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POLITICS AND PUBLIC POLICY:

A STUDY OF THE HOUSING

POLITICAL SYSTEM

by
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ABSTRACT

POLITICS AND PUBLIC POLICY:
A STUDY OF THE HOUSING POLITICAL SYSTEM

by

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This study describes and analyzes the politics of
a public policy area at the national level. The processes
by which major redistribution of values is brought about
-- or is prevented from being brought about -- in the
area of housing is viewed through the framework of systems
analysis. In addition, the characteristics and attitudes
of the decision-makers involved in the political system
are investigated.

The study was conducted in two parts. First, a
series of background interviews were held which provided
a description of the political processes within the hous-
ing political system. In those interviews, the main
decision-makers (the elite) were identified and the
boundaries of the housing political system were defined.
Secondly, a series of interviews were then conducted
with the elite in order to gather information on their
socio-economic background and their attitudes.

Four major stages or subsystems were identified in

the housing political system, each of which was necessary for a successful change of policy. These were: (1) the policy formulation subsystem, (2) the substantive legislation subsystem, (3) the appropriations subsystem, and (4) the operations subsystem. It was found that the environment placed quite strict constraints upon the policy options open to members of all these subsystems, but that within these fairly strict constraints, individual personalities could have a major influence on the shape of policy.

The major policy considerations dealt within the housing political system focused on the problems of poverty and of housing low-income citizens. Traditional disputes emanating from the New Deal concerning the propriety of Federal intervention in the housing market appeared to have disappeared; instead disputes centered upon what kind of government policy would be appropriate and who should administer it.

The decision-makers within the housing political system were found to be not broadly representative of the American population in terms of socio-economic background and education. However, the decision-makers themselves did hold a range of attitudes which approximated fairly well those held by a variety of groups outside the elite who were concerned with housing. These groups included organizations representing as many different viewpoints as

could be found, regardless of the degree of influence, if any, the group possessed.

The housing political system as a whole met the requisites of a pluralist democracy. Access was not open to a wide variety of groups, but the elite held attitudes which were fairly representative (divergent) of those outside the elite. The divergent attitudes, however, were differentially distributed at various stages and within different institutions in the decision process. This, in effect, gave several institutions, and particularly Congress, a veto power over public policy. Since Congressional attitudes were more cautious and conservative than those of the rest of the elite, housing policy output was more cautious and conservative than the desires of most of the elite.

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"The study of politics is the study of influence and the
influential."

Harold Laswell, POLITICS:
Who Gets What, When, How, p. 13

CHAPTER I

POLITICS AND PUBLIC POLICY

A. Politics

Politics is the process by which values are

authoritatively allocated in a society.[1] A disputed

value is anything desired by an individual or group of

individuals which if satisfied would conflict with what

is desired by other individuals or groups of individuals.

Conflict would exist either because the values are at

least to some extent mutually exclusive (e.g., there

should be a state church vs. there should not be a state

church) or because the values are scarce (resources

should be put to use to aid poor people in cities rather

than farmers).

All allocation of disputed values, however, is

not accomplished through the process of politics. Rather

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[1]David Easton, The Political System (New York:
Alfred A. Knopf, 1953), ch. 5.

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politics is the _authoritative_ allocation of values; it

is _one_ of the processes by which values are distributed

in a society. In general terms, authoritative implies

that the final decision is made in the public sector,

even though there may have been wide participation in

the decision by non-public groups. Many important con-

flicts over disputed values are resolved wholly through

private societal institutions such as the family, the

church, the corporation, or a variety of others. Dis-

puted values enter the realm of politics only when con-

flict becomes, in E. E. Schattschneider's terms, social-

ized--that is, moved into the public arena.[2] Obviously,

disputed values which are allocated non-politically are

not unimportant; indeed, in many cases, they may be of

primary importance.[3]

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[2] E. E. Schattschneider, _The Semi-Sovereign People_ (New York: Holt Rinehart and Winston, 1950), p. 39. Schattschneider attempts, in this thought provoking book, to explain why disputes move from the private to the public level.

[3] This distinction forms the nucleus of a bitter debate between political scientists and sociologists concerning the nature of community power structures. Sociologists accuse political scientists of studying only decisions made in the public arena, whereas political scientists accuse sociologists of ignoring government decisions. See particularly the exchange between Thomas

B. The Political System

A political system may be defined as the system

of human interactions in any society through which these

disputed values are authoritatively allocated.[4] A poli-

tical system, therefore, is an analytical construct, an

abstraction from reality; it does not attempt to explain

relationships between variables, but rather it provides

a framework for doing so. A subsystem is an analytically

consistent component of a larger system (thus state poli-

tics can be looked at as a subsystem of American poli-

tics or zoning can be viewed as a subsystem of municipal

politics).

All political systems (indeed, all systems) con-

sist of the same components. The environment defines

the problem for the political system and sets limits

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Anton and Robert Dahl, Administrative Science Quarterly,
8 (Sept., 1963). Herbert Kaufmann has suggested that
the disputed values (stakes) which are most often allo-
cated by the political system are: the winning of elec-
tive or appointive office, distribution of government
services, distribution of public costs (taxing and bor-
rowing), public regulation of economic activity, and en-
forcement of standards. Herbert Kaufmann, Politics and
Policies in State and Local Governments (Englewood Cliffs,
N.J.: Prentice-Hall, 1963), pp. 66-74.

[4]David Easton, A Framework for Political Analysis
(Englewood Cliffs, N.J.: Prentice Hall, 1965), p. 50.

on possible responses. Input enters the political

system (or a particular subsystem) from the environ-

ment in the form of demands (disputed values). These

demands are then "converted"--in Easton's terms--into

outputs by the interactions which take place inside

the system. The outputs (in the form of policies) flow

into the environment, but they also re-enter the system

once again as feedback through additional demands and

support which the policies and their impact have gen-

erated.

A system may, of course, be considered ana-

lytically as distinct from its environment (indeed this

is what must be done or every study would be a study of

the universe). In this case, the environment is viewed

as a set of constraints or limits upon the system. By

the same token, it must be realized that any system is

itself composed of numerous subsystems and that the in-

ternal processes of a particular system in turn comprise

inputs and outputs for the various subsystems.

The environment of any system is, of course,

not undifferentiated. Only certain demands enter that

system and only some of these are important in determin-

ing output. Those groups or individuals who have access

to points of decision-making within the system are more
likely to receive system outputs which meet with their
favor than those who lack such access. As this suggests,
the basic unit of analysis for the processes within the
system itself is the decision. Outputs (or policies)
consist of sets of decisions.

It is immediately apparent that except in a
utopia the importance of participants within the system
in determining outputs will vary. Some will be more
"powerful" than others. Power is a concept which poli-
tical philosophers--and more recently political sci-
entists--have struggled with for centuries in an effort
to arrive at a clear and agreed upon definition. To
this point, the only agreement reached is that it is
nearly impossible to discuss politics without reference
to the elusive concept of power. However, each polit-
ical scientist must still specify exactly what it is
that he means by the term. As used here, power is con-
ceptualized as a relationship between or among indi-
viduals who are attempting to produce a policy output.
An individual is powerful if he has an effect on
that series of decisions (or "non-decisions") con-
cerned with important policy changes and if that effect

is consistent with his intentions.[5] The reasons for his influence (the term shall be used synonymously with power) may vary with the individual. Possible reasons (resource bases) for power include money, respect, expertise, position, control of a voting bloc, as well as various others. Those individuals who are the most powerful are termed the elite. The existence of a decision-making elite in a political system is thus, <u>not</u> an empirical question; it is postulated by definition.[6] Empirical research may focus on the <u>nature</u> of that elite, but not on its existence.

What are the questions one would be most interested in asking about a political system in general? The first would undoubtedly concern the nature of the

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[5]The effect may be any one of several different kinds. It may be concerned with a decision on general priorities (should we push housing or education or neither), decisions on substance (what should be the exact nature of the program), decisions on political strategy, or decisions concerned with needed approval or disapproval (persuading Congressmen to support or oppose a proposal).

[6]Harold Lasswell and Abraham Kaplan, <u>Power and Society</u> (New Haven, Conn.: Yale University Press, 1950), pp. 55-56.

disputed values which the system allocated. What are the values in dispute? How many important decisions and, indeed, what sort of decisions are allocated by the political system? How many decisions are allocated by other systems? What are the disputed values (stakes) which are allocated through the political system? What are the environmental constraints on the system which limit and define its operations, including ideological constraints? Who has access to the system's decision-making elite and who does not? These are all questions of critical importance so far as input to the system is concerned.

In the conversion process itself, what are the processes by which disputed values are allocated? What are the characteristics and composition of the decision-making elite which allocate them--or in Dahl's terms, who governs? To what degree are the various interests and values in dispute represented within this elite? How representative is this elite of society in general? How do individuals enter the elite? How open is the elite to influence from the outside?

On the output side, who gets what? What is the impact of these allocative decisions? Finally, in terms

of feedback, what new demands are generated by the way disputed values are allocated in previous decisions?

