that exhortations by Federal officials will generate significant racial progress in communities around the country. I am convinced that civil rights activities and riots, even without white counterreaction, will not move us ahead rapidly enough to save our cities or to avoid condemning a significant proportion of successive generations of the black population to poverty, alienation and hopelessness. With the white counterreaction, the social utility of Negro protest activity in northern cities is declining rapidly, to the point where it may soon become counterproductive.

Steady and effective progress in race relations in communities across the country is too important a goal of this Administration and too vital to the health of the nation to rest on Negro protest alone or on the hope that people in communities, left principally to their own devices, will generate the required changes. Thus, we in this Administration must devise a way to substitute Federal leadership for Negro protest as the engine of social progress in communities across the nation.

Federal efforts to lead communities can take many forms. Obviously, Presidential statements, White House conferences, and statements by key Federal executives are helpful, but much more is required. In my judgment, the most significant step this Administration can take in the effort to fulfill these rights is to require each applicant for a Federal grant to submit a plan to show how the activities to be financed thereunder will promote equality as a fact; and to require each recipient of a grant to carry out the plan by undertaking the activities so financed in a way that will clearly promote equality.

Beyond the introduction of the requirement for affirmative programming for equality, there is a need for improvement of Federal performance in implementing civil rights laws and Great Society programs. These activities could be coordinated more tightly here in Washington and in the field. Such coordination, in order to be

effective, must be combined with power. The only power sufficient to move the Federal bureaucracy to undertake the significant efforts required resides in the White House. High officials of the relevant departments and agencies should meet on a continuing basis with one of the President's principal assistants to focus on the overall goal of achieving equality in fact to which each of their programs is designed to contribute.

Two of the major objectives of such a group would be to insure the most effective possible implementation of existing laws and orders and to develop legislative proposals to carry out the recommendations of the Conference.

Federal activities must be coordinated at the local level as well. CRS has observed that one of the basic problems with Federal activities at the local level is that Federal program administrators rarely seem to be knowledgeable about, involved in and relevant to the community problems of poverty, prejudice and urban decay which their programs are designed to alleviate. Moreover, they very often appear to view their own activities as ends in themselves and as solutions to isolated problems rather than as partial solutions to one much larger problem.

One very hopeful development in this area is the strong direction John Macy and Bill Carey are giving Federal Executive Boards. Their efforts to sharpen Great Society activities in the sixteen cities where Federal Executive Boards exist should be watched carefully, and if successful, applied to the sixty-one cities in which there are Federal Executive Associations.

The CRS mandate and program is a secondary effort at generating community movement and commitment. It is clear to me that CRS cannot generate broadly based activity in communities across the nation if it is seen to be, not only far ahead of the prevailing racial attitudes in the community, but also far ahead of the Federal establishment of which it is a part. Working, however, within a broad overall Federal policy such as that sketched out above, the Service can be a very effective instrument for producing social change.

The CRS staff, which includes specialists in fields ranging from police-community relations to Federal programs to human relations commissions, can initiate and help with the implementation of many of the community projects recommended at the Conference because they generally possess the following characteristics:

1. They know the community to which they are assigned but are generally not tied to or identified with one or another of the local interest groups or political factions;
2. They believe in the goals the Conference recommendations reflect;
3. They understand the community relations implications of possible action programs;
4. They know what positive programs and approaches have been or will be attempted in other areas of the country;
5. They possess the credentials giving them access to people at all levels of the community, including decision-makers and ghetto leaders, and they make a concentrated effort to know the people, the trends and the mood in the ghetto - an effort undertaken by few others;
6. They excel at persuasion and articulation;
7. They understand community organizations; and
8. They are aware of local, state and national resources developed to deal with urban problems.

In order for these CRS representatives to be fully effective, there must be people and organizations in communities who are ready to respond to the incentives supplied by the Federal Government. In the past, large, broadly based community action umbrella organizations have run into severe political problems and have sometimes lacked commitment to Great Society objectives. Human relations oriented agencies have often been inept and have lacked power to accomplish significant positive change.

Consequently, with very few exceptions, I would suggest the establishment of small local councils to promote the recommendations of the Conference. CRS would seek to help establish such organizations in about forty communities around the country. The communities would be chosen on the basis of the size of the Negro population, the level of non-white unemployment and other similar characteristics.

CRS representatives will seek in these forty cities key individuals who possess both commitment and power. The CRS representative will lay out the urgent need to undertake effective corrective action. He will outline the broad programs recommended by the Conference. He will outline the assistance the local group could expect from the Federal Government.

The purpose of such contact will be:

1. to encourage the person or persons to whom the CRS representative has talked to use their power and their commitment to help achieve the goals of the Conference;
2. to determine what other individuals in the community should be enlisted in such an effort; and
3. to determine what specific projects or what general fields of activity should be given high priority attention by the local organization to fulfill these rights.

The composition of such an organization and its program will depend in large measure on the circumstances and the personalities within a particular community.

The CRS representative will work closely with such a council during its formative days and in the period when it would be developing its program for action. He would render a range of assistance to the group. One of his key efforts in helping to develop such a program will be to bring the council into close contact with the representatives of Federal agencies whose activities could have a significant impact on the ability of the community to move ahead.

The CRS staff might also help the local group establish a metropolitan job council or help achieve coordination and understanding among such other local efforts as community committees on education, fair housing groups, federal executive boards, local human resources programs and official human relations commissions. In cooperation with the Office of Law Enforcement Assistance, they will also help local officials develop or improve on police-community relations programs.

Much of the useful information the CRS representatives would feed into the local decision-making and implementation process would be derived from extensive contacts with ghetto leaders, with civil rights organizations and with key members of the local establishment. One of the major contributions of the CRS staff would be to prod continually middle and upper class American decision-makers, whether local citizens or Federal employees, to make sure that the activities they are carrying out in an effort to fulfill these rights are pertinent and relevant to the problems to be solved.

The need for information and education programs is underlined by the Conference report. CRS, which has already begun a number of public education programs, will focus its efforts on key areas spotlighted by the Conference report. Obviously, one such area is housing, although minority recruitment for police, the negative impacts of de facto segregation and the benefits of quality education for all children are other strong program possibilities.

Much of what CRS does in a local situation has to be viewed in the light of two almost universal, but very simple and rarely understood or acknowledged facts. They are: First, that in most communities, even where overt racial hostility is absent, there is an almost utter lack of understanding, sympathy and empathy on the part of white citizens concerning conditions of Negro life and the problems that individual Negroes face. The second fact that must be clearly understood is that there is an almost total lack of significant, meaningful, two-way communication between whites and Negroes, and on the occasions when efforts are made to establish such communication, they frequently fail.

Much of the effort of the CRS program is designed to remedy both the gaps in communication and understanding. If there is little communication between the races, and if the white understanding of the problem is severely limited, little real progress can be expected.

It is clear that the problem of race in America must be solved at the local level where the problems are and the people live. It is also clear that those problems will not be solved locally without firm and clear Federal leadership. Most cities don't have the commitment, the talent or the resources to do the job alone. And if the job is not done, we may someday have severely crippled, semi-black cities surrounded by white residential areas which are perpetually threatened by roving bands of alienated and hostile black marauders.

CRS can generate some useful and constructive local efforts, but CRS alone is a very very frail reed to place in the face of a social hurricane. There must be a clear commitment to use every Great Society dollar to solve the problems that will plague our children if our spirit fails. I see no more urgent task before us.

Mr. Lewis

11/17/66

Staff Director

White House Conference Report and 1967 Program

Your memorandum of November 15 on this subject was completely unsuitable. It was not prepared in accordance with my instructions. If you have some questions about how the memorandum should have been prepared, please see the material submitted by Mrs. Grier and Mr. Glickstein. Nor did the material submitted deal with any of the subjects I suggested for consideration.

I plan to establish another working group to submit recommendations on employment and welfare in a useable form. For that purpose I may have to call on one or more members of your staff.

How:

① What administrative steps should be identified?

- Consider under demonstration cities how should be carefully reviewed to see that Fed. gov. will be making a more feasible integration ^{the} race + ...
Congressional hearing

- Improvement of Title 21 + Title 20
relocation?

New towns?

I Increase in training - reform of program - ^{White}
B institutional training to OJT

Implementation.

II ~~AA~~ additional affirmative action by ^{White}
Fed. gov.


III Welfare -

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Holman

DATE: 11/17/66

FROM :  Staff Director

SUBJECT: Employment and Economic Security

Pursuant to our conversation, the following is a general idea of the subjects to be covered in our report to the White House on employment and economic security:

1. How should present Federal programs which provide assistance to training be refocused and improved to deal with the increasingly serious problem of Negro unemployment? Is the Federal investment in institutional training as against on-the-job training disproportionately high? Should the Federal Government be making a larger investment in on-the-job training? What about training for public employment, particularly of subprofessionals?

2. What proposals do we have for additional steps to implement affirmatively existing fair employment policies, particularly in the Federal contract field? Is the Federal Government in a position to insist that Federal contract employers assume a greater responsibility for training and hiring unskilled people? Does the recent AEC effort suggest a policy that should be adopted by the Federal Government as a whole in awarding contracts for new installations?

3. Welfare as discussed - Wherever possible our recommendations should be related directly to White House Conference recommendations. This ought to be possible since the White House recommendations were so broad.



OPTIONAL FORM NO 10
MAY 1962 EDITION
GSA GEN REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : William L. Taylor

DATE: November 16, 1966

FROM : Eunice S. Grier *ESG*

SUBJECT: White House Conference "To Fulfill These Rights": Selected Proposals
for Action on the Housing Recommendations

Attached ~~is~~ an original and two copies of the two housing proposals we discussed earlier. I hope it will be possible not to promise the additional material on housing for 10 days or so. As you know, I am leaving for the NCDH Conference in Los Angeles on Friday and do not plan to return until the overnight plane on Wednesday, November 23.

Attachment

**PLANNING SESSION
for the
WHITE HOUSE CONFERENCE "TO FULFILL THESE RIGHTS"**

**Washington Hilton Hotel
November 16-17-18, 1965**

This agenda paper was prepared by the author to stimulate discussion of the work group. It does not represent any policy determination of the White House Conference, and is not a final statement of the issues. The agenda outline suggested by the author is a starting point for discussion and subject to consideration and revision by the work group participants themselves.

**AGENDA PAPER #IV
HOUSING AND NEIGHBORHOOD
George Schermer, George Nesbitt
and Robert Greene**

This paper is designed to provoke discussion, to set up some preliminary targets of attack, and to suggest some tentative proposals for an action program.

Some of the proposals advanced here may appear to be mutually exclusive or contradictory. Our objective has been to place before the group a number of ideas which we believe are worthy of discussion rather than to offer a program for action.

The discussions are to be open ended and as far ranging as the group desires. All ideas are to be heard and considered. Every member of the panel is expected to make a contribution. There will be no predetermined limits to the subject matter, although the group itself may wish to define its own ground rules concerning relevance to the subject and to reach a constructive conclusion.