C. American Political Science and the American Political System

All these questions are in a way derivatives of a broader question: how can one not only characterize, but also EVALUATE the political system under consideration? The tradition within the discipline of political science in this country (although there are significant exceptions) is to describe the American political system as a pluralist democracy and to view that system as "good."[7] This analysis of the political system has been closely associated with "group theory," and the group approach to politics; the group being a concept which has fascinated political scientists ever since Arthur Bentley declared: "The great task in the study of any form of social life is the analysis of these groups. . . . When the groups are adequately stated, everything is

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[7]The significant exceptions describe the system as elitist and non-democratic, and view it as bad. This conflict will be discussed in some detail below.

stated. When I say everything, I mean everything."[8]

Bentley, of course, was not saying here, as less sophisticated writers have suggested, that policy outputs are determined solely by the interplay of pressure groups. Rather when Bentley said group he meant interest,[9] or in David Truman's words "shared attitudes."[10] Thus Bentley recognized two different types of groups, organized groups and discussion groups, the latter roughly corresponding to what Truman calls potential groups. According to Truman, any mutual interest or shared attitudes or expectations are potential groups. He goes on to note that "only a portion of the interests or attitudes involved in such expectations are represented by organized groups."[11] Public policy outputs then are viewed as the resultant equilibrium of the various forces (groups) involved. The institutions

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[8]Arthur F. Bentley, The Process of Government (Bloomington, Ind.: Principia Press, 1908), p. 208. In Bentley's terms, the group approach was not evaluative, but was a way of organizing information.

[9]Ibid., p. 211.

[10]David Truman, The Governmental Process (New York: Alfred A. Knopf, 1951), p. 34.

[11]Ibid., p. 511.

of government are viewed as the arena of group conflict and extensions of it.[12] Political parties may be considered one of the most important transmission belt by which these groups reach the governmental area.

Thus groups strive to gain control of key points of decision within the Government.[13] If control is not possible, they attempt to achieve effective access to those key points so that they will influence those who do hold them (those who have previously been termed the decision-making elite). As Truman notes: "Towards whatever institution of government we observe interest groups operating, the common feature of all their efforts is the attempt to achieve effective access to points of decision."[14]

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[12] This has led, in some instances, to an under-emphasis on the positive role public officials themselves may play in determining policy outputs. Thus, William Mitchell contends, "the model seems to attribute most of the initiative to groups and very little to the officials. But while the criticism is probably more true of Bentley's work than of Truman's, even the latter's image of the political system is one that makes the government something worked upon. As a result, the possible influence of the tighter system of bureaucratic norms working on officialdom . . . has not been given much attention." William C. Mitchell, The American Polity (Glencoe, Ill.: The Free Press, 1962), pp. 84-85.

[13] A classic example is the railroad industry's control over the I.C.C.

[14] Ibid., p. 264.

All groups, of course, do not automatically receive effective access (influence) to the decision-making elite. Influence may occur because members of the elite personally share the views of groups (either organized or potential) or, because a group convinces members of the elite that it is to the latter's advantage to grant effective access. This second manner of gaining influence is almost always open only to organized groups.

Thus, in the group model, the political world is viewed through the prism of groups; groups, indeed, are everything. However, although Bentley presented a new way of looking at the world, he said little about the exact nature of that world.[15] Truman goes far beyond this to make substantive statements about the American political system. From these he derives a group or pluralist theory of American politics. Truman suggests that outputs are not simply the result of an equilibrium of forces between contending groups, but

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[15]Rather than a theory--which specifies relations between variables--Bentley developed a group _model_ of politics. A model in this sense is not correct or incorrect, for it is not empirically testable. Rather it is useful (or less useful) as a conceptual framework for viewing politics. Particularly within the context of American politics, there is little doubt that the group model has been very useful indeed.

that, in the American system these outputs contribute

to the stability of the political system as a whole.

Thus, the interaction of groups in the American political

system results in "the kind of dynamic stability that

permits gradual adaptation."[16]   And there is little

doubt that Truman, like many of the pluralists, views

a stable political system as a very high value.[17]

      Truman's concern with stability, then, is clear.[18]

Dahl, however, is concerned not only with the stability

of the system, but also with its democracy. The first

two subheadings of the first chapter in his most recent

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[16]Ibid., p. 535.

[17]At one point he refers to conditions which
might adversely affect the system's stability as
"pathogenic politics," hardly a term devoid of value
connotation. Ibid., p. 523. See also the exchanges
between Jack Walker and Robert Dahl on this point in
The American Political Science Review, LX (June, 1966).

[18]Truman explains this stability in terms of
three factors which form the basis of pluralist theory:
(1) the multiple points of access within the political
system which provide opportunities for various groups
to check each other and mitigate against drastic change,
(2) overlapping membership in groups which tends to
lessen the loyalties of individuals to any one group
and to provide a degree of conflict within a group,
since its members may be very heterogeneous with respect
to their experience outside of that group, and (3) wide-
spread agreement on "rules of the game," a general ide-
ological consensus which Truman sees as various kinds of
potential groups and which serve to fuzz over other con-
flict.

book are entitled "How to Handle Conflict" and "Who Ought

to Govern."[19] And the crucial question for the United

States which Dahl poses is: "How can conflict be kept

within bounds in a democracy, so that it does not destroy

the system?"[20]

Obviously, as Dahl quickly recognizes, the answer

to his question is dependent upon what is meant by demo-

cracy. And what Dahl means by that term is a political

system in which power over state officials (and thus

political decisions) is "widely, though by no means equally

shared."[21] Dahl prefers to ignore the term democracy and

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[19] Robert A. Dahl, Pluralist Democracy in the
United States (Chicago: Rand McNally, 1967), p. IX.

[20] Robert A. Dahl, Modern Political Analysis (Engle-
wood Cliffs, N.J.: Prentice-Hall Inc., 1963), p. 73.

[21] Ibid., p. 73. This, of course, is a definition
which is not universally accepted. In terms of
the group framework that has been developed above, Dahl
is defining democracy as an influence system in which more
than one group has influence (or effective access) in the
making of decisions. Others may insist that the lack of
an authoritarian or totalitarian government does not neces-
sarily imply the presence of a democratic one, and that a
democracy requires all significant groups to have influ-
ence, rather than simply more than one. Neither of these
specifies widespread, individual participation (the grass-
roots democracy advocated by the New Left or the Radical
Right), a criterion which defines what Dahl has called
the Populist version of democracy.

substitute for it the term polyarchy by which he means

rule by many. Using this definition, Dahl concludes that

the American political system is a pluralist democracy.

Speaking in terms of the group model, he describes the

"normal" American political process as one in which

"there is a high probability that an active and legitimate

group in the population can make itself heard effectively

at some crucial stage in the process of decision."[22]

Decisions are made through endless bargaining between

these various groups. Thus Dahl specifies the manner

through which, in the group model, contending groups

arrive at a balance of forces--namely bargaining, a pro-

cess which implies trading off, compromise, some degree

of mutuality of interest. No one group dominates the

decision-making process.

Besides these definitions of democracy which concentrate on influence structures, there are, of course, the more traditional definitions which specify substantive values: human dignity, freedom, individualism, or equality before the law.

In addition there are a variety of attempts to define democracy in terms of institutional structures such as the existence of elections with competing parties, for example.

[22] Robert A. Dahl, _A Preface to Democratic Theory_ (Chicago: University of Chicago Press, 1956), p. 145.

There does not exist a single set of all power-
ful leaders who are wholly agreed on their major
goals and who have enough power to achieve their
major goals. Ordinarily, the making of government
policies requires a coalition of different sets of
leaders who have diverging goals . . . [this] makes
for a politics that depends more upon bargaining
than hierarchy; that resolves conflicts more by
negotiation and compromise than by unilateral deci-
sion . . . the system rarely yields unchecked power
to leaders and rarely leaves any group of citizens
powerless.[23]

This description of the American political system

satisfies Dahl that the system is indeed democratic, at

least by his standards. It is also stable, thus satis-

fying Dahl's other concern. The political system "brings

about reform more through mutual adjustment and a gradual

accumulation of incremental changes than through sweeping

programs of comprehensive and coordinated reconstruction."[24]

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[23]Dahl, op. cit., Pluralist Democracy, pp. 189-90.

[24]Ibid., p. 190. Stability is ensured for the
same reasons Truman suggests. Both Truman and Dahl con-
clude that the political system each describes is good,
but not perfect--not perfect because it encourages but
does not necessarily ensure stability. Of the two major
concerns of the pluralist democrats, stability and demo-
cracy, it appears that stability emerges as the more im-
portant value. Thus, Dahl, at the end of his Preface re-
marks, "This much can be said for the system. It is not
the very pinnacle of human achievement, a model for the
rest of the world to copy or modify at its peril, as our
nationalistic and politically illiterate glorifiers so
tiresomely insist . . . it [does appear] to be a rela-
tively efficient system for reenforcing agreement, en-
couraging moderation, and maintaining social peace in a

D. <u>The Reaction to Pluralism</u>

Since the mid-50's a number of social scientists

led by C. Wright Mills and Floyd Hunter have begun to

question whether the American political system can really

be described as a pluralist democracy. They have con-

tended with some vigor that the political system is in

fact elitist. Certain sets of shared attitudes are like-

ly to lack the necessary resource bases to give them

effective access. One of the most important of these

resource bases is organization <u>per</u> <u>se</u>. Obviously there

are some potential groups which, despite their relevance,

have been unable to organize effectively. This means that

interests of large numbers of people remain unarticulated

and unrepresented in the making of decisions unless those

interests are held by others who do have influence. Thus,

through this form of virtual representation, middle-class

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restless and immoderate people operating a gigantic, power-
ful, diversified, and incredibly complex society." Dahl,
<u>A Preface</u>, <u>op</u>. <u>cit</u>., pp. 149-51.

It ought to be pointed out, of course, that the
stability Dahl and Truman have in mind does not imply
preservation of the status quo or the non-desirability of
change. It is "disruptive" change which is abhorred. In
fact, both Dahl and Truman emphasize the need for social
change in order to ensure stability.

white liberals for years brought some of the interests of

poor Negroes into the decision-making process.

Particularly, as Robert Lane points out, lower

class people with little education and low political

efficacy are less likely to join groups than are their

middle and upper class counterparts.[25]   In some cases

there may be actual legal or social prohibitions against

members of the lower class forming certain types of groups.

All this leads Robert Presthus to comment:

> Pluralists maintain that bargaining among . . .
> organizations culminates roughly in the "public
> interest." However, this rationale has one rather
> pressing shortcoming, namely that all interests are
> not equally represented in the bargaining arena.
> Real competition on any specific issue is limited
> to relatively few powerful groups. . . . These
> structural facets of contemporary pluralism mean
> that bargaining often proceeds among a presidium
> which disadvantages unorganized segments of society.[26]

C. Wright Mills goes even further to assert that

the important decisions are made by a relatively small

number of people who represent military-industrial inter-

ests. He writes:

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[25]Robert E. Lane, <u>Political Life</u> (New York: The
Free Press, 1959), p. 16.

[26]Robert Presthus, <u>Men at the Top</u> (New York:
Oxford University Press, 1964), p. 31.

There are of course other interpretations of the
American system of power. The most usual is that
it is a moving balance of many competing interests
. . . I believe that the balance and compromise in
American society--the "countervailing powers" and
the "veto groups" of parties and associations--must
now be seen as having mainly to do with the middle
levels of power. . . . But to believe the power
system reflects a balancing society is . . . to
confuse its top and bottom with its middle levels.

By the top levels, as distinguished from the
middle, I intend to refer, first of all, to the
scope of the decisions that are made. At the top
today, these decisions have to do with all the is-
sues of war and peace. They have also to do with
slump and poverty which are now so very much prob-
lems of international scope.[27]

And who are these people who make decisions at the

top level?

"The top of American society is increasingly uni-

fied, and often seems wilfully coordinated: at the top

there has emerged an elite whose power probably exceeds

that of any small group of men in world history."[28]

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[27] C. Wright Mills, "The Structure of Power in
Modern Society," Power, Politics and People: The Collected
Essays of C. Wright Mills, ed. Irving Louis Horowitz (New
York: Ballantine Books, 1963), pp. 30-31.

[28] Ibid., p. 38. This type of statement, if one
puts emphasis on the wilfully coordinated part, is what
has led some to term Mills' analysis "a conspiracy theory
of American politics." As Mills himself points out, how-
ever, the existence or non-existence of a conspiracy is
irrelevant to his main argument.

E. The Pluralist-Elitist Debate

The criticism of the pluralists has led to a debate of fierce proportions. The argument swirls around the question of whether the political system is in fact pluralist or elitist. Much of the research on the subject has been conducted at the community level; I shall forego any comprehensive discussion of this literature because it has already been competently discussed and dissected.[29] However, there are a few comments that are important for purposes of this study.

Anyone who reads the literature on this controversy must find it difficult to avoid the conclusion that pluralists and elitists often simply talk past each other rather than to each other. Thus Dahl defines a ruling elite out of existence. He writes: "A ruling elite, then, is a controlling group less than a majority in size that is not a pure artifact of democratic rules. It is a minority of individuals whose preferences regularly prevail in case of differences in preferences in

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[29]For a comprehensive, though somewhat biased towards the pluralist viewpoint, review of the literature, see Nelson W. Polsby, Community Power and Political Theory (New Haven, Conn.: Yale University Press, 1963). See also John Walton, "The Current State of Research on Community Power," American Journal of Sociology (January, 1966).

key political issues."[30]   This, of course, is a long way

from the traditional definition of elite utilized by poli-

tical scientists.   Lasswell and Kaplan say simply, "The

elite are those with the most power in a group."[31]   For

Lasswell and Kaplan, the existence of an elite is not an

empirical question; for Dahl it is, since an elite exists

only if the most powerful are in substantial agreement on

policy preferences.   Dahl, instead, uses the term "leaders"

to refer to what others have called "elite."

> In any durable association of more than a hand-
> ful of individuals typically a relatively small
> portion of the people exercises relatively great
> direct influence over all the important choices
> bearing on the life of the association. . . . These
> persons are, by definition, the leaders.   It is the
> leaders in New Haven whom the following chapters
> seek to identify and describe.[32]

So, although called by different terms, all ana-

lysts agree on the existence of a ruling elite.   Where

does the debate go from there?   First, much of the criticism

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[30]Robert A. Dahl, "A Critique of the Ruling Elite
Model," American Political Science Review, LII (June, 1958),
p. 464.

[31]Lasswell and Kaplan, op. cit., p. 201.

[32]Robert Dahl, Who Governs (New Haven, Conn.:
Yale University Press, 1961), p. 95.

that the pluralists have leveled at those who find an

elitist system is well-founded. Thus, to ask blindly,

who rules here, as Hunter, in effect did in Atlanta, is

to presuppose that there _is_ _one_ elite which controls all

the subsystems of the political system. Indeed, it may

be that different elites make policy in different sub-

systems and there is little overlap between elites.

Clearly, however, this is an empirical question, and, as

Dahl observes, "a statement about influence that does

not clearly indicate the scope it refers to verges on

the meaningless."[33]

However, is the mere existence of _more_ _than_ _one_

elite sufficient to characterize a political system as

pluralist? Dahl himself recognizes that such a system might

leave the great majority of Americans without direct

influence on public policy. He summarizes the American

political system as one in which "in each of a number of

key sectors of public policy, a few persons have great

direct influence on the choices that are made; most citi-

zens by contrast, seem to have rather little direct

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[33]Dahl, _op. cit., Modern_ . . . , p. 45.

influence."[34]

This is a crowning irony so far as Henry Kariel

is concerned, for "the principal driving impulse behind

American pluralism has always been our commitment to up-

hold the dignity of individual person."[35] The stock

pluralist response is that individuals are indirectly

represented through the groups which interact to determine

policy and from whose members the elite is drawn. But

Michel's Iron Law of Oligarchy plagues this kind of argu-

ment. Kariel thus replies:

> Examination of the reality upon which political
> pluralism allegedly rests--namely the homogeneous
> group at once liberating and fulfilling its mem-
> bers--has indicated in detail that large-scale
> organizations do not provide the institutions for
> the adequate representation of individual inter-
> ests. . . . The demand of traditional pluralist
> theory for individual participation in the policy-
> forming process through primary groups has been
> made sentimental by modern organizational condi-
> tions. . . . When public policy is made at all, it
> emerges from the quite concerned participation of
> competing oligarchies.[36]

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[34]Dahl, op. cit., Who Governs, p. 101.

[35]Henry S. Kariel, The Decline of American
Pluralism (Stanford: Stanford University Press, 1961),
p. 181.

[36]Ibid., pp. 181-182. Both Kariel and Theodore
Lowi argue that the present American political system is
characterized more by corporatism (or interest-group
liberalism, as Lowi calls it) than by pluralism in the

Dahl instead points to free elections as the means

by which the individual is brought into a pluralist demo-

cracy. He writes in Who Governs:

> It would be unwise to underestimate the extent
> to which voters may exert indirect [Dahl's italics]
> influence on the decisions of leaders by means of
> elections. . . Leaders who in one context are
> enormously influential and even rather free from
> demands by their constituents may reveal themselves
> in another context to be involved in tireless ef-
> forts to adapt their policies to what they think
> their constituencies want.[37]

Yet, this does not impress even Dahl as a particu-

larly good response to the problem, for he quickly adds:

> To be sure, in a pluralistic system with dispersed
> inequalities, the direct influence of leaders on
> policies extends well beyond the norms implied in
> the classical models of democracy developed by poli-
> tical philosophers.[38]

And in his previous work, A Preface to Democratic Theory,

Dahl is even more damaging to his own later statement.

Elections, he observes, can control leaders in the sense

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traditional sense. Thus, policy is made through the inter-
play of large-scale organizations, many of which actually
enter into the formal process of government so that the
distinction between public and private has become increas-
ingly blurred. What Galbraith and Berle proudly point to
as the countervailing forces in the American political
system (e.g., Big Labor vs. Big Business or the AFL-CIO
vs. the Chamber of Commerce), Lowi and Kariel view as the
cancer eroding individualism in America. See Theodore
Lowi's "The Public Philosophy: Interest Group Liberalism,"
American Political Science Review, LXI (March, 1967), pp.
5-24.

[37]Dahl, op. cit., Who Governs, p. 101.