It is hoped that the Planning Session will achieve certain specific objectives. One objective is to come to some agreement on a statement of the problem if wide disagreements exist. This should be sufficiently general so that precious time will not be lost in debate over doctrinal definition. More importantly, it is hoped, the group will come forward with fresh approaches and program recommendations designed to deal with the problems in their full dimensions and complexities.

AN AGENDA

I. Defining Goals and Establishing Priorities

- A. Alternatives to Segregation
- B. Class and Economic Stratification
- C. Priorities and the "Issue of 'More' Versus 'Integrated' Housing"

II. The Role and Responsibility of Government

- A. The Appropriate Posture for Government
- B. Examining Concepts of Regional Planning and Urban Development
 - 1) Planning as a Tool
 - 2) The New Towns
 - 3) New Approaches to Low and Moderate Income Housing
 - a) Public Housing
 - b) Rent Supplementation
 - c) Other Tools for Moderate Income Housing
 - 4) Central Cities Versus Suburbs
- C. Equal Opportunity Provisions in Law
 - 1) The Executive Order on Equal Opportunity in Housing
 - 2) Title VI of the Civil Rights Act of 1964
 - 3) Additional Federal Legislation?

- 4) The Effectiveness of State and Local Laws
- 5) The Challenge of Fair Housing Referenda
- 6) Enforcement "Style" - Prohibitions Against Discrimination versus Requirements for Affirmative Action
- 7) The Use of Federal Programs as Instruments for Desegregation

III. The Housing and Home Finance Industry; Actions of Citizen Groups and Voluntary Efforts with Public Attitudes

- A. The Industry and the "Integrators"
- B. Enlisting the Support of "White America"

I. Defining Goals and Establishing Priorities

A. Alternatives to Segregation--What are the acceptable alternatives to the present massive pattern of segregation? Is the "Negro-in-every-block", "salt and pepper" kind of distribution desirable, necessary and feasible? Is the simple removal of racial barriers--with the chips of voluntary or incidental segregation falling as they may--acceptable? Would a policy of open occupancy combined with the development of widely dispersed low - and moderate - income projects be more realistic--even though it might result in a number of smaller concentrations?

B. Class and Economic Stratification--Assuming the elimination of racial restrictions within each stratum is the present economic stratification of neighborhoods socially sound? Is desegregation possible within a pattern of stratification or will such stratification itself tend to perpetuate the ghetto? Is economic stratification a proper concern within the context of race and housing?

C. Priorities--Immediate and Long Range Goals--Which should have priority: improving conditions where people live now - which may be a matter of making the ghettos more livable and perpetuating segregation, or pressing for programs that will decentralize the ghetto and

encourage racially inclusive neighborhoods? Are these really mutually exclusive alternatives?

How far should desegregation be pressed at the risk of defeating legislation for more public housing, urban renewal and federal assistance to the private market; or of threatening local implementation of these programs? Since drives for integration have tended to function in the upper middle income range could ways be found to concentrate on more housing for lower-income groups without disputes over integration of this housing?

Has compromise with segregation actually produced more low and moderate income housing? Can an effective low- and moderate -income housing program ever get off the ground until barriers to land acquisition and use in suburban areas have been breached? Does the Los Angeles riot suggest that housing conditions per se or segregation, unemployment and isolation are the major problems?

II. The Role and Responsibility of Government

How far should government go in shaping racial patterns of neighborhoods? The precedent for governmental control has been long established. The governments of the southern states, for example, with considerable participation of the federal government, long regulated the separation of the races.

Prior to 1949 the Federal Housing Administration openly fostered racial segregation in housing. It was not until 1962 that the federal establishment adopted a posture of "equal opportunity" in housing where federal aids were involved. Now the federal posture can be described as favoring equal opportunity but standing neutral on the issue of **de facto** segregation in housing.

A. The Appropriate Posture for Government--What should be the posture of the federal government and all its agencies? How far should the federal establishment go in the direction of fostering integration unless and until it receives a mandate to that effect from the citizenry and from Congress? Should efforts be made to generate such a mandate?

B. Examining Concepts of Regional Planning and Urban Development

1) Planning as a Tool--How effective is fundamental planning as a tool for achieving an open urban society? Can it be more effective? The urban planning profession increasingly recognizes its social

obligation in this regard. How can it be aided in working its way to solutions? What are appropriate steps to take with the public, appointed board members who direct the work of community planners in order to ease the planner's path? Has planning, in fact, been "oversold" as a weapon? Is it accurate to say that current community patterns are the result of unofficial but pervasive "planning"?

2) The New Towns--Within the past five years "New Towns" have burst upon the American scene as a fundamental approach to the ordered development of housing and related facilities. While new in a sense, American experience goes back to Radburn, New Jersey, and the "Greenbelts" of the 1930's. Developers of New Towns are, often by their own testimony, finding themselves heavily dependent on governmental assistance for their success.

What requirements should federal, state and local governments lay down as preconditions to governmental assistance so far as race and income selectivity are concerned? What incentives should be offered to induce the developers to plan affirmatively for the needs of low and moderate income families of all racial backgrounds?

Can the principles of new town planning be introduced into the revitalization of central city areas? Would planning for economic opportunity, adequate community facilities, a non-stratified population, and the cultivation of a sense of community within each area be enough to bring about the reintegration of the central city ghetto areas? What types of federal aids and preconditions would help to produce such a trend?

3) New Approaches to Low and Moderate Income Housing

a. Public Housing--Thus far public housing has been more often than not an instrument for firming up the segregation pattern. At best it has made its peace with "separate but equal". There have been many proposals for changing the character of public housing. Among them are (a) developing many widely scattered small projects inconspicuously blended into their respective neighborhoods, (b) easing federal restrictions on land and building costs, (c) vigorous administration of the several new authorizations for buying or leasing existing houses and renting them to low income families (rehabilitating those that are below standard), (d) extending the jurisdiction of local authorities to metropolitan areas, (e) empowering the federal government to assume direct control of local public housing programs, and extending them throughout the metropolitan areas.

What are the merits of these proposals? What is the order of importance? What administrative variations are appropriate to implement these proposals? Could the desegregation objective be met through the strict application by the Department of Housing and Urban Development of a requirement that new public housing sites give evidence of contributing to desegregation and of having an integrated tenancy? Is such a requirement administerable? Is it practicable?

b. Rent Supplements--Two major weaknesses of the public housing program are that local administration is in the hands of authorities subject to racial - crossfire, and confined to functioning within delimited municipal jurisdictions; that eligible families are confined to a rigid process of application, investigation, waiting lists and limited choice of locations, unit size and style.

Various proposals for rent supplements for low income families have been advanced in recent years, both for those of public - housing income level and the income group between public housing eligibles and those able to compete in the private market. The Housing Act of 1965 provides only for a rent supplement program for families within the public housing eligibility range and limited to those families dispossessed by public action, elderly couples, the handicapped, and persons living in substandard housing. However, Congress did not fund this program. In addition, there are strong Congressional pressures to require local approval of rent supplement projects.

Of what order of magnitude is the need for rent supplements? What would be the effect of a requirement of local approval? Should the rent supplement program be expanded to cover those in the "income gap" between public housing and the private market? Can rent supplement contracts with non-profit and limited dividend sponsors play a significant role in the dispersal process?

c. Other Tools for Moderate Income Housing--There is evidence that younger Negro couples, with children of elementary school age, and incomes in the \$4,000 to \$7,000 range, would be highly responsive to opportunities to purchase or rent homes within a price range of \$8,000 to \$12,000 or rents of \$75 to \$100 per month. If, with federal aids, new housing within these cost ranges could be supplied throughout the metropolitan area and effectively marketed to Negroes the desegregation effort would be substantially accelerated. Values of this magnitude are likely to attract white purchasers, and more normal market factors would come into play.

What are the principal hurdles to such a program? The high cost of land? Construction costs? What additional legislation should be recommended?

Can Sections 221 and 213 be used to bring housing costs down to this level? What other financial devices are needed to keep costs within reach of this market?

4) Central Cities vs. Suburbs--With Negroes so heavily concentrated in the central cities (except in the South) and generally excluded from suburban areas by pricing factors as well as discrimination, and with the suburbs constantly draining off the more affluent whites, is there a real prospect that any desegregation program can succeed?

Inasmuch as the federal low income housing and urban renewal programs function through municipal authorities, and are evaluated solely in terms of each respective jurisdiction, there are no obligations among the municipalities to share each other's burdens. The federal government extends many forms of financial assistance to some municipalities which seek actively to exclude Negroes by one means or another.

It has been suggested that there be established a "workable program for federal assistance" which would require that local jurisdictions participate in a regional plan, including a plan for racial desegregation, as a qualification for federal assistance of any kind including highways, airports, water supply, sewage treatment, and the like. What might be the advantages and disadvantages of such an approach?

The program most associated in the public mind with FHA - single family home mortgage insurance - has almost literally underwritten suburbia. It has been alleged that, except for special, multi-family programs, FHA has its back turned on the central city.

To what degree is this an accurate assessment? How can the "FHA way" better contribute to "saving" the core city? What modifications are required in FHA policy and procedure with respect to the purchase of existing homes as well as in the rehabilitation loan programs?

C. Equal Opportunity Provisions in Law

Despite federal and state fair housing legislation, equal opportunity is by no means an established fact with respect to the existing supply, and truly equal access is by no means assured in the current production and programs. It is appropriate therefore to review the present status of such laws and regulations.

1) The Executive Order on Equal Opportunity in Housing--Is the Order currently being effectively implemented? How important is its extension to cover conventional loans? Is there more that can appropriately be done through Executive action?

2) Title VI of the Civil Rights Act of 1964--Is the mandate of Title VI being met by the Federal agencies and local authorities? Is the directive in Title VI met by a passive requirement of non-discrimination or does Title VI require an affirmative commitment by the recipients of federal grants and loans that positive measures to accomplish desegregation will be taken?

3) Additional Federal Legislation? What additional fair practices legislation or other action at the federal level would be desirable to extend equal opportunity within the framework of present housing programs in urban centers, in smaller localities and in rural settings? To what extent is the remainder of the problem economic and not socially-oriented?

4) The Effectiveness of State and Local Laws--How effective have the state and local fair housing laws proven to be to date? Does the extension of these laws merit a high priority in an agenda for action? Are present model laws adequate to the need and the nature of the problem? Is it important to get total coverage of the local housing supply or does "exemplary coverage" suffice? Is state administration of fair housing laws comparable to the older, FEP laws and, if not, what can be learned from the enforcement history of the latter? In many states where fair housing laws are in force few Negroes appear motivated to test out the market or file complaints. Does this suggest that the precise laws have little value or that law, itself, as a tool, is inadequate in the fair housing field.