[38]Ibid., p. 101.

that they can replace one set of leaders with another;

they cannot "reveal the 'will' or the preferences of a

majority on a set of issues."[39]

So Dahl is still substantially left with the prob-

lem of whether to consider the existence of more than one

elite as, ipso facto, evidence of pluralism, when the mass

of the population has no influence. He seems to recognize

that, indeed, this is not sufficient criterion, for in his

latest work, he states:

> Political power is pluralistic in the sense that
> there exist **many** different sets of leaders; each set
> has somewhat different objectives from the others,
> each has access to its own political resources, each
> is relatively independent of the others.[40]

It is the distribution of resource bases which Dahl, in

particular, views as the most important criterion. The

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[39]Dahl, op. cit., A Preface, pp. 124-132. Dahl
does not believe elections have no effect in determining
policy, even though he admits that to the extent policy
is a factor in voting decisions, the electorate is concerned
mostly with passing judgment on past policy rather than with
recommending future policy. Nevertheless, a change in
leaders through elections is likely to mean policy change
of some sort or other. Furthermore, the threat of deposi-
tion by election is likely to keep the current leaders
somewhat attuned to the desires of that part of the elec-
torate they perceive to be politically relevant to their re-
election.

[40]Dahl, op. cit., Pluralist Democracy . . . . , pp. 188-
189. The underlining is mine.

American political system is characterized by dispersed

inequalities in political resource bases rather than cumu-

lative inequalities which would define, according to Dahl,

an elitist political system. This system of dispersed

inequalities is given six attributes:

1. Many different kinds of resources for influ-
   encing officials are available to different
   citizens.

2. With few exceptions these resources are un-
   equally distributed.

3. Individuals best off in their access to one
   kind of resource are often badly off with re-
   spect to many other resources.

4. No one influence resource dominates all the
   others in all or even in most key decisions.

5. With some exceptions, an influence resource
   is effective in some issue-areas or in some
   specific decisions but not in all.

6. Virtually no one, and certainly no group of
   more than a few individuals is lacking in
   some influence resources.[41]

A tentative list of important political resource

bases in American society, according to pluralists, might

include:

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[41]Dahl, op. cit., Who Governs, p. 228. It is in-
teresting to note that the last statement which in the
pluralist's view helps establish the American political
system as pluralist is followed on p. 277 by . . . "most
citizens use their political resources hardly at all." In
short, Dahl has fallen into the same trap he accuses Hunter
of. He characterizes the system with reference to potential
influence, rather than actual influence.

1. Money and credit
2. Control over jobs
3. Control over the information of others
4. Social standing
5. Knowledge and expertness
6. Popularity, esteem, and charisma
7. Legality, constitutionality, officiality, legitimacy
8. Ethnic solidarity
9. The right to vote
10. Time
11. Personal (human) energy[42]

Mills disagrees vigorously with the pluralists at this point. He sees only three major resource bases dominating American society--and these resource bases are available to only a small number of people within the population. He writes in The Power Elite: "Within American society major national power now resides in the economic, the political, and the military domains."[43] But Mills goes further. Not only are there a small number of important resource bases--but the holders of these resource bases do not compete against each other in important decisions.

The conception of the power elite and of its
unity rests upon the corresponding developments

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[42]Polsby, op. cit., pp. 119-120.

[43]C. Wright Mills, The Power Elite (New York: Oxford University Press, 1957), p. 6.

and the coincidence of interests among economic,
political, and military organizations. It also
rests upon the similarity of origin and outlook
. . . of the top circles from each of these domi-
nant hierarchies.[44]

In short, Mills' power elite is characterized by

a situation in which the members of the various elites

all "think alike" regardless of the resource base from

which they originate.[45] Indeed, Agger, Goldrich, and

Swanson suggest that a political system cannot be ade-

quately characterized without reference to the ideologi-

cal beliefs of its elite.[46] Thus, if all the members of

the elite (or elites, if we are speaking about subsystems)

possess similar ideology and attitudes, then that system

might be considered elitist-convergent in the terms of

Agger _et al._--even though there may be several organized

groups represented in an elite, each possessing different

resource bases, with little overlap of personnel between

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[44]_Ibid._, p. 292.

[45]It ought to be noted that Mills brings little
empirical evidence to bear in order to back up this asser-
tion. Rather, he infers it from scattered data about
their social origins, education, and income.

[46]Robert Agger, Daniel Goldrich, and Bert Swanson,
The Rulers and the Ruled (New York: John Wiley & Sons,
1964), p. 76. Dahl, as has been noted (_supra_, p. 20) also
mentions this as an important attribute, but he spends
very little time considering it.

elites in different subsystems. That is, a political

system is elitist if its decision-making elite is not

representative of the major interests in the society.

The pluralists, and Dahl in particular, respond

to the charge that the elites share a common value con-

sensus by claiming that it is not solely the elites but

the entire citizenry which shares the common value con-

sensus. Dahl approaches a lyrical mysticism on this

point:

> In a sense, what we ordinarily describe as demo-
> cratic "politics" is merely the chaff. It is the
> surface manifestation representing superficial
> conflicts. Prior to politics, beneath it, en-
> veloping it, restricting it, conditioning it, is
> the underlying consensus on policy that usually
> exists in the society among a predominant portion
> of the politically active members.[47]

Mills, however, argues that this consensus is, in

effect, a product of elite manipulation, primarily through

control of the mass media. Vague "troubles" felt by the

common man are not able to be translated into political

issues at the decision-making elite level.

This divergence in views of the American "consen-

sus" in turn leads to different approaches in studying

political systems and accounts, to some extent, for the

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[47]Dahl, op. cit., Preface . . . , p. 132.

diversity of findings reported in the multitude of community

power studies. As William Connolly, in his brilliant in-

terpretation of the pluralist-elitist controversy, observes:

> Dahl emphasizes the study of the formal decision-
> making process, for this is where he believes those
> power relationships basic to the American system can
> be observed. Mills focuses on the non-decision pro-
> cess; he attempts to discover who is responsible for
> submerging potential issues and why "troubles" are
> often not formulated as issues.[48]

Dahl and the pluralists, therefore, concentrate their

analysis on the political system. All important issues, the

pluralists claim, will enter the political system unless

some groups are prohibited, either by threat of violence

or because they are viewed as illegitimate. Others contend

that Dahl is assuming away by definition one of the most im-

portant empirical questions about a political system: What

portion and what kind of disputed values are allocated by

the political system and what by other systems, for, as has

been noted, all disputes are not necessarily resolved through

politics. Thus, Floyd Hunter contends that most major allo-

cations of disputed values are made in Atlanta outside of

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[48] William E. Connolly, _Political Science and Ide-
ology_ (New York: Atherton Press, 1967), p. 29.

the political system by businessmen, who, when necessary, dictate their desires to the political system.[49] As E. E. Schattschneider observes, "some issues are organized into politics while others are organized out."[50]

Finally, according to Connolly, the normative context of the pluralist-elitist debate should be clearly recognized. In many ways the analyses of Dahl and Mills (or Hunter) are not far apart.[51] Perhaps the basic disagreement concerns the nature of the consensus within which both agree the decision-making elite works. Mills feels it is a product of agreement. Neither present much

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[49]Floyd Hunter, Community Power Structure (Chapel Hill: University of North Carolina Press, 1953), pp. 230-31.

[50]Schattschneider, op. cit., p. 71. Schattschneider calls such a process "the mobilization of bias." In a similar vein, Bachrach and Baratz talk about the non-decision-making process, which occurs when the dominant values, the accepted rules of the game, the existing power relations among groups, and the instruments of force (the only one which Dahl considers - H.W.), singly or in combination, effectively prevent certain grievances from developing into full-fledged issues which call for decisions. See Peter Bachrach and Morton S. Baratz, "Decisions and Non-decisions: An Analytical Framework," American Political Science Review, LVII (Sept., 1963), 641.

[51]Connolly, op. cit., pp. 27-28, 46-47; see also Thomas Anton, "Letter to the Editor," Administrative Science Quarterly, 8 (Sept., 1963), 267.

empirical evidence to buttress their arguments. What is

clear, however, is that Dahl's concern for stability re-

sults in his viewing the American political system as

good, because this consensus assumes stability. Mills

views the system as bad, because the consensus prevents

the kind of conflict which would result in policy change

he believes desirable and objectively possible.[52]

F. A New Approach to Political Systems

What can be concluded, as a minimum, from the

foregoing discussion, is that there is little general

agreement on what is meant by pluralism and elitism. In-

deed, it may be that these ambiguous concepts do not pro-

vide very useful categories for classifying power struc-

tures of political systems or subsystems. Theodore Lowi

and Robert Salisbury have each separately attacked analy-

ses which have characterized entire political systems in

this manner. The pluralists sometimes suggest, for ex-

ample, that if all subsystems are characterized by the

same power structure, then and only then is the system

elitist; otherwise it is pluralist. Lowi contends that

this is a meaningless approach, and that it may be impossible

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[52] Ibid., p. 37.

to classify an entire political system as either plural-
ist or elitist. Rather, he suggests there may be several
different types of decisional categories in a political
system and the power structure may vary with the types.
Lowi calls these types arenas of power and identifies
three: distributive, regulative, and redistributive.[53]
These three categories, although perhaps not a complete
list of identifiable arenas of policy, nonetheless pro-
vide a very useful framework for the analysis of public
policy. Differences between the three arenas seem ap-
parent.

    1. Redistribution of social and economic values
(such as the original passage of the poverty program).
These are decisions which are perceived to involve aid
to a large class of individuals. Indeed, in some cases
this may involve class conflict in the Marxian sense.
All redistributive decisions are not of this type, how-
ever--thus the 1965 Education Act redistributed values
in favor of a religious class--Catholics.

    2. Distributive decisions (such as tariff legis-
lation, public works legislation, and most reconsiderations
of major social programs such as housing, social secur-
ity and education). These are the decisions which Lowi
claims the pluralists have studied to the exclusion of
most others. They involve output which can be disaggre-
gated so that there is perceived to be "something for
everybody. The beneficiaries are perceived to be speci-
fic organized interests rather than broad classes of
people. The output itself likely involves only an in-
cremental change from that which preceeded it.

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    [53]Theodore J. Lowi, "Distribution, Regulation,
Redistribution: The Function of Government," Public
Policies and Their Politics, ed. Randall B. Ripley (New
York: W. W. Norton, 1966), p. 27.

3. Regulatory decisions (such as the Meat Inspection Act of 1967). These are decisions which are perceived to limit the freedom of action of an industry or institution (e.g., the stock market). In implementation these may involve decisions aimed at a specific organization, such as the anti-trust suit against Standard Oil or the forced withdrawal of Thalidomide by the Food and Drug Administration.

The criterion in selecting decisions for each arena, as Robert Salisbury points out, is the likely impact on society perceived by the decision-makers.[54]

Within each of these types of decisions there may be various processes by which outputs are arrived at. Thus, redistributive decisions can be made by any of a number of processes. In redistributive housing decisions, for example, the most obvious is Congressional passage of a modified Administration proposal (such as rent supplements), but there are clearly several other possibilities such as the judicial process (restrictive covenant unconstitutional), Presidential order (Executive Order on non-discrimination in housing), setting of administrative criteria (urban renewal programs should be redirected so that they help the low-income Negro). Each of these processes for each decision arena may have a different type of power structure and ought to be investigated independently so that generalizations can be drawn inductively.

What is it, then, about the power structure that ought to be studied if the simple dichotomy of pluralism-

[54]Robert Salisbury, "The Analysis of Public Policy: A Search for Theories and Roles," unpublished manuscript, p. 8.

elitism offers no guide? Quite obviously the variables
one might be interested in reflect the theoretical inter-
ests of the researcher. To the extent that social scien-
tists agree on what interests them and thus agree on what
variables to investigate, research of a comparative nature
will be greatly facilitated. However, the mindless usage
of the terms pluralism and elitism has blurred over the
differences which do exist in theoretical interests, so
that, much too often, social scientists are studying vastly
different things but calling their results by the same name.

Agger, Goldrich, and Swanson avoid this trap by de-
veloping a typology of power structures dependent upon the
ideology of the political leadership (convergent or diver-
gent) and the degree of distribution of political power
among citizens (broad or narrow). In this scheme, four
different types of power structure are possible.

	Distribution of political power among citizens	
Political leaderships ideology	Broad	Narrow
Convergent	Consensual mass (consensus)	Consensual elite (power elite)
Divergent	Competitive mass (mass democracy)	Competitive elite (pluralist democracy)[55]

A slight variant in the Agger, Goldrich, and
Swanson effort provides an operationally more workable
typology for classification of power structures. Instead

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[55]Agger, Goldrich, and Swanson, op. cit., p. 75.

of using the distribution of political power among citizens as one variable, the degree of access of groups (in the Bentley sense) to the decision-making elite is more meaningful since politics is primarily group rather than individual activity. Thus the typology would be:

	Degree of access of groups to decision-making elite	
Political leaderships ideology	Open	Closed
Convergent	Consensual (consensus)	Consensual elite (power elite)
Divergent	Competitive (representative democracy)	Competitive elite (pluralist democracy)[56]

A description of the American political system would thus be comprised of a check-mark in one of the four categories of the box for each decision process in each decision-making arena. The number of these processes, however, for some arenas may be very large. In order to make the problem manageable (and to suggest divisions of labor) it is useful to add another dimension to the investigation. Although there is an element of subjectivity involved, policy outputs can be divided into categories of significance so far as impact on the society is concerned. Thus some of the processes may be deemed to yield trivial outputs so far as the society is concerned. Other outputs

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[56]Within each of these quadrants other variables may be investigated with the two original variables controlled for. Thus, dominant resource bases or elite recruitment patterns (or various others) might be studied.

may result in (or prevent) significant social change.
It is in these latter decisions which theorists are likely
to be most interested, in their efforts to make a compre-
hensive evaluation of the political system.

G. Object of Study

The object of the present study is to describe and
analyze one example of a redistributive political system.
The basic questions to be asked about this system are set
forth on page 7. Political scientists have much too often
ignored redistributive decisions and have concentrated in-
stead mostly on distributive systems which are admittedly
more numerous and commonplace. However, insofar as the
political system affects significant social change (a
phenomenon which empirical political scientists have not
studied extensively in this country), it is the redistribu-
tive system which bears studying.

The particular political system chosen was the one
in which housing policy and more specifically, housing
policy for low-income people is determined.[57] Redistrib-
utive housing decisions (defined as one whose impact is
perceived by those involved in the decision-making process,
to favor a class of people) do not occur frequently. When
they do, they are seen to be major changes, such as the
Urban Renewal legislation of 1949 or the Rent Supplement

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[57]Since all housing decisions clearly are not re-
distributive (indeed, only a few of them are), some light
is also thrown on a distributive political system.

legislation of 1965, both of which were programs perceived, at the time, as attempts to aid the lower class. The output of a redistributive decision, thus, is likely to be qualitatively different from what has preceded it; it is not likely to be an incremental change. Rather it is likely to be perceived as significant social change. Most housing bills, indeed, are incremental, distributive rather than redistributive. They are mostly variations on a main theme (40,000 or 50,000 units of public housing, lowering the required downpayment on FHA housing, etc.), rather than a change in the theme itself or the addition of a new one.

Quite obviously, a study of one redistributive system cannot speak for all, nor does it intend to. Rather it is a start which hopefully will serve as a comparative basis for similar studies of other redistributive systems. Despite the fact that only one political system is under consideration, this work does not intend to be, nor is it, what is traditionally known as a case study. A case study is an intensive study of the process by which a specific decision or policy is arrived at. This study, however, analyzes certain types of decisions and non-decisions (redistributive housing) and the decision-making elite which makes them.[58]

Housing was selected for study because it involves

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[58] For a detailed discussion of the methodology, see Chapter II.

an allocation of quite important values which, particular-
ly in terms of housing for low-income Americans, has only
recently entered into the political sphere. The way in
which the political system handles disputes which portend
either significant social change or its prevention or
modification (housing, employment, education, etc.) will
bear great consequences for the entire social system.
Political science, if it is to remain relevant, must move
towards studying the political processes of change.

CHAPTER II

METHODOLOGY AND PROCEDURE

A. Organization

The purpose of this study is to describe and
analyze--through use of a systems framework--the housing
policy process involving redistributive outputs at the
national level. The organization is suggested by the dis-
cussion about political systems in Chapter I. Thus, Chap-
ter III discusses the values in dispute, while Chapter IV
deals with what portion of those values are allocated out-
side the public sector, and delineates the environment of
the housing political system. Chapters V-VIII describe
the conversion process of each of four sub-systems within
the housing policy system. Chapter IX deals with the char-
acteristics and composition of the decision-making elite
involved in the conversion process, while Chapter X analyzes
and discusses the attitudes of the decision-makers. As
this indicates, the study focuses on the conversion process
of the housing political system--that is, the actual deci-
sion-making process and the decision-making elite involved.

B. Identifying the Decision-makers

Determining the decision-making elite proved the
most difficult methodological question of the entire study.
The method by which the elite is identified in studies deal-
ing with decision-making elites has been a subject of quite
heated debate. There are three possible approaches to

elite-identification, each one with its own advantages and disadvantages. The easiest, but least acceptable, is the positional method. The influentials are deemed to be those who hold the formal positions of authority in the political system under study. Obviously, however, this begs the questions: Who are the most influential? Does influence coincide with formal position? These are empirical questions, not definitional as the positional technique would suggest.

The approach which has appealed to most sociologists is the reputational method. In brief, the basis of this approach consists of setting up a panel of knowledgeable people and asking each of them to rank in order a specific number of men whom they believe to have the most influence. The results are then brought together and a single list of influentials is compiled. The major advantage is again simplicity; unlike the positional approach, however, the naming of influentials is a result of an investigation, not definition. The major disadvantage cited is that it is not actual behavior, but reputation which is being studied and there is no a priori reason to believe the two coincide.

The archetype of the reputational approach is often considered to be Floyd Hunter's Community Power Structure. This is somewhat unfortunate, for Hunter's approach encompasses several difficulties which are not necessarily endemic to the reputational method. First, Hunter asks his

panel to name the ten most influential people--without specifying influential in what respect. Thus, as Polsby points out, this ignores the possibility that people influential in one important issue area (e.g., education) may not be the same people influential in another (e.g., housing). Polsby suggests that each issue area ought to be studied independently and if any overlap of influential between different areas does exist, it will be easily ascertained.[1] However, Polsby's criticism here is one of Hunter, not of the reputational method. Influentials could have been compiled for single issue areas by the reputational method.

Another criticism of Hunter concerns the selection of his panel which consisted of a relatively small number of people, apparently all business executives and professional people.[2] The influentials themselves were then faced with the list of 40 influentials and asked to choose the 10 top leaders. The question asked was:

> If a project were before the community that required decision by a group of leaders--leaders that nearly everyone would accept--which 10 on the list of 40 would you choose?[3]

It is immediately obvious that this question does not address itself to the problem of who are (or even have the reputation of being) the most influential. Instead, it

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[1]Polsby, op. cit., Ch. 6.