5) The Challenge of Fair Housing Referenda--How serious a challenge to the equal opportunity principle are anti-fair housing referenda? Does this tactic require exhaustive counter measures or can the energies of concerned citizens be better directed in support of other efforts?

6) Enforcement "Style"; Prohibitions Against Discrimination vs. Requirements for Affirmative Action--Executive Order 11063 and the state fair housing practice laws prohibit sellers, lessees and agents from refusing to sell or rent because of race. There are no requirements that the patronage of Negroes or other minorities be solicited in the same manner as is commonly done for whites. Is this adequate to overcome the inertia left by generations of discrimination and segregation? Is it appropriate and feasible to require affirmative solicitation of all segments of the prospective market? Would it be possible to develop special incentives to encourage entrepreneurs to do so?

7) The Use of Federal Programs as Instruments for Desegregation--
Executive Order 11063 requires that all federally assisted housing and facilities be equally accessible to persons regardless of color or race. There are no requirements that the programs be used as instruments for promoting desegregation. Local public housing authorities can continue to select sites within a framework of a segregated pattern. Urban renewal agencies are required to show only that planned projects will not result in a reduction in the supply of housing available to minorities (in addition, of course, to adequately rehousing the relocated). Cities are not required to adopt a plan for desegregation as part of their workable programs. Are there advantages or disadvantages in requiring that cities adopt and implement desegregation plans as part of their workable programs? Is this the proper vehicle for such a requirement? Can individual projects better support this type of affirmative obligation?

III. The Housing and Home Finance Industry; Actions of Citizen Groups, and Private, Voluntary Efforts Re Public Attitudes

The three partners of concern in the provision of housing are the government, the housing and related industries, and citizen groups occupied with adequate provision of shelter. This outline section deals with the latter two.

A. The Industry and the "Integrators"

Builders, bankers, developers and realtors are often cast in the role of villains. They are blamed by segregationists if Negroes enter the market and by integrationists for keeping them out. With only a few exceptions the private sector has been identified with opposition to equal opportunity laws and programs.

How can the operators in the private sector of the housing field cast themselves in a more constructive role? How can more dialogue between the industry, civil rights groups, religious and civic leadership be arranged? How can communication and joint planning be fostered at the national, metropolitan and neighborhood levels?

B. Enlisting the Support of "White America"

This agenda paper is based in large measure upon the premise that the housing and segregation problems have reached such critical dimensions that nothing less than public (governmental) action can cope with them. However, governmental action will reflect public attitudes. If the public is not fully involved itself, through voluntary action, it will view all governmental programs as imposed, and will either resist or become passive.

The question of public attitudes, will be under consideration in several other sections, so the housing and neighborhood group need not deal with

the total problem. But it cannot be passed over lightly. How shall suburban whites become voluntary participants in activities to develop genuine inclusiveness in their neighborhoods? Inclusiveness to be meaningful should be fairly broad. Including a token number of upper middle income Negroes will not solve the ghetto problem. Unless lower and moderate income Negro families are included in significant numbers the ghetto will continue to grow.

How can Negroes and whites together become involved in building better neighborhoods, either in the central city or in the suburban areas?

Discussion of techniques in this area can be time consuming and fruitless. Many techniques have been developed; the problem is one of implementation. To be effective millions of people need be reached and involved; this takes planning, organization and money. Who, what agencies, what structure should do this? Government? Does that not put us back to where we started? Yet there is much evidence that localized efforts can not buck the tide against a background elsewhere of passivity or exclusiveness. How then can the necessary effort be mounted on a sufficiently large scale? What is the role of foundations and other private organizations?

A BACKGROUND

Any discussion of race and housing must be held in the context of several imposing facts and pervasive trends. The most basic fact is the urbanization of Negroes. The movement of Negroes from the rural areas to the cities began much later than for whites and accelerated at a much faster rate. In 1900 only 27.7 percent of the non-white population lived in urban areas compared to 42.4 percent for whites. By 1960, 72.4 percent of non-whites lived in urban areas compared to 69.5 percent for whites. While whites have moved from rural to urban to suburban areas Negroes have remained concentrated in the central cities. In 1960, 78.4 percent of the urban non-whites lived in the central cities, compared with 47.8 percent of the whites.

The system of institutionalized segregation characteristic of the rural South has given way to a system of geographic concentration and isolation in urban areas throughout the nation. This has been accompanied by congestion, compression and perhaps even greater frustration and alienation than had been characteristic of the rural South.

Whether Negroes in urban areas are making progress or losing ground is a subject of debate. Undoubtedly it can be demonstrated that in absolute terms Negro income has increased, more Negroes graduate from high school and college, and more Negroes have jobs in skilled, white collar, professional and managerial categories. Home ownership among Negroes increased from 24 percent to 38 percent from 1940 to 1960, and the number of substandard housing units occupied by non-whites decreased from 2,800,000 in 1950 to 2,263,000 in 1960, from 72 percent to 44 percent of the units occupied by non-whites. However, perhaps as an outgrowth of rural to urban in-migration, the number of non-white households living in overcrowded conditions actually increased from 960,000 to 1,314,000 in the 1950-1960 period, although this represents a percentage decline from 32 percent to 27 percent of the growing number of non-white households.

In the light of the conflict between relative and absolute figures it is not surprising that some competent observers contend that the gains of the World War II and post-war decade were partially lost after 1950, and that in relative terms the gap between white and Negro has widened. Much empirical "evidence" is cited in support of this contention.

However, many authorities assert that with new dwelling units coming on the market, especially in urban renewal areas, the trend toward intensified segregation in urban areas has leveled off and that decentralization of the urban ghettos is underway. Others believe that the segregation pattern is being extended and intensified, and that no real relief in this respect is in sight.

Despite these differences concerning current trends there can be little disagreement that for Negroes the transition from rural to urban living basically has been a shift in ground rather than in relative status and, at best, may provide a more solid platform for the upward climb which lies ahead. From the viewpoint of the nation as a whole, and especially of the urban areas

the gulf that separates Negro and white, the barriers to economic opportunity, the concentration of the Negro poor in racial ghettos and the fear that paralyzes much of the white population are the most serious of all domestic social problems.

The dignity and persistence of civil rights groups in the South captured the admiration and support of a large part of the American public and helped produce the Civil Rights and Voting Rights Acts of 1964 and 1965. The disorders, riots, and destruction in the city slums of the North and West, have been symptomatic of conditions as insidious and explosive as those of the rural South--but some white Americans have responded to them in a different way--"If that is how they are going to behave, they are not fit to live among us." However, most, if not all, mayors, police chiefs, school superintendents, responsible civic and religious leaders as well as social scientists read the riots as acute symptoms of a malignancy. The urban ghetto is a dangerous thing--a breeder of social disorganization and a destroyer of humanity--in short, a social cancer which is a threat to the body politic.

The Goals -- In Brief

The goals which most thoughtful Americans share might also be stated without much contradiction--provided they are couched in sufficiently general terms, as in the Housing Act of 1949: "a decent home and a suitable environment for every American family." Nor will many question the basic principle upon which President Kennedy's Executive Order 11063 is founded--that "the granting of federal assistance for the provision, rehabilitation or operation of housing and related facilities from which Americans are excluded because of their race, color, creed or national origin is unfair, unjust and inconsistent with public policy."

Public policy has gone beyond that of the federal government in many states which have extended the equal opportunity coverage to a much larger segment of the private housing market. Finally, perhaps, it is accurate to state it is a widely accepted principle that practices of discrimination in housing are harmful and should be prevented. Perhaps the majority of Americans disapprove of segregation and believe that the general welfare would be enhanced if suitable means were found to end it. However, it is unlikely that there would be today a substantial body of support among whites for any specific governmental programs to implement residential desegregation.

Needed--New Programs To Build New Neighborhoods and To Desegregate the Ghettos

While public support may be lacking at this time, it is assumed that those assembled have no quarrel with the goal of desegregation. The situation has reached crisis proportions. Large cities are generally powerless to act effectively to reverse the trends of rapidly growing non-white population

within the city and the even more rapidly expanding suburbs which filter off the more affluent whites. Some state governments have acted to advance equal opportunity but none have devised programs to deal effectively with the problems of the urban areas or to encourage and implement racial desegregation. Some observers hold that only the Federal government has the resources and the capability for launching the necessary programs. However, much more than governmental action is required.

Questions, Issues, Program Recommendations

The task of the work group begins where the common ground of agreement leaves off. The work group must decide how far it can go in defining the problems more precisely, in stating goals in more concrete terms, and in outlining the specific elements of a comprehensive program. Following are some of the issues. Many more will appear as the discussion develops.

Defining Goals and Establishing Priorities

Questions raised in this section of the agenda paper concern the kinds of desegregation which are feasible and desirable. They also relate to the often asked question whether desegregation or better housing is given greater emphasis by ghetto dwellers. Implicit too, is the realpolitik issue of whether non-white social welfare in the nation will be better served if there is a dilution of minority group political influence. From the view of America's social health, desegregation is championed as the answer to many communal ills. The approach of some social scientists, therefore, tends to focus on the needs of the body politic and not on the wishes of perceived 'needs' of a minority group.

The same considerations occur in the matter of the economic stratification (apart from artificial, racial barriers) which pens non-whites in ghettos. This is a question which has received growing attention among planners and socially concerned citizen leaders. Its appropriateness in a discussion of "race and housing" is set forth as an issue for consideration by the work group.

The question of priorities--"more housing versus integrated housing"--has become a very real issue in many American communities. Civil rights groups have often split on this issue, and sometimes this split has paralleled their divisions on other matters. The issue has come alive in such widely separated cities as Boston, Trenton, Washington, D. C., Chicago, San Francisco and Pasadena.

The more vigorous integrationists hold that upward mobility is inhibited by the closed society and that progress in education, training and employment are dependent upon integrated experiences in early childhood. In larger cities, at least, this requires the breakup of the ghetto.

The "better housing" viewpoint holds that integration is more an end product of social mobility. Realistically, it is said, lower income groups are strongly dependent upon the protection and security of the racial or ethnic enclave and are unlikely to respond to opportunities to enter the open society until they first find security in themselves. From this point of view it might seem more practical that programs for increasing the supply of housing for low income groups receive priority.

New housing tends to be priced within the reach of families earning \$7,000 or more per year. In 1960, only 16 percent of the urban Negro households were in this category as compared with 43 percent of the whites. Public housing is generally restricted to families earning less than \$4,000 per year. In 1960 54 percent of the urban non-white families and 22 percent of the white received incomes at these levels. Thirty percent of the non-white and 35 percent of the white households receive incomes between the \$4,000 and \$7,000. Among Negroes, at least, it is in this income range that there is a high ratio of young, child rearing and upwardly mobile families highly responsive to opportunities to improve their condition and to escape the ghetto. Little new housing is being supplied to this group. It is this income group that now gets its housing through the "filtering down--ghetto extending" process.