[2]Hunter, op. cit., Appendix. Hunter's descrition of his methodology is extremely sketchy.

[3]Ibid., p. 63.

asks: Which group of 10 leaders would you want to decide
a community problem, providing that those 10 leaders
have to be generally acceptable to all others? This, of
course, excludes the possibility of any conflict showing
up in the elite structure and ensures a finding of a mono-
lithic decision-making structure. Again, however, what is
at fault is Hunter's application--not the reputational
technique itself. It is possible to select a representa-
tive panel and to ask then a question directly concerned
with influence--though such a question is exceedingly diffi-
cult to word so that it means the same thing to everyone.

The approach recommended by most political scien-
tists is known as the decisional method. The way to deter-
mine influentials, this specifies, is to study the actual
behavior of men involved in several decisions in the same
functional area. Since several issues are studied, gener-
alizations can be made concerning power and influence which
factor out idiosyncratic variables which might show up as
highly important if a traditional case study was the sole
determinant. What the decisional analysts recommend (Polsby
calls them pluralist researchers) is several case studies.
The advantages of this approach seem significant, particu-
larly when compared to the obvious disadvantages to alter-
native approaches. Rather than reputation or position, it
is claimed that actual behavior is the variable under study.
But the corresponding disadvantage is the large amount of
resources and efforts necessary to expend on this approach,
particularly time and manpower.

The claim that the decisional approach involves direct study of actual behavior, while other methods involve only study of reputation, deserves close scrutiny, for it is nowhere nearly as self-evident as its adherents state it is. What is actual behavior and how can it be studied directly? Behavior can be considered to consist of physical acts and to study it directly means to observe it directly. But, indeed, do those who use the decisional method directly observe behavior? Indeed, they do so very rarely. Many important decisions are made in circumstances closed or partially closed to political scientists. Further, all decisions studied which have occurred prior to the study cannot be directly observed either. It seems clear that those who engage in decisional studies do not study actual behavior directly; rather they reconstruct as best they can from second-hand reports by others, from written documents, and from interviews after the fact with participants.

In point of fact, however, how much does this differ from the reputational adherents who compile lists of individuals whom other supposedly informed individuals deem influential? By the decisional method, the political scientist himself compiles a list of influentials deemed influential, but much of the data from that list comes from the descriptions of others concerning who are influentials in making decisions. Certainly, the decisional approach is more flexible, and in that respect, undoubtedly superior. But it may be little different in kind from the reputational

method, particularly a reputational method in which great
care is taken to select the panel.

This study, for a variety of reasons, was under-
taken with the intention of utilizing the reputational ap-
proach. The most compelling reason was the type of power
structure under study. Only redistributive decisions, that
is decisions perceived to involve significant social change,
were under consideration. At the time the study was under-
taken, only one such decision had occurred since the birth
of HUD--the Model Cities Legislation.[4] For reasons already
discussed, a case study of one decision was not sufficient
to satisfy the theoretical aims of the study. To go back
any further in time before HUD's formation might have built
a bias into the study, for a fairly significant turnover
in personnel occurred when HHFA became a Department. The
pre-HUD housing decision-making system was thus not the
same as the post-HUD system, or rather, it could not be as-
sumed that the two systems were the same. A comparison be-
tween the two might, indeed, have been intriguing, but
that was not the purpose of the study.

What was desired was a list of individuals who, dur-
ing the past two years, had had (and in the present were con-
tinuing to have) a major influence on redistributive deci-
sions. The reputational method was originally determined

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[4]During the course of the study, redistributive
policy decisions occurred which re-oriented both FHA and
urban renewal programs.

to be quite adequate for that task, providing care was
taken to select a good panel and providing the selected
panel was asked a carefully worded question which would
elicit the desired response. Unfortunately, neither of these
conditions was easy to satisfy, and the second, in particu-
lar, posed such a problem that, in light of previous at-
tempts to cope with it, doubt was cast over the work of al-
most all previous studies done by the reputational technique.

 The best panel would undoubtedly have consisted of
people who were, themselves, likely to be influentials and
who would, therefore, from their experience, be able to pro-
vide the most accurate recounting of who the other influen-
tial participants were. Unfortunately, since the study
design called for interviewing the influentials once they
were identified, it was decided that possible influentials
must be excluded from the panel rather than included. The
basis of this decision may have been prosiac, but it was
real nonetheless. Most of the influentials are busy and
important people (Congressmen, high level bureaucrats, etc.)
and it was feared that they would not readily submit to two
separate interviews. Therefore, care was taken to select
panel members who were active participants and close ob-
servers, but who would not be likely to turn up on the list
of influentials itself. Inevitably, a few of the panelists
did, in the end, make the list of influentials. In order
to compensate for having to work with a "second-best" panel,
a correspondingly large number of panelists was interviewed--

about 40 altogether. Care was taken to select panelists from various perspectives so that all points in the policy process might be illuminated.

However, it was the interview itself that provided the biggest problem. At the beginning of the interview, the panelists were told, after they were guaranteed anonymity:

> I am interested in finding out who the most influential people are in the making of national policy dealing with the housing of low-income people.
>
> The question I would like you to answer is: If there were to be a major policy proposal this year in the area of housing for low-income people (and I realize there is not), who would be the most influential people in bringing about or stopping the bringing about of this change? Could you please rank them in order of importance?

Note that scope was carefully specified (housing for low-income people), to avoid one of the most common criticisms of Hunter's technique. Note also that the question allows for specification of opposition, so that redistributive changes which were defeated could also be considered, thereby avoiding another pitfall. In addition, after responses were made to this question, the panelist was handed a list of nearly 150 names of possible influentials and asked whether any of those should join the list he had already volunteered.

This rather elaborate procedure (which does not differ greatly from many other reputational studies) proved a complete failure during the pretest. The main problem was that people were influential in different stages of the decision-making process and it was impossible to compare influence of people who did not interact on a similar plane.

The analogy would have been the old one of comparing apples' and oranges.

Thus, a new model of the decision-making process had to be developed to displace the faulty original model, a model which has been implicit in many though not all of the power studies. This implicit model had viewed decision-making as a process which took place at a single specified time around a table at which were seated all the participants in the process. The new model specified distinct stages in the process and distinct types of influence. After initial study, six stages were settled upon as providing a useful model. Panelists were then asked to name the most influential persons in each of these six stages (they were not asked to rank as this proved not only time-consuming and difficult, but also useless, given the lack of a common criterion on which to base the rankings). The six stages, and the questions asked the panelists about each were:[5]

> Idea Stage--Who would likely be the originators of the the proposals and the ideas which would most likely be accepted and ultimately enacted into law?

> Administrative Adoption Stage--If the Administration were to adopt an idea or a proposal as its own, who would be the people who must be convinced and who would be the most influential at convincing them, either to adopt or not adopt the proposal?

> Pre-Congressional Committee Stage--Who would be the most influential people in terms of taking a proposal the administration is considering or has accepted and modifying it or shaping it significantly (or preventing such modification or shaping) before it is pre-

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[5]These questions were preceded by the general introductory statement quoted, p. 49.

sented for Congressional committee consideration?

Legislative Passage Stage--Who would be the most in-
fluential people in determining the nature of changes
made in a proposal once it was introduced in Con-
gress, and, indeed, in determining whether such a
proposal passes or fails?

Appropriations Stage--Who would be the most influential
people in determining budgetary levels and appro-
priations for new housing programs for low-income people?

Operations State--Who would be the most influential people
in determining the criteria for any important guide-
lines on which grants are made and programs carried out?[6]

A listing of the stages suggests the difficulty en-

countered in not using them. How does one compare the in-

fluence of someone on a Task Force who sets forth the broad

outlines of a major new proposal to that of a member of the

Appropriations Committee who may be the key man in determin-

ing how much funding the final form of the proposal will

receive? The two individuals may never interact, the activi-

ties of both are obviously of critical importance as far

as final policy output is concerned, but how can they be com-

pared with respect to influence? Policy output consists of

a series of decisions, and, in effect, these two individuals

would be involved in different decisions.

The procedure finally used emphasized as much flex-

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[6]It should be understood that these six stages do
not always occur in the exact order listed (indeed, some oc-
cur simultaneously), nor even that all six stages are in-
variably present. Indeed, at times different stages may
collapse so that two or more are indistinguishable from one
another. I am not positing a theory of the decision-making
process, but rather a conceptual framework which will prove
useful in determining the decision-making structure.

ibility as possible. Panelists were not necessarily asked to name influentials in all six stages, but only in those stages with which there was reason to believe they were well acquainted. Not only were they asked to name influentials, but to explain why they named those whom they did and, if possible, to buttress their explanations with examples. As the interviews proceeded, this was shortened so that panelists were asked to discuss only those named who, on the basis of previous interviews, had not already definitely been designated as influentials. The final selection of influentials was not made by any mechanical method. Rather, it was made on the basis of my own judgment taking into account not only frequency of designation as an influential, but also the reliability of the panelists who mentioned them (some panelists were judged to be more informed than others), the quality of the explanations and the examples given. Thus, an individual mentioned only two or three times, but each time by a panelist who had himself participated in important decisions in which the individual in question had been influential would likely end up an influential, whereas someone mentioned much more frequently, but by panelists who themselves were further from the policy process and who could provide no convincing examples, might be left off the list.