The Role and Responsibility of Government

Clearly, a response to this subject turns on questions of basic philosophy. It turns also on perceptions of what the absence of an active governmental role will produce. An unfettered market is said, by some, to have produced an economy of abundance and more and better housing than that ever enjoyed before or elsewhere. Market forces and "natural selection" this argument suggests, will before too long, bring America to new plateaus in housing as in other areas.

Contrarily, it is contended, that the present "system" of housing supply and neighborhood residence has been contrived and is a social menace. This position argues that government must take an active role not only because of an asserted threat but because government has much "undoing" to take on as a result of the patterns which governmental policies of the past are said to have produced.

Nowhere is this issue more firmly joined than in the field of urban planning. The unprecedented growth of the metropolitan urban regions, random and sometimes wanton use of open space, chaotic conditions in traffic and transportation, depleted water supply, stream and air pollution, and disposal of solid wastes, have led to a sense of national urgency. Municipalities everywhere are increasingly dependent upon federal grants and loans to cope with the problems of growth and the breakdown of facilities and services. The need for region-wide attack upon the problems has led to a system of federal grants for regional planning programs.

The Federal government is substantially in the business of supporting community planning by localities and states. Eight Federal departments and agencies support eighteen planning programs--twelve functional or general planning efforts and six, project-related planning endeavors. It is argued with increasing frequency that a commitment to desegregation need be a precondition to Federal assistance for planning in those instances where the planning program bears some relationship to patterns of residence. On the other hand, it has been said that such planning efforts, by and large, are intangible and not amenable to including the provision of planning for desegregation; that the process in some instances is extraneous to this concern. However, at least one Federal planning program now has such a requirement. The Urban Renewal Administration's Community Renewal Program now requires studies of minority group housing patterns and the development of plans to overcome obstacles to equal opportunity. It is worth determining whether programs relating to highway development, health and education--to name just three--take adequate cognizance of the intergroup relations component in their planning.

And beyond the matter of threading racial sensitivity into existing planning programs lies a perhaps larger question. That is the conscious use of planning as a tool to achieve heterogeneous living patterns. If it be accepted that the health of the urban complex requires such patterns, then, in an age of exploding knowledge it is negligent and naive to expect this to occur through happenstance. The same disciplined, professional approach is appropriate here as in the fashioning of sophisticated urban design in construction or the development of elaborate data systems.

Among the emerging solutions to some regional problems are programs for the multi-purpose use of land, the conservation of open space and the development of the new town concept.

It is frequently asserted that new towns offer great hope for the orderly redistribution of overcrowded central city populations. However, they will provide genuine relief only if they can supply the employment opportunities, community facilities, housing accommodations and community structure to serve the needs of a genuine cross-section of the urban population in terms of economic class, educational achievement, skills, occupations, age, race and ethnic grouping.

Public Housing

In recent years the literature on public housing has become voluminous and the issues repeated perhaps ad nauseum. Most proposals advanced for discussion at these working sessions are well known to the participants. The problem, however, may perhaps merit a fresh review.

It arises from the previously acceptable practice of providing housing on a segregated basis. For approximately 25 years this practice was sanctioned

by the government. One of the program's requirements prior to the issuance of the Executive Order was that housing units should be provided for Negroes on a basis proportionate to the number eligible. Many local authorities designated projects as white or Negro.

Under Executive Order 11063 and Title VI such discrimination is no longer permitted. The Public Housing Administration issued a circular requiring all local housing authorities to establish a plan for the selection of tenants and assignment of units to insure nondiscrimination. Two different types of plans were accepted. One provides for assignment based on priority of date of application; the other offers the applicant a freedom of choice in selecting a project. Under the former the applicant may refuse the first assignment and wait for a vacancy in another project. Under the latter he waits for a unit in the project of his preference.

In most instances where the "freedom of choice" plan has been in operation, Negroes elect to live in all-Negro, and whites in all-white projects, because of choice, fear or methods of administration by the local housing authority. As a consequence there are projects where many units in the all-white projects remain vacant for lack of qualified applicants and Negroes wait indefinitely for a suitable vacancy in an all-Negro project.

In the public housing program, selection of a site is a matter of local responsibility subject only to review by the Agency. PHA has a veto power, which traditionally has been exercised sparingly. PHA has prescribed various criteria which must be met in order to make a site acceptable. Its policy statement requires that the local housing authority in site selection should select, from among otherwise available and suitable sites, those which will afford the greatest accessibility to eligible applicants regardless of race, color, creed or national origin.

Local housing authorities frequently propose to construct public housing in or near areas where Negroes predominate. The resulting dilemma is whether to approve sites which will either extend or perpetuate a Negro ghetto or withhold Federal approval and, thereby, perhaps deprive some families of, needed housing. Because of local pressures against public housing projects, which in large cities it is usually assumed will be Negro-occupied, the ghetto site is the only viable option. Some large cities, caught between white pressures against public housing projects in white neighborhoods, and Negro pressures against "perpetuating the ghetto," have simply given up on building public housing. In 1964, forty-three percent of the public housing starts was in cities of under 50,000, and more than half of it was for the elderly.

Rent Supplementation

An important feature of the original rent supplementation proposal was that arrangements for a rent subsidy project would be made directly between the

Federal government and the project sponsors. Local city councils and housing authorities would not have the burden of approval over local protests, or the right to veto the projects. Thus, it was hoped that the rent subsidy program would escape the racial-political controversies which have killed so many public housing projects at the local level, or consigned them to the ghetto. This provision was contained in the 1965 housing act authorizing rent subsidy projects for low-income families. In reaction, however, to fears that the rent subsidy program meant "scatteration," attempts were made to add to the housing appropriation bill a line item requiring that rent subsidy projects be cleared by local governing bodies. This issue died when all funds were denied for rent subsidies. When the issue of appropriations for rent subsidies is revived in the next Congress, the issue of local control will also be revived.

One of the more far reaching statements on the recently revived concept of rent supplements was published by the Philadelphia Housing Association in April, 1965 under the title New Directions in Housing Policy. It is included in the literature packet, and the participants' attention is directed to it.

Equal Opportunity Provisions in Law

Executive Order 11063 and Title VI

Today there are over 61 million nonfarm housing units in the United States. Less than two percent of these are subject to the mandatory requirements of the President's Executive Order on Equal Opportunity in Housing (Section 101) or Title VI of the Civil Rights Act of 1964. Under existing Federal law probably less than twenty-five percent of new nonfarm housing construction will be subject to Federal nondiscrimination requirements in the next few years.

In all cases where FHA mortgages were insured pursuant to an application filed after November 20, 1962, the property is covered by the nondiscrimination requirements of the Order except that FHA has provided by regulation that one and two-family houses, after having once been owner-occupied are exempt from coverage.

It is the grant-in-aid housing programs that raise the issue of Title VI coverage. One school of thought argues that equal access is the sole command of Title VI, and that this is accomplished when barriers to the admittance of a minority group family are removed. More recently, however, a more "liberal" construction of Title VI has been advanced. This argues that in planning projects and in carrying on related activities in the community the local governing body must commit itself to the principle of desegregation in order to qualify for Federal financial assistance.

A gut problem confronting the urban renewal program results from the fact that substandard housing in slum areas has in many instances been disproportionately occupied by Negroes. When such areas are cleared for redevelopment this dilemma results: If redevelopment housing is public it is often occupied predominantly or entirely by Negroes. Such undertakings have been attacked as perpetuation of the ghetto; when more expensive housing has been developed, beyond the economic means of the former residents, projects have been attacked as Negro removal. While a mixture of housing in various price ranges is a suggested solution this has been frequently deemed infeasible; it may or may not be appropriate from a broad community viewpoint and may still fail to bring white families into the area.

Farm, Rural and Small Town Housing

The Farmers Home Administration in the Department of Agriculture has several housing programs covered by Executive Order 11063 and Title VI. These are designed to assist farm, itinerant labor, and non-farm, rural area families in improving their housing conditions. Programs include insured loans to individuals for the purchase of new and existing homes, and repairs to homes already owned. Direct loans may also be made to the elderly, and to non-profit corporations and cooperatives for multi-family housing for the aged. In addition, individual farmers, associations of farmers and non-profit organizations are eligible for direct loans and partial grants for the construction of housing for migrant labor.

It is worth noting that the bulk of FHA (USDA) loans are made not to farm families but to non-farm families in small towns with a population up to 5,500 (raised from 2,500 by the recent Housing Act.)

FHA (USDA) secures mortgage money in the capital market and makes loans through its own personnel, assisted by local committees. Its special assistance programs are carried on by direct loans from appropriations. It services the loans as well as inspecting construction, and makes annual payments to the mortgage holder. The system of recommendation (in effect) by local committees has produced charges of discriminatory conduct to the detriment of non-white farm and small town families. This was treated in one section of the March, 1965 Agriculture report of the U. S. Commission on Civil Rights. Today, FHA (USDA) reports that its local committees in areas in which non-whites make up 20 percent or more of the populace are bi-racial in composition.

The size of home loans to non-white farm families have averaged less than two-thirds of the size of loans to white farm families. Major obstacles to the provision of insured loans to Negro farm families are the low economic status of these families and their inability to make down payments. The median income of Southern Negro farm families in 1960 was \$1,259 compared to \$2,802 among white farm families. The average size of farms operated by Negro families in 1960 was approximately one-fifth the average size of farms operated by white families.

BACKGROUND MATERIAL - AGENDA PAPER #IV

Housing and Neighborhood

I. The Problem of Race and Housing, 1965; Defining Goals and Establishing Priorities:

Abrams, Charles, "The Housing Problem and the Negro." Daedalus, Journal of the American Academy of Arts and Sciences, Winter 1965.

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II. The Role of Government; Law and Public Policy:

Denton, John H. (ed.), Race and Property, Berkeley, California, Diablo Press, 1964.

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III. Recent Experience, Suggested Solutions, And Proposed Actions:

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U.S. Commission on Civil Rights
Economic Security and Welfare

Federal Legislation Be Enacted Eliminating Separate
Categories of Public Assistance and Substituting a
Single Category Based Exclusively on Need

I. DESCRIPTION OF PROPOSAL

Legislation should be enacted to eliminate separate categories of public assistance and substitute a single category based exclusively on need to insure the availability of public assistance to all impoverished people.

II. NEED

Description of the Nature and Seriousness of the Problem the Proposal is
Designed to Cure or Alleviate

Many needy persons presently are ineligible for the receipt of public assistance. Under the public assistance titles of the Social Security Act, Federal aid is authorized to assist States to provide financial assistance and medical and welfare services only to specified categories of needy people: the needy aged, the blind, the permanently and totally disabled, and certain needy families with dependent children. No one else, however destitute, can qualify for financial assistance or welfare services.

Among the poor not being helped by any federally aided public assistance programs are: most needy adults under 65 years of age who are unemployed or unable to earn an adequate income; most needy children living with both parents; many children in need because of the unemployment of a parent; needy persons, otherwise eligible, who have not resided in a particular State for a specified period of years; and needy mothers who are employable but for whom no jobs are available.

Even within the categories of individuals included within the Federal law, there are further eligibility limitations on age and degree of disability, and in families with dependent children, the requirement that the father have left his wife and children works a heavy burden on a needy home.

Furthermore, current Federal formulas for public assistance programs are not related to need, and programs provide more favored Federal financial support for some than for other groups of needy people. Children are the most disadvantaged. The Federal Government will pay up to \$75 for adult recipients in programs to aid the blind, aged, and disabled, but only \$32 to dependent children. In addition, the States discriminate further against children by paying proportionately less of the State standard to them than to others. Ohio, as one example, pays 100 percent of the assistance standard to the blind and aged, 95 percent to disabled persons, but only 58 percent of the standard for food and other necessities to dependent children.

Children also are excluded from programs in greater numbers. Over 40 percent of needy children in 1964 lived in families where the breadwinners were employed year around but were receiving wages too low to meet minimum family needs. Yet the Aid to Families with Dependent Children program excludes these children because their parents are living together in the home or the family income is greater than the State standard for public assistance under the program.

Inequities in the Aid to Dependent Children program fall more heavily on Negroes than whites. The proportion of nonwhite families headed by women is about two and one half times that in the white population. The risk of poverty among nonwhite families headed by employed women is about two and one half times that of white children in white families headed by employed women.

Thus, needy Negro families with employed heads of household are ineligible for Aid to Dependent Children assistance and Negro families that do qualify receive proportionately less assistance than participants in other welfare programs.

Indication of Any Need for Further Study

The Advisory Council on Public Welfare, established by section 1114 of the Social Security Act in 1962, has studied the problem and has concluded that there should be a single criteria for welfare assistance based solely on need. The Commission on Civil Rights in its report on the Aid to Dependent Children Program in Cuyahoga County, Ohio, soon to be submitted to the President, has endorsed the recommendation of the Council.

III. ADVANTAGES OF THE PROPOSAL

A single national standard based on the criteria of need would eliminate many of the unfair hardships worked on needy families and persons by present Federal formulas. The so-called man in the house rule, for example, is responsible for the break-up of many needy families. The United States Commission on Civil Rights at its Cleveland Hearing heard testimony that unemployed fathers often face the cruel choice of leaving the family in order to obtain public assistance to feed their children. Public assistance granted on the criteria of need would eliminate hardships worked by such destructive rules as the "man-in-

U.S. Commission on Civil Rights
Economic Security and Welfare

The Federal Government Should Enact Legislation to
Permit Operation of Public Welfare Programs by the
Federal Government in States Which Cannot Meet
Federal Standards

I. DESCRIPTION OF PROPOSAL

Legislation should be enacted to permit operation of public welfare programs by the Federal Government in States which cannot meet Federal standards of health and decency.

II. NEED

Description of the Nature and Seriousness of the Problem the
Program is Designed to Alleviate

Many needy persons have been excluded from participation in federally supported public assistance programs because of financial inability or unwillingness of some States to share in the costs of the program. For example, as of June 1966 only 21 out of 54 jurisdictions participated in Aid to Unemployed Families with Dependent Children. Other jurisdictions exclude needy people by setting eligibility standards below poverty levels or otherwise excluding needy people through provisions narrower than Federal standards established in the Social Security Act.

Indication of any need for further study

There is no indication of any need for further study.

III. ADVANTAGES OF THE PROPOSAL

The enactment of legislation to permit operation of public welfare programs by the Federal Government in States which cannot or will not meet Federal standards is necessary to achieve the goals of a national standard of public assistance levels and the establishment of a criterion based solely on need.

Kennedy

November 20, 1966

U.S. Commission on Civil Rights

Employment

Require Equal Opportunity Criteria

To Be Applied in Determining the Location of Government Installations

The Council recommended that "The Federal Government should locate new Federal facilities in places readily accessible to residential areas where Negroes live." No reference was made to conferees' reaction to this specific proposal, although the report notes that Section VII (the section which contained this proposal, among others) "received generous approval by the conferees."

PROBLEM

In establishing an installation in a community, the Federal Government has an impact on all phases of life within the area surrounding the site. The installation itself usually generates employment in all aspects of its operation, as well as increasing employment opportunities in the area in ancillary and service industries. Thus, most communities have a significant economic stake in being chosen as the site for a Federal installation.

Recently, for example, the Atomic Energy Commission has been considering locations for a proposed 200 Bev Accelerator. Three to five-thousand acres of land are required. Construction cost is estimated at \$375 million and will require six years to complete. At peak construction, employment may reach 2,000. Permanent staff is anticipated at 2,000, with a visitor group of 300 scientists and graduate students. Annual operating cost is expected to be \$60 million.

In spite of such potential impact, no requirement exists for Federal agencies to routinely consider the civil rights posture of a community during site selection for a new installation. (In the case of the accelerator described above, however, AEC secured and acted on information regarding the communities under consideration from the Commission on Civil Rights, the Equal Employment Opportunity Commission, Justice, and the Department of Labor. Thus, the recommendation which follows embodies essentially the action AEC has taken in this case.) Almost all communities have significant civil rights problems, and they include employment discrimination, lack of open housing, racial imbalance in schools, discrimination in community facilities, and unsatisfactory police-community relations. Such problems affect Federal employees working at the installation who must live in the community. In at least one case, for example, recruitment has been hampered by discrimination

which prevents some minority group applicants from finding adequate housing in the area of the Federal installation. These problems, then, are seldom explored by Federal agencies during site selection.

Further, communities benefiting by selection for location of a Federal installation are not required to make efforts to improve equal opportunity. For example, although construction is almost always involved, minority group membership in the local construction unions is seldom explored with a view to taking steps to assure minority group employment on the Federal project. The community is not required to demonstrate that adequate housing can be provided for minority group employees. Without such explorations and action beforehand, solving these problems once the site is determined and the project is under way is extremely difficult since the greatest sanction (that of not locating the facility in a particular community) no longer exists.

Building such considerations routinely into site selection would soon result in communities recognizing that they must take positive steps to improve equal opportunity in order to benefit from Federal programs. There is no substitute for convincing action. Since many communities often compete for such installations, adoption of the following recommendation would affect far more communities than those ultimately selected.

RECOMMENDED PROGRAM CHANGE (Within Current Authority)

In order to enable the location of Federal installations to have a positive effect on equal opportunity in the United States, the President should issue, by whatever means are appropriate, a directive to Federal agencies which will provide that, where a new Federal installation can be located in any one of two or more communities, site selection must routinely include consideration of the civil rights problems of the communities under consideration and the community selected must take positive steps, as determined necessary by the Federal agency involved, to improve equal opportunity.

Attention to equal opportunity in site selection will take two forms:

1. Civil rights review of community.

Community profiles will be prepared which will include, but not be limited to, information regarding total and minority group population, employment (major industries and occupations, rate of unemployment, union practices, etc.), housing availability (both in terms of open occupancy and existence of adequate low and moderate income housing), transportation

problems, applicable civil rights laws and policies, and prevailing community attitudes. Such profiles will be prepared with the assistance of the Community Relations Service, Department of Justice; U.S. Commission on Civil Rights; Equal Employment Opportunity Commission; and the Office of Federal Contract Compliance, Department of Labor.

2. Requiring steps to improve equal opportunity in the selected community.

The Federal agency must devise and require appropriate community action in order to have reasonable assurance, before making final arrangements for location of the installation in the selected community, that minority groups will enjoy equal opportunity in the community in terms of employment, education, housing, and recreation, and will be given equal service by local government and business establishments; and that there will be community effort and good will to prevent problems of discrimination and deal with them should they occur. The provision of such requirements will demonstrate the willingness of the communities under consideration to commit themselves to specific steps to achieve equal opportunity.

Three principles should govern agency action:

The approach should be area-wide, and the assurances of equal opportunity must extend to all political jurisdictions within the area of economic impact.

The agency should seek to involve not only local political and semi-political authorities in the area, but also the business community, labor, and civic groups. If equal opportunity is to become a meaningful part of community growth and development, then representatives of all phases of community life must be included in the commitment to that goal.

The results of the joint efforts of the agency and the area leadership must be publicized so that every citizen is aware of his responsibilities and his rights in the commitment to equal opportunity.

While the White House Conference recommendation referred to initially would assure only that Negroes have geographic access to employment at the installation, the procedure outlined above can have a far more significant impact on total community living for both Negro and other minority groups.

November 20, 1966

U.S. Commission on Civil Rights

Employment

Strengthen Administration of Part II of Executive Order 11246,
Nondiscrimination in Employment by Government Contractors

The Council directed only one recommendation to the contract compliance program: "Government contracting authority should be utilized to arrange and encourage new training opportunities in connection with government contracts." The conferees, however, "supported legislation and administrative action to strengthen existing equal opportunity laws and regulations. Strong emphasis was placed on tightening enforcement of ... Title VII ... Title VI ... and Executive Order 11246." Following is a specific set of recommendations designed to so strengthen administration of Part II of Executive Order 11246.

PROBLEM

Although it is now a well-established policy of the United States Government to promote equal opportunity in the field of manpower utilization and training, it is apparent that widespread and serious obstacles still stand in the way of fulfillment of this objective. In August of this year, unemployment among nonwhites was 8.2 percent as compared to 3.4 percent among whites. Moreover, there is considerable evidence that in many occupations and industries the jobs held by Negroes are less desirable (requiring less skill and paying lower wages) than the jobs held by whites. A U.S. Census Bureau study based on 1960 census data found that about 6 of every 10 nonwhite high school graduates were laborers, service workers, or operatives, as compared to only 3 out of 10 whites with the same amount of schooling.

Executive Order 11246 offers a unique opportunity to affect this problem in view of its widespread coverage. Precise figures are not available, but estimates place the level of government contracts at approximately \$35 billion in 1966, with as many as 15 million persons (or 20% of the labor force) employed by firms holding government contracts. Executive Order 11246 provides contracting agencies the authority to cancel, terminate, or suspend contracts where the contractor fails to comply with the nondiscrimination provisions.

Administration of the contract compliance program, however, has failed to meet the promise of the Executive Order, as evidenced both by the employment record of government contractors and continuing complaints. Among the complaints are charges of "zero list" contractors (those employing no members of minority groups); restrictive qualifications unrelated to job requirements; separate seniority and promotion rosters; assignment of minority groups only to certain departments or jobs; lack of training opportunities for minorities; and separate physical facilities. Some major causes of the lack of success with which the program has met in achieving results follow:

1. Although the Office of Federal Contract Compliance has demonstrated more leadership than the now defunct President's Committee on Equal Employment Opportunity, each contracting agency essentially "goes it alone." While OFCC regulations and guidelines govern the program, few or no standards exist in areas such as contractor performance and content and frequency of agency compliance reviews. In addition, the contracting agencies' activity is not routinely and effectively coordinated on a geographic or industrial basis for most efficient and productive operation. For example, all contractors in a given area are generally approached individually by each appropriate Federal agency. In this situation, community resources and relationships cannot be brought to bear and used effectively.