In addition, the interviews with the panelists were viewed as opportune times to garner information about the conversion process. These wide-ranging and unstructured

interviews form the basis of Chapters V-VIII.

C. Interviewing the Elite

The interviews with the influentials themselves pre-
sented several problems. It appeared that a structured
interview schedule was called for, but the best form for the
questions was not at all obvious. Open-ended questions with
much probing would have provided more information in depth--
but they would have taken much longer. Since the interview-
ees were very busy people, it was decided that an hour would
be the maximum limit for one interview. Thus, open-ended
questions would have meant diminishing the scope of the
study. Certainly, this would have been a feasible alter-
native but one the author chose to ignore in order to pur-
sue the broader theoretical interests of the study.

As a result, closed-ended questions were decided
upon with the realization that as complete an ordering of al-
ternatives as possible had to be provided. Unfortunately,
the pre-tests demonstrated that a complete listing of alter-
natives was not possible because of the author's relative lack
of familiarity with housing policy. More important, some
respondents showed a strong antipathy to some of the closed
questions which greatly inhibited rapport and, indeed, threw
some doubt on the validity of their response.

As a result, it was decided to make as many questions
as possible open-ended, consistent with the time restraints.
The questions about role perception were closed because the
pre-tests showed that the alternatives presented opened up

legitimate alternatives to the respondent that he would not have considered under an open-ended question.

It must be admitted that the pre-tests themselves were not entirely satisfactory. They were performed on a number of people who had substantial knowledge of housing policy, but these people were not at all representative of the elite population to be interviewed. Indeed, it was impossible to pre-test on any of the elite since the entire membership, and not simply a sample of it, was ultimately to be interviewed. The only way to deal with this problem was to make several adjustments in the interview schedule after five or six interviews had been completed when it became obvious that some questions which had pre-tested well on the non-elite were ineffective on the elite itself.

Obtaining appointments for interviews was not difficult in the bureaucracy and in lobby or professional groups, but presented major problems where elected politicians were concerned.[7] As a result, in 14 cases, second best had to be settled for, and an assistant of the influential was called into service to respond for the influential. Wherever possible, that assistant was the individual who handled housing affairs for the politician, and, thus, in most cases was

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[7]Congress, in particular, has been overstudied by political scientists to the point where Congressmen are wary when one approaches them. The one-way nature of social science interviews has perhaps not been sufficiently appreciated. The politicians have extremely full schedules and there is absolutely nothing to gain (and possibly a good deal to lose if confidence is violated) by granting an interview to an academic.

indeed the influential, so far as housing was concerned. This conception views a Congressman or a mayor as an institution, not simply as an individual.

In two cases, it was necessary to forego a direct oral interview and to settle for a mail response. In such cases, the need for the influential himself to fill out the schedule was stressed, but, of course, there is no way of knowing whether, in fact, this procedure was followed. Three of the influentials categorically refused to be interviewed.

CHAPTER III

THE VALUES IN QUESTION--HOUSING IN AMERICA

A. The Housing Problem

Early housing reformers perceived "the housing prob-
lem" in relatively simple and unsophisticated terms. One

group of reformers consisted of architects or quasi-archi-

tects who were impressed primarily with the visual ugliness

and disorderliness of the slums. This aesthetic distaste

for slums has become a progressively less important force in

housing reform, although it has not by any means disappear-

ed. A greater concern for social problems of human beings

rather than problems of architectural aesthetics has both

diminished the relative importance of architects and engin-

eers as housing reformers and has instilled some degree of

social concern into those who remain.

A second group equated slums with structurally

poor housing and assumed that the latter was responsible

for all the socially pathological behavior associated with

the former. Roy Lubove, in discussing the Progressives'

attitude towards this relationship, comments:

> . . . the housing reformer had also considered bet-
> ter housing as an instrument of social control. He
> observed that tenement neighborhoods, populated often
> by foreigners and their children, seemed to abound
> in vice, crime, and pauperism. He assumed, therefore,
> that the physical environment was at fault. The
> tenement must cause a deterioration of character mak-
> ing the individual more susceptible to vice than he
> would have been in a different environment. Improve
> his housing, if followed, and you would influence

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his character for the better.[1]

During the 1930's when the Federal Government first began to address itself to the problems of slum and housing, the overriding importance of housing as the independent variable causing social disorganization was "established" in a number of studies carried out by the reformers.[2] The effect--indeed the design--of these studies was to buttress the reformer's case for public housing as a means of relocating slum dwellers from their destructive environment (substandard housing).

This view, however, has been under a steady two-sided attack since the forties. One side was concentrated on the supposed social benefits associated with rehousing. Sociologists--particularly Herbert Gans, Marc Fried, and Lee Rainwater--pointed out that there were positive values associated by inhabitants with even the most substandard dwellings. In basic terms, to most families, the dwelling unit was not simply a substandard structure, but a home infused with the life style of the family inhabiting it. Alvin Schorr reports the comments of a Milwaukee woman responding to a proposal to tear down houses in a "slum" where she lived: "Slums, they call us. Why that's a terrible word--those are our homes, our shrines. We live

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[1]Roy Lubove, "The Progressives and the Slums," Urban Renewal: People, Politics and Planning, ed. Jewell Bellush and Murray Hausknecht (New York: Anchor Books, 1967), p. 19.

[2]John Dean, "The Myths of Housing Reform," ibid., p. 28.

there."[3]

Lee Rainwater argues that the house, particularly for the lower-class, ought to be viewed as a haven from fear which permeates the individual in the outside world. He observes:

> There is in our culture a long history of the development of the house as a place of safety from both non-human and human threats, a history which culminates in guaranteeing the house, a man's castle, against unreasonable search and seizure. The house becomes the place of maximum exercise of individual autonomy, minimal conformity to the formal and complex rules of public demeanor. The house acquires a sacred character from its complex intertwining with the self and from the symbolic character it has as a representation of the family. These conceptions of the house are readily generalized to the area around it, to the neighborhood.[4]

As a result, although most people in poor housing undoubtedly wish to improve their situation, abandoning an old home is likely to involve some degree of psychological stress. Further, tearing down houses and neighborhoods and moving people into institutionalized public housing may have a lasting undesirable impact on some low-income people, for it may destroy the context of their social and familial life without replacing it with anything viable. As Marc Fried concludes:

> Grieving for a lost home is evidently a widespread and serious social phenomenon following in the wake of ur-

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[3]Alvin Schorr, Slums and Social Insecurity, U. S. Department of Health, Education, and Welfare, Research Report No. 1 (Washington: U. S. Government Printing Office, 1963), p. 9.

[4]Lee Rainwater, "Fear and the House-As-Haven in the Lower Class," Bellush and Hausknecht, op. cit., 1, p. 437.

ban dislocation. It is likely to increase social and psychological "pathology" in a limited number of instances, and it is also likely to create new opportunities for some, and to increase the rate of social mobility for others. For the greatest number, dislocation is unlikely to have either effect but does lead to intense personal suffering despite moderately successful adaptation to the total situation of relocation.[5]

In short, these sociolgists pointed out that substandard housing was not necessarily an unmitigated evil to those who lived in it. Others took another path of criticism and questioned the whole relationship of poor housing to slums. Indeed, numerous indicators of social pathology did (and do) correlate with substandard housing. But correlation does not imply causation and public housing--or the diminution in various ways of structurally substandard housing--has not brought about by itself any significant improvement in the social pathology of low-income people. As John Dean comments:

> The implication (of the housing reformers) is: "Remove the slums and you remove the social ills." But it would be just as illogical to say that ills of slum areas are caused not by substandard housing conditions, but by the absence of telephone service, which also correlates with indexes /sic/ of social disorder . . . . Beyond a few expected relationships between slum dwellings and health, the effect of poor housing becomes quite difficult to determine where <u>social</u> behavior is involved.[6]

Of course this does not mean that housing as a variable is unimportant or has no effect. It does mean that the destruction of slum housing per se and the housing of

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[5]Marc Fried, "Grieving for a Lost Home," <u>Urban Renewal: The Record and the Controversy</u>, ed., James W. Wilson (Cambridge: MIT Press, 1966), p. 376.

[6]Dean, <u>op</u>. <u>cit</u>., p. 28.

all people in standard housing will not necessarily usher in the millenium. This seemingly obvious statement has been oftentimes ignored, until recently, by some of the original housing reformers from the thirties.

A slum is not defined by substandard housing, although substandard housing is quite often present in slums. Rather a slum is a community with a significant percentage of its inhabitants living in poverty. As used here, poverty is viewed as a cycle consisting of a mutually re-enforcing set of deprivations associated with inadequate income. The deprivations are mutually re-enforcing in that one disability re-enforces another which, in turn, makes the original disability all the more difficult to overcome. The deprivations, in short, are not separate and distinct, but are intimately connected with one another, so that it is difficult to deal successfully with one deprivation without dealing with a whole cluster of them.[7]

From the above discussion it becomes clear that housing all poverty-stricken people in standard housing is not by itself going to end poverty (ergo the slums). Indeed, without attacking other deprivations at the same time, it is quite possible that the result will be quick deterioration of structurally standard housing at the hands of many of the inhabitants. Poor housing, thus, is one of the set of mutual-

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[7]For a more complete discussion of this see the author's "Towards an Understanding of Poverty"--a first draft prepared at the Washington Center for Metropolitan Studies in Washington, D. C.

ly re-enforcing deprivations in the vicious cycle of poverty--
and quite probably not the most important one. This does
not mean that efforts directed at improving housing for the
poor are useless. Although the poverty cycle cannot be
broken easily, the cumulative effect of poverty can be
lightened by improved housing.