2. Manpower training programs financed by Federal funds have not been utilized to any perceptible degree as an aid to enforcement in the contract compliance program. Such programs as on-the-job and institutional training under the Manpower Development and Training Act have not been used to develop qualified minority group workers for contractors who plead the difficulty of finding such applicants. At the same time, these training programs often suffer from low rates of placement of trainees. Both contract compliance and Employment Service staffs lack awareness of the other's needs and no vehicle exists for promoting coordination.

3. Contracting agencies have focused compliance efforts primarily on large companies. Obviously this is due, in large part, to limitations on staff size. As a result, many smaller firms (in terms of both employment and dollar value of contract) may never receive attention in spite of continuing receipt of government contracts over the years. Small companies, however, control more employment collectively than do large companies. County Business Pattern data for 1964 shows the following breakdown of employees by size of firm in which employed:

<u>Size of Firm</u> (Number of Employees)	<u>Employees</u>
1 - 49	18,932,116
50 - 500	14,964,296
500 and more	11,744,758

Therefore, a large portion of employment may be, in effect, exempted from enforcement.

4. Unions often present an obstacle to the achievement of compliance in view of their membership practices where they have a collective bargaining agreement or other contract or understanding with a Government contractor. Section 207 of the Executive Order provides that "The Secretary of Labor shall use his best efforts . . . to cause any labor union engaged in work under Government contracts or any agency referring workers or providing or supervising apprenticeship or training for or in the course of such work to cooperate in the implementation of the purposes of this order." He may notify EEOC, Justice or other Federal agencies where a violation of Title VI or Title VII of the Civil Rights Act of 1964 is suspected. Clearly, such a provision does not provide sufficient authority or sanctions for the Secretary to achieve results.

5. Perhaps the most serious problem is that the program has reached a plateau. Both because of the difficulty of defining "compliance" and the desirability of a positive approach, contract compliance officers have essentially confined their efforts to promoting affirmative action, as opposed to making findings of compliance. Many companies have learned to adjust to the compliance program with a minimum of change. No contract has ever been terminated, nor have formal hearings ever been held under the provisions of the Order. Government contractors can reasonably view administration of the equal opportunity provisions as perfunctory in view of the minimal punitive action to date. New stimuli are needed to move ahead.

RECOMMENDED PROGRAM CHANGES (Under Current Authority)

The following changes are recommended to remedy the problems cited above, thereby strengthening the administration of Executive Order 11246 and enabling the achievement of more widespread and meaningful results. All of the recommendations can be effected under authority currently provided by the Executive Order. Some, however, may require additional funds for increased staffing. Numbers 1-4 are of greater priority than 5-7.

1. Public examples of enforcement are needed and must be provided by invoking the sanctions available against a selected number of firms with the poorest record of compliance. To achieve results there is no substitute for convincing action by the United States Government in terms of the effect on the attitude of government contractors and on the morale of contract compliance officers.

2. The Secretary of Labor should establish procedures to achieve effective coordination between the contract compliance program and manpower training programs administered by the Department of Labor. Such procedures should provide both for an exchange of information between contract compliance staff and the Employment Service and a definite role for contract officers in the development of specific training projects in areas where Federal contracts are in effect. Thus, training projects can be directed to the needs of government contractors and placement of trainees successfully completing courses can be assured. Government contractors with unsatisfactory equal employment opportunity records, and particularly those who cite a lack of qualified minority group applicants, should be encouraged to sponsor on-the-job training projects and/or provide employment for those who complete institutional training projects.

3. Since compliance is difficult to define and the lack of such definition hampers the work of contract compliance officers, the Office of Federal Contract Compliance should set minimum performance standards for government contractors. Such standards could serve to guide compliance officers regarding reasonable efforts to be expected of contractors and/or the minimal results to be achieved in terms of recruiting, training, and offering opportunities for promotion to minority group members. With such a yardstick, compliance officers could work to bring all contractors to some minimal level of compliance, and they could do so with the confidence that their requirements upon the employers are being applied across-the-board.

4. The Office of Federal Contract Compliance should develop and carry out a program of community reviews. Such a program would provide for concurrent review of all government contractors in a given community by all "predominant interest agencies" involved. The multiagency approach is predicated upon sound community relations experience indicating that a strong Federal presence acts to create a climate conducive to change within the total community. It would enable far more effective and efficient use of local manpower programs, community organizations and other resources.

5. The Office of Federal Contract Compliance should set minimal standards for the conduct of compliance reviews. Such standards should include discussion of contacts with company officials, employees, and community resources; statistical data; record examination; personal observation; verification; and so on.

6. The Office of Federal Contract Compliance should remove any limitations on compliance reviews based on dollar amount of contract and size of employment which effectively limit enforcement vis a vis perennial small contractors. While requirements for review can be established which vary according to the value of contract and size of firm, every contractor should receive attention at some time during the performance of his contract.

7. The Office of Federal Contract Compliance should review staff and funds allocated to contract compliance in each contracting agency, and determine the minimal resources required by each agency to achieve meaningful implementation.

RECOMMENDED PROGRAM CHANGE (Requiring New Authority)

The Executive Order should be broadened to include more specific, effective sanctions against labor unions which impede compliance while benefiting from a Government contract by virtue of a collective bargaining agreement or other contract or understanding with the contractor.

U.S. Commission on Civil Rights
Economic Security and Welfare

The Federal Government Should Establish National
Standards for Public Assistance Benefits

I. DESCRIPTION OF PROPOSAL

Legislation should be enacted to establish national standards for the level of public assistance benefits which would furnish a standard of living compatible with health and decency.

II. NEED

Description of the Nature and Seriousness of the Problem the Program is
Designed to Alleviate.

According to the President's Council of Economic Advisors, in 1964 there were 34.1 million poor persons in the United States--persons in families having an annual income of less than \$3,000. Only a fifth of these persons are now being helped by Federally aided State assistance programs. Furthermore, they are receiving payments averaging little more than half the amount required by a family for subsistence, and in some low income States, payments are less than a quarter of that amount.

Under present provisions of the public assistance titles of the Social Security Act, each State establishes its own assistance payment levels. They vary widely from State to State. The Advisory Council on Public Welfare reported that in March 1966 average payments for a dependent child ranged from a low of \$8.51 a month to a high of \$32.28; and for an aged recipient from a low of \$40.92 to a high of \$123.16. These levels not only reflect the State's financial capacity, but also the social attitudes and judgment that color the climate of opinion surrounding public assistance programs.

Even within the low standards the States have established for minimum health and decency, a number of States, because of inadequate appropriations, must reduce the actual amount of public assistance payment, regardless of the amount of need determined under the State standard. In twenty-nine States maximums are set on the amount of assistance payments in Old Age Assistance, Aid to the Blind, and Aid to Families with Dependent Children, and 26 States do so in Aid to the Permanently and Totally Disabled. Other States, rather than establishing a dollar maximum, pay only a percentage of the State standard of need--three States pay only a percentage of need in Old Age Assistance and Aid to the Blind, five States do so in Aid to Families with Dependent Children.

Indication of any need for further study

There is no indication that further study is necessarily required. The Advisory Council of Public Welfare, established under section 1114 of the Social

Security Act in 1962, has studied the problem and has recommended the adoption of a national standard for public assistance payments. The United States Commission on Civil Rights has endorsed this recommendation in a report, soon to be submitted to the President, on the Aid to Dependent Children program in Cuyahoga County, Ohio.

III. ADVANTAGES OF THE PROPOSAL

The establishment of a national standard for the level of public assistance benefits would end the anomaly of children and aged persons being considered more important in one State than another. The Advisory Council on Public Welfare has stated, "The United States is a single nation, operating within a nationwide economic system, and committed to a single set of social values. Its citizens have the right to expect comparable protections wherever they live and wherever they may move in the interests of their own and the Nation's welfare. Only through the leadership of the Federal Government can this goal be achieved."

A national standard for public assistance also would result in the inclusion of many needy persons with incomes above the State standard but far less than the currently accepted poverty level.



STAFF DIRECTOR

UNITED STATES COMMISSION ON CIVIL RIGHTS
WASHINGTON, D.C. 20425

May 4, 1966

MEMORANDUM

FROM : William L. Taylor

SUBJECT: Followup to White House Conference

1. In consultation with key organizations such as the Conference of Mayors, and national business, labor, religious, civil rights, and service groups, a series of implementation meetings should be held at the regional, state, and local levels for the purpose of:

- a. Establishing and setting in motion those specific nonfederal action mechanisms recommended by the White House Conference.
- b. Further acquainting states and localities with the total program recommended by the Conference.
- c. Arriving at methods of initiating and maintaining programs to change attitudes in ways that will facilitate the implementing of Conference recommendations at the state and local levels.

Wherever possible these meetings should be initiated, funded and sponsored by nonfederal agencies or groups. Where this does not prove possible such meetings should be jointly sponsored by private groups and Federal Agencies which have demonstrated expertise in carrying out such activities. To the degree possible, steps should be taken to determine those communities which may already be prepared to adopt some of the programs or establish some of the mechanisms recommended by the Conference. This may involve some preliminary efforts of the kind which paved the way for Title II of the 1964 Civil Rights Act.

2. A small group of advertising and media experts (such as The Advertising Council) educators, publishers, and representatives of private organizations - along with any appropriate Federal representatives - should be convened for the purpose of mounting an educational program designed to further the programs recommended by the Council at the national, state and local levels.

3. Present Conference staff, plus other interested persons should confer prior to the Conference on ways and means of facilitating items 1 and 2.



STAFF DIRECTOR

UNITED STATES COMMISSION ON CIVIL RIGHTS
WASHINGTON, D.C. 20425

May 4, 1966

MEMORANDUM FOR HONORABLE CLIFFORD ALEXANDER, DEPUTY SPECIAL COUNSEL
TO THE PRESIDENT, THE WHITE HOUSE

SUBJECT: Followup to White House Conference

You asked for some suggestions with respect to followup to the White House Conference in time for perusal before the Council meeting this weekend. Dave Apter also asked for some ideas and has sent us a copy of a memorandum on followup which I presume is going to be presented to the Council for approval this weekend. The following observations are necessarily very hurried and I am assuming that there will be time for us to develop and elaborate upon them before any final decisions are made about how the Conference is to be followed up.

1. Substance - Except for the Administration of Justice report which we have reworked completely, we have had the opportunity to make only a brief analysis of the proposals for private action contained in the various task force reports. Thus, I would hope there will be time for us to comment on them in detail after the next Council meeting. In the meantime I would make only these general observations: The proposals which warrant attention are those which get at the tough issues which are preventing meaningful action, particularly in our cities. For example, the President's rent supplement appropriation passed the Senate by only one vote. Even so, it was enacted only with the limitation that gives suburban governments a veto power over the location of low income housing in their jurisdictions. A followup effort which would be meaningful in this area would be one conducted on a regional basis and designed to open up and explore the resistance of local government officials and community leaders in suburban areas to the location of low income housing in their areas. If we do not engage in this kind of effort, the purposes of the new kinds of legislation the President is submitting may be thwarted by local resistance. These types of proposals for taking on tough issues are much more useful than suggestions that we set up new Plans for Progress operations.

2. Mechanism for Followup - It is not clear to me what is being proposed as a means for followup. As far as I can tell the operative paragraph in the after memo is the one that suggests that the Council will present proposals for a "citizen mobilization" to interested

organizations to determine if adequate support exists for a privately organized and broadly based effort in support of equality. If this is what is being proposed, I doubt very seriously that any effective effort can be mounted without some central organization and direction. Many private organizations interested in civil rights have paid lip service for years to mounting such efforts. Their troubles stem from the fact that they have difficulty cooperating with each other and difficulty achieving uniformity within their own ranks (e.g. the unions). I do not think that it is inappropriate for the Federal Government to take the lead in organizing some of these activities. Agencies such as the Commission on Civil Rights already have the responsibility for conducting informational and educational efforts in the community. Thus, it seems to me that the Federal Government should assume some responsibility for coordinating followup efforts. This would not preclude private financing or sponsorship of some operations which indeed would be essential.

I do not suggest that a decision must be made on this question right now. The President might well wish to withhold judgment until it is possible to determine whether the Conference has been effective. But at the same time it would be wrong to make the determination now that followup efforts would simply be left to private initiative. I would suspect that if this is the suggestion that is made to the Council, some of the civil rights organizations will react very negatively to it.

3. Commission Resources - It seems to me that decisions made about followup should take into account the resources of the Commission and other appropriate Federal agencies. As you know the Commission has advisory committees in each of the 50 states and the District of Columbia. They are broadly representative of the whole range of community interests. During the past year and a half, these committees, with staff assistance from the Commission, have conducted a very effective series of conferences interpreting the Civil Rights Act of 1964, Title VI, the Voting Rights Act of 1965, and the Education Desegregation Guidelines. Such conferences have been held in about 12 states and I would estimate that 10 thousand people have attended. They have brought together in the same room state and local education officials, law enforcement officials, businessmen, unions, civil rights organizations, etc. In our judgment they have played a significant part in achieving compliance with civil rights policy and law. We are now mounting similar efforts in the North, dealing with the problems of urban ghettos. In addition, you are familiar with the Commission's research operation, which is now beginning to produce material and publications which should be helpful to a wide variety

of organizations and institutions in promoting a better understanding of the broader responsibilities for achieving equal opportunity that the President spoke of in his Howard address.

I would hope that these resources would be fully employed in an overall program to followup the White House Conference.

I am attaching a memo which reflects these views in language which I think would be appropriate for presentation to the Council.

Bill

William L. Taylor
Staff Director

Enclosure

cc: Mr. Edward Sylvester
Mr. David Apter
Mr. Berl Bernhard

11/15/66

U.S. Commission on Civil Rights
Administration of Justice

The Federal Government Establish A
National Police Cadet Training Corps

I. DESCRIPTION OF PROPOSAL

A Federal program should be established to provide all male high school graduates between the ages of 19 and 21, able to meet prescribed physical and mental requirements, an opportunity to undergo a comprehensive training program in all phases of police work. The participants, while awaiting employment as full-time policemen, would be trained in human relations, psychology, and Constitutional law, in addition to regular police practices and procedures. The cadets would be sent to their hometown police departments to serve as clerks, typists, and in other non-law enforcement capacities. The program would be supervised by a Federal agency. This proposal was approved by the White House Conference on Civil Rights.

II. NEED

A. Description of the Nature and Seriousness of the Problem the Program is Designed to Alleviate.

There is great need to improve the quality and training of our police forces, as well as their sensitivity toward the legitimate goals and grievances of minority groups. Repeatedly, civil rights leaders, primarily in Northern and Western cities, have alleged that the Negro communities are denied adequate police protection; that police officers are discourteous and engage in brutality towards Negro citizens; and that police subject Negroes to improper arrest and detention practices. In several cases, citizen-police conflicts have set off major riots in our cities. There can be no doubt that police-community relations in the country have deteriorated, and little is being done to rectify this unhealthy situation.

Although law enforcement agencies respond to criticism in a variety of ways, invariably it is pointed out that they are confronted with a serious inability to attract dedicated and qualified young men to careers in law enforcement. The relatively low number of minority group members on police forces and the sparsity of minority group members in supervisory positions also fans the discontent and hostility of the community toward the police. Allegations of discrimination in personnel practices constantly are made by civil rights leaders. Here, again, the answer by police officers repeatedly is that qualified Negro youths are not interested in working for the police force. Although an adequate source

of qualified recruits (Negro and white) for careers in law enforcement will not solve all problems in the area of police-community relations, it would enable law enforcement agencies to upgrade the calibre of their personnel and help to change the negative image of police officers.

Police departments across the nation recognize that substantial numbers of young men who could be attracted to police work do not enter into police careers because they cannot be employed as policemen before they are 21 years of age. Most of these men have graduated from high school and represent a large pool of qualified recruits. A Federal program to fulfill a vital training and "holding" function would prove invaluable to local law enforcement agencies. It also might be appropriate to afford draft-exempt status to individuals who participate in this program.

1. Statistical data

Not available.

2. Indication of any need for further study

No further study necessary.

B. Description of Related On-going Programs

Some local communities, recognizing the problem, have organized cadet training programs for young men under 21. But such programs are costly and most law enforcement agencies generally are pressed for funds.

III. ADVANTAGES AND DISADVANTAGES

The existence of employment in law enforcement for youths just out of high school should result in attracting many qualified individuals into police careers. Training of law enforcement personnel also is not unique to the Federal Government as the FBI continually participates in cooperative training programs for local law enforcement personnel. For example, the FBI provided assistance to 4, 867 State and local police schools during 1965. It also sponsors annually a nationwide series of conferences for the law enforcement profession. One disadvantage to this proposal is that it might engender fear that a national police force is being created. To overcome this objection, it might be possible to operate the program on a regional basis and possibly to have it administered by universities.

IV. ALTERNATIVE COURSES OF ACTION

An alternative course of action would be to provide local law enforcement agencies willing to participate in such training programs, Federal grants in aid to establish and supervise their own programs.

11/16/66

U.S. Commission on Civil Rights
Administration of Justice

The FBI Be Directed to Make On-The-Scene Arrests
For Violations of Federal Civil Rights Statutes

I. DESCRIPTION OF PROPOSAL

It is the policy of the FBI to refrain from making on-the-scene arrests in cases where agents observe apparent violations of criminal civil rights statutes--18 U.S.C. §§ 241 and 242. Instead, a description of the incident is relayed to the Bureau and the Department of Justice where a determination is made whether prosecution is warranted; only then will an arrest be made. Under this proposal--to take the form of a directive to the Bureau from the President--agents would be directed to make immediate on-the-scene arrests should civil rights statutes be violated in their presence. A similar proposal was supported by many of the conferees to the White House Conference on Civil Rights. It also was recommended by the U.S. Commission on Civil Rights in 1965. See U.S. Commission on Civil Rights, Law Enforcement, A Report on Equal Protection in the South (1965), p. 180.

II. NEED

A. Description of the Nature and Seriousness of the Problem
The Proposal is Designed to Cure or Alleviate.

Negroes, primarily in Southern States, have become increasingly disillusioned with the manner in which Federal civil rights laws have been enforced. A principal source of complaint has been with the enforcement practices of the FBI. Conferees at the White House Conference "complained of FBI unconcern and apparent lack of sympathy for Negro problems." A matter of special contention has been the refusal of FBI agents to arrest perpetrators of racial violence when such violence is committed in an agent's presence. Negroes are unable to understand how racial crimes can be committed in the presence of Federal law enforcement agents without immediate steps being taken to enforce Federal law. When State officials also fail to arrest for a violation of State law, the inaction of the FBI takes on added significance. The FBI agents are viewed as sharing views of the civil rights movement similar to those of local law enforcement officers who often are openly hostile to Negro demands for equality. Immediate enforcement of Federal statutes by arrest of violators would effect greatly the negative attitude of the FBI shared by many Negroes.

1. Indication of Any Need for Further Study

There is no indication that further study is required.

B. Description of Related On-going Programs

Congress has specified by statute the Bureau's arrest powers. Agents presently are authorized to:

Carry firearms, serve warrants and subpoenas issued under the authority of the United States and make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony. 18 U.S.C. § 3052 (1964).

This statute authorizes agents to arrest without a warrant for Federal felony violations or misdemeanors committed in their presence. Pursuant to this authorization, FBI agents continually make arrests without warrants for most violations of Federal laws. See U.S. Commission on Civil Rights, Law Enforcement, p. 160, note 93.

III. ADVANTAGES AND DISADVANTAGES

A. Extent to Which the Proposal Meets the Need

Altering the arrest practices in civil rights matters would operate to restore the confidence of Negro communities in the impartiality of the FBI. It will indicate directly to many that Federal civil rights laws are and will be enforced. This is extremely important in areas where local law enforcement officials have failed to fulfill their duties to protect all citizens. It also may have the effect of strengthening the hand of those citizens who believe in law and order and equal administration of justice.

B. Legal Problems Raised by the Proposal

The Bureau has refused to approve on-the-scene arrests in cases of violation of Federal civil rights laws. It claims that the "courts have placed increasingly stringent demands on law enforcement officers to obtain warrants prior to making arrests" and that the "legal technicalities relating to civil rights charges" present issues which rightly should be determined "by a prosecutor removed from the

scene rather than on the spur of the moment by a representative of an investigative agency." U.S. Commission on Civil Rights, Law Enforcement, p. 161. The U.S. Commission on Civil Rights in recommending a change in FBI arrest policies concluded, however, that there are no legal prohibitions against an on-the-scene arrest policy:

The critical legal issue in determining when an arrest made without a warrant was lawful is whether there was "probable cause" for the arrest. "Probable cause exists if the facts and circumstances known to the officer warrant a prudent man in believing that the offense has been committed." Henry v. United States, 361 U.S. 98, 102 (1959). As the definition suggests, the issue is a factual one and depends on the information available to the arresting officer--not on whether an offense has, in fact, been committed, or whether the officer was correct in his belief. Thus, for example, the agent need not know for a fact that an assailant was motivated by the illegal purposes required for violation of 18 U.S.C. section 241 or 242. Ibid. . . . All that is necessary is that he have probable cause derived from all the surrounding circumstances of the assault to believe that such is the case. Accordingly, the prohibition against on-the-scene arrests involves only departmental policy, not the authority of Bureau agents . . . nor the law of arrest. Significantly, the contrary view of the law of arrest would prohibit any arrests at all under sections 241 and 242, since the standard of probable cause is the same for obtaining a warrant for an arrest as it is for making an arrest without a warrant for an offense committed in the presence of the officer. Wong Sun v. United States, 371 U.S. 471, 479-80 (1963).

U.S. Commission on Civil Rights, Law Enforcement, pp. 160-61; see also Note, Theories of Federalism and Civil Rights, 75 Yale L.J. 1007 (1966).

There can be no doubt that the FBI has the legal power to make on-the-scene arrests. The difficulties such a policy would present do not seem great. These difficulties would be reduced should Congress enact new legislation more precise in its coverage than civil rights statutes currently on the books, e.g., Title V of the Civil Rights Act of 1966 designed to protect Negroes and civil rights workers.

November 22, 1966

MEMORANDUM FOR HONORABLE CLIFFORD ALEXANDER, DEPUTY SPECIAL
COUNSEL TO THE PRESIDENT

FROM: William L. Taylor

SUBJECT: White House Conference Recommendations and 1967 Program

Attached per your request is our assessment of White House
Conference recommendations in the fields of economic security
and welfare and proposals for translating these recommendations
into legislative and administrative action.

This follows up my memo of last week, which included memoranda
on housing and administration of justice.

I hope this is of some help to you.

U.S. COMMISSION ON CIVIL RIGHTS
EMPLOYMENT

November 21, 1966

Recommendation of the White House Conference

The effectiveness of programs for training unemployed and underemployed workers under the Manpower Development and Training Act should be increased by (a) liberalizing the recruitment, testing and selection process to include more Negro trainees; (b) expanding remedial education, counseling and other supportive services to improve the employability and training qualifications of disadvantaged workers; (c) increased participation by employers, labor unions and local governments in establishing MDTA on-the-job training programs to help Negro workers qualify for employment and advancement; (d) liberalizing the weekly living allowances paid to trainees; and (e) "streamlining" administrative procedures.

The Problem

The worsening unemployment situation among Negroes is worsening only in a relative sense. Over the past three years the number of nonwhite unemployed and their rate of unemployment have shown a definite decrease. What has not been decreased is the gap between Negro and white unemployment, the stubborn two-to-one ratio, and the extremely high incidence of unemployment among young Negro workers. It seems clear from the experience of the past year that remaining unemployment problems are increasingly structural. Assuming that the economy continues at its current rate of growth, specific measures, more than ever, will be necessary to make inroads into the ranks of the unemployed.

Recommendation: Federal training and retraining programs must be expanded.

The major weakness of training conducted by the Federal Government is that there has been too little of it. Since the beginning of Fiscal 1963, 667,000 have been trained under MDTA projects. This is only 40 percent of the number of people who had a total of six months unemployment in 1964. When consideration is given to persons whose unemployment did not extend to a full half-year, persons who were working part time because they were unable to find full-time jobs, and persons who, while working full-time, were still earning poverty wages, it is clear that the amount of training so far has been totally inadequate to the need.

Recommendation: The Federal Government should adopt a policy of guaranteeing placement in a job to all persons who have successfully completed a federally funded training course and desire employment.

Current employment rates for persons who have completed institutional training are too low. The overall employment rate in 1965 was 70 percent. In occupations such as the office clerk, stenographer, and clerk typist the employment rate for nonwhite trainees was as low as 50 percent. The average training cost for a person enrolled in institutional training is \$1900. For an investment of this size the returns must be greater.

In order to implement the policy of guaranteeing a job to everyone who has successfully completed a training program, several things must be done. Obviously more job counselors and placement officers will be needed, but even before that, the training itself must be examined. Employers must be involved to a greater degree in the shaping of training programs.

Through employer involvement it must be established that enrollees are being trained for jobs that actually exist, that they are being trained on equipment that is modern and is in actual use on the job for which they are being trained, and that they are being trained in those techniques and procedures that they will meet on the job. Employers must also be encouraged to and assisted in rationalizing, restructuring and redesigning their jobs so that jobs which do not lend themselves to training can be broken down into components for which training courses can be developed. At the same time it should be insured that training is limited to those jobs for which current wages are above the poverty level.

The non-training-related qualifications of the individual to be trained must be examined in relationship to the job for which he is being trained. Training an individual for a job which has as its entry requirements qualifications which he does not possess leads only to wasted time and money and frustration on the part of the trainee. There have been cases, for example, where persons trained as typists under MDTA projects were unable to get jobs in the Federal civil service because they did not possess a high school diploma. Ironically, persons trained under Federal auspices were then considered unfit by the Federal Government for employment in the jobs for which they had been trained. Similarly training for jobs which require bonding, the ability to pass a preemployment test, or a specified level of educational attainment is doomed to failure if the trainee cannot meet these requirements.

Here the Federal Government has a responsibility as a model employer. It must waive all requirements for entry into a job for persons who have successfully completed a course designed to adequately prepare them for that job. It must then make every effort to secure the same commitment from private employers. For young Negro workers arrest records are

frequently a bar to training and employment. Special efforts must be made to encourage State and local governments and private employers to modify rigid positions on previous arrests. Recent steps taken by the United States Civil Service Commission can be used as guidelines for other public and private employers. Where bonding is the obstacle, the Federal Government must provide the mechanism whereby persons not considered bondable by commercial firms may secure bond. The Department of Labor is authorized for the current fiscal year to carry out a small experimental and demonstration program to assist in placing persons who have difficulty in securing bond.

Recommendation: Specific steps should be taken to reduce the number of dropouts among MDTA trainees.

Since the beginning of the program one out of three persons enrolled in training courses has dropped out before completion. This is an extremely high rate. Among the major reasons for dropping out are health, family, or financial problems. Some method must be found for coping with each of these.

It is unfair to hold up to an unemployed person the promise of training with its implicit promise of a job if his health is such that it is unlikely he will be able to complete the training or perform on the job. A pre-training medical examination could determine the physical condition of the prospective trainee. Furthermore, some sort of minimum health care could be provided during the course of training.

Family problems as reasons for dropping out of training are probably as varied as the number of people who give them. Even so, access to a family counselor might provide a means to rescuing some of these dropouts.

Financial problems are related to the adequacy of training allowances. Training allowances are tied by law to the average unemployment benefit payment in each State. Yet in 33 States, the maximum benefit payment allowable is less than half of the average weekly earnings in the State. Federal efforts to secure nationwide minimum standards for unemployment insurance payments were unsuccessful in the past session of Congress. Furthermore, the maximum period for receipt of unemployment insurance payments is usually 34 weeks, whereas training allowances may be received for up to 104 weeks. Clearly, there are many family expenditures which may be postponed for eight months but not for two years.

The method of determining the size of training allowances should be divorced from unemployment insurance payments. The allowances should reflect the number of dependents supported by the trainee, the cost of living in his area and the duration of his training program. Persons enrolled in extended training programs could receive increases in their training allowances after the completion of specified portions of their training. (Present regulations permit one such increase of \$10 after 10 weeks of training.)

Recommendation: The Federal Government should undertake programs to increase Negro participation in on-the-job training programs and relate training on the job to institutional training.

On-the-job training in Fiscal 1966 amounted to about one-third of all NDTA training, but the number and proportion has grown steadily every year since the program began. The cost of on-the-job training at \$520 is less than a third of the cost of institutional training. The employment rate is much higher since presumably each trainee continues in the job on which he is being trained.

There are, however, disadvantages to the on-the-job training program. The obvious one is that the trainee must be where the job is. Institutional training combined, as it must be, with an effective relocation program, can bring training to the unemployed worker and then bring a trained worker to where the job is.

On-the-job training may not lead itself to some occupational categories as well as institutional training. Jobs which are filled usually or frequently by only one person in a given office or firm, such as physician's or dentist's assistant or bookkeeper can, perhaps, best be prepared for in an institutional setting.

The on-the-job training program requires that each training contract be approved by Bureau of Apprenticeship Training, Bureau of Employment Security, and the labor union which has a contract with the company where the training is to take place. This provision does not preclude the possibility that a union may object to an on-the-job training program for reasons that are basically obstructionistic and discriminatory. The Secretary of Labor should revise the current procedures for establishing on-the-job training projects so that the access of minority group members to on-the-job training is protected and expanded and at the same time, the legitimate interests of organized labor are also recognized.

Finally, in on-the-job training programs, the employer frequently has a part in trainee selection. If the employer insists on trainees with certain skill or educational levels, he can unconsciously discriminate against Negroes. The lower proportion of Negroes in on-the-job training programs compared with institutional programs suggests this has occurred.

The shortcomings of on-the-job training, as well as the shortcomings of institutional training, can be overcome with the proper effort. The two should not be thought of as competitive forms of training but as providing an opportunity for a flexible approach to training. Further efforts should go into examining the possibilities for a combination of the two methods. Training programs could be designed so that after an initial phase of institutional training the trainee divides his time between training in an institutional setting and on the job. Such a program could overcome some of the objections to institutional training by providing instant feedback on the appropriateness of institutional training to the actual job and by placing the trainee before he had completed his institutional training. It could also eliminate unintentional discrimination on the part of the employer by providing him with on-the-job candidates who have already received formal instruction in the occupations for which they will be trained on the job.

Recommendation: Programs offering remedial training and worker reselection must be greatly expanded.

With the overall unemployment rate at remarkably low levels it is probable that many of the remaining unemployed are barred from jobs by lack of basic skills and by geography. The need for remedial education is especially acute among minority group members and is often a barrier to specific occupational training. It is therefore especially important that posttraining programs to provide basic skills and remedial instruction be expanded and that the experimental and demonstration projects in worker reselection be made regular programs.

Recommendation: The Federal Government should make special efforts to develop job and training programs for minority group members in the rapidly expanding areas of State and local government.

With the exception of certain subprofessional occupations, there is probably no need that the conduct of training for public employment be treated any differently than other training. The Federal Government, nevertheless, should be aware of the large manpower needs that exist at lower levels of the public sector and it should undertake an active policy of persuading State and local governments to meet these needs by utilizing themselves of Federal programs in order to train and upgrade minority group members.

The advantages of subprofessional occupations in the public sector have usually been described as follows: Professionals are relieved from routine duties for which they are overly qualified; subprofessionals may come from poverty and minority backgrounds which make them especially qualified to work with clients in such circumstances; the subprofessional job provides employment, white-collar status and exposure to middle-class values; a public need is being met. On the other hand, subprofessionals typically assist professionals -- teachers, librarians, recreation leaders, social workers -- who are typically low paid. Subprofessionals obviously make even less. Furthermore the blocks to their upward mobility may be considerable. They cannot reach the position of the professionals they are assisting without a long and expensive period of further education. For these reasons it appears that training for subprofessional occupations is not desirable for the younger worker with a substantial working life before him. Efforts to develop subprofessional jobs and to train workers for them should be directed at older workers who are less likely to have dependents and for whom the work could provide an increased income and job satisfaction.