A multitude of studies have established the common-
sense relationship between poor housing and poor health.
Diseases related to inadequate or malfunctioning sanitary con-
ditions and injuries related to deteriorating facilities
(stairs, poor electrical conditions, etc.) are easily seen
to be directly linked to substandard housing. In addition,
inadequacy of internal space--overcrowding--is clearly re-
lated to poor mental health and increased psychological
stress.[8] Other causal relationships are not nearly so clear
or direct. Alvin Schorr, who has done a comprehensive review
of the literature on this problem, concludes:

> The type of housing occupied influences health, be-
> havior, and attitude, particularly if the housing is
> desperately inadequate. In terms that we use today,
> "desperately inadequate" means that housing is dilap-
> idated or lacks a major facility such as running water. . .
>
> Housing, even when it is minimally adequate, appears
> to influence family and social relationships. Other
> influences of adequate housing are uncertain. . . .
>
> Those influences on behavior and attitudes that have
> been established bear a relationship to whether people
> can move out of or stay out of poverty. The follow-
> ing effects may spring from poor housing: a perception
> of one's self that leads to pessimism and passivity,
> stress to which the individual cannot adapt, poor health

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[8]Schorr, op. cit., pp. 16-17.

and a state of dissatisfaction; pleasure in company but not in solitude, cynicism about people and organizations, a high degree of sexual stimulation without legitimate outlet, and difficulty in household management and child-rearing; and relationships that tend to spread out in the neighborhood rather than deeply into the family. Most of these effects, in turn, place obstacles in the path of improving one's financial position.[9]

Again, this is not to say that poor housing "causes" these behaviors and attitudes which comprise a part (but certainly not the whole) of the poverty cycle. Rather, poor housing contributes, in many cases quite significantly, to these results. Thus improved housing would serve to lessen some of the deprivations associated with poverty. By itself, housing improvement will not end the slums.

B. The Housing Stock

What is the condition of the housing stock in this country? By strict structural standards, there is little doubt that it has consistently improved over the last several decades. Both in percentage and absolute terms, the number of substandard houses--as measured by nearly any set of consistent structural standards--has fallen. How to interpret this improvement, most of which is due simply to the natural operations of the housing market rather than any specific government program or programs, is quite another matter. Like poverty, substandard housing is better understood as a relative concept rather than an absolute one. What was an acceptable housing unit 50 or 25 years ago may be considered sub-

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[9]Ibid., pp. 31-32.

standard now. The term is not only relative to the times,
but also to environmental surroundings. As Sergei Grimm
points out, "Substandard is whatever is worst in our neigh-
borhood."[10] In this sense--and in policy terms, the most
meaningful sense--substandard housing is not an objective
standard, but a value judgment.

In view of this, it may not come as much of a sur-
prise to learn that the Census Bureau, which conducts a decen-
nial Census of Housing, collects no data on any category term-
ed "substandard housing." Instead, the Census Bureau in 1960
divided the housing stock into three categories--sound,
deteriorating, and dilapidated--in order to describe structural
conditions.[11] Within the first two categories, the Census

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[10]Scott Greer, Urban Renewal and American Cities
(New York: Bobbs-Merrill, 1965), p. 22.

[11]Sound housing is defined as that which has no de-
fects, or only slight defects which normally are corrected
during the course of regular maintenance. Examples of slight
defects are: Lack of paint; slight damage to porch or steps;
slight wearing away of mortar between bricks or other masonry;
small cracks in walls, plaster or chimney; cracked windows;
slight wear on floors, doorsills, doorframes, window sills,
or window frames; and broken gutters or downspouts..
Deteriorating housing needs more repair than would be
provided in the course of regular maintenance. Such housing
has one or more defects of an intermediate nature that must
be corrected if the unit is to continue to provide safe and
adequate shelter. Examples of intermediate defects are: Holes,
open cracks, rotted, loose, or missing material over a small
area of the foundation, walls, roof, floors, or ceilings;
shaky or unsafe porch, steps, or railings; several broken or
missing windowpanes; some rotted or loose window frames or
sashes that are no longer rainproof or windproof; broken or
loose stair treads, or broken, loose, or missing risers, bal-
usters, or railings of inside or outside stairs; deep wear on
doorsills, doorframes, outside or inside steps or floors; miss-
ing bricks or cracks in the chimney which are not serious enough
to be a fire hazard; and makeshift chimney such as a stovepipe

Bureau further subdivides into sound or deteriorating: with

all plumbing facilities, lacking only hot water, or lacking

private toilet or bath or running water. The Public Housing

Administration, formerly an autonomous component of HHFA, and

now a part of HUD, does make use of the term substandard hous-

ing and subsumes under that category all dilapidated housing

plus all sound or deteriorating housing with inadequate plumb-

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or other uninsulated pipe leading directly from the stove to
the outside through a hole in the roof, walls, or window.
Such defects are signs of neglect which lead to serious struc-
tural deterioration or damage if not corrected.

Dilapidated housing does not provide safe and adequate
shelter and its present condition endangers the health, safety,
or well-being of the occupants. Such housing has one or more
critical defects, or has a combination of intermediate defects
in sufficient number or extent to require considerable repair
or rebuilding, or is of inadequate original construction. The
defects are either so critical or so widespread that the struc-
ture should be extensively repaired,rebuilt, or torn down.

Critical defects result from continued neglect or lack
of repair, or indicate serious damage to the structure. Ex-
amples of critical defects are: Holes, open cracks, or rotted,
loose, or missing material (clapboard siding, shingles, bricks,
concrete, tile, plaster, or floorboards) over a large area of
the foundation, outside walls, roof, chimney, or inside walls,
floors, or ceilings; substantial sagging of floors, walls,
or roof; and extensive damage by storm, fire, or flood.

To be classified as dilapidated on the basis of inter-
mediate defects, a housing unit must have such defects in suf-
ficient number or extent that it no longer provides safe and
adequate shelter. No set number of intermediate defects is
required.

Inadequate original construction includes: Shacks, huts,
or tents; structures with makeshift walls or roofs, or built
of packing boxes, scrap lumber, or tin; structures lacking
foundations (walls rest directly on the ground); structures
with dirt floors; and cellars, sheds, barns, garages, or
other places not originally intended for living quarters and
inadequately converted to such use.

ing facilities.[12] Note that under these definitions, over-crowding is not considered a factor in substandard housing nor is excessive rent. The Census terms deal only with the physical quality of housing units and not with the people who may live in them.

If we use Census categories we find that fully three-quarters of the housing stock in the country is sound with all plumbing facilities and that 80 percent outside these areas belongs in that category. On the whole, housing is better, as these statistics indicate, in cities and sub-urbs, worse in small towns and rural areas. Other character-istics are also noteworthy. The South, with only 30 percent of the housing units in the country, had nearly 50 percent of the units which were dilapidated or lacked proper plumbing facilities. Rental housing was apt to be in poorer condition than owner-occupied housing (66 percent of rental units were sound with proper plumbing facilities compared to 83 percent of owner-occupied dwellings). And, as might be guessed, non-whites were deprived by a larger margin than whites (only 53 percent of owner-occupied non-white dwellings and 39 percent of rental units occupied by non-whites were sound with all plumbing facilities).[13]

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[12]Leonore R. Siegelman, "A Technical Note on Hous-ing Census Comparability, 1950-60," Journal of the American Institute of Planners, XXIX (February, 1963), 51-52.

[13]Glenn Beyer, Housing and Society (New York: Macmillan Company, 1966), pp. 122-125.

If we add overcrowding to structural deficien-
cies and plumbing deficiencies as an element of "sub-
standard" housing, we find, according to Nathan Glazer,
that 21 per cent of non-farm families are ill-housed as
are 37 per cent of those earning under $4,000, 53 per
cent with non-white heads of families, and 65 per cent
of non-white families with incomes under $4,000.[14]

C.   Housing and Low-income People

Why are so many poor people inadequately housed?
The not so startling answer is that they lack the income
necessary to purchase good housing. Schorr, writing in
1963, reports studies which demonstrate that a family
cannot expect to obtain adequate housing unless its in-
come is above $5,000-$6,000 per year.[15]   The Bureau of
Labor Statistics suggests that a family ought to spend
less than 20 per cent of its income on housing. Unfor-
tunately, for incomes under $5,000, it is exceedingly
difficult to obtain standard housing on the market by
spending only 20 per cent of income. The choices avail-

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[14]Nathan Glazer, "Housing Problems and Housing
Policies," The Public Interest, 7 (Spring, 1967),p. 21.

[15]Schorr, op. cit., p. 98.

able to such a family are reduced to obtaining adequate
housing at the expense of deficiencies in other necessi-
ties such as food and clothing or to accept inadequate
housing. One oft-used strategy is to cut housing costs
by doubling-up families in single-family dwellings with,
of course, resultant overcrowding.

In economic terms, it is rather difficult to gen-
eralize from one area to another about the low-income
housing market, or, indeed, about the housing market it-
self. The overriding fact about the housing market in
this country is that there is really no such thing.
Rather there are housing markets, each one largely inde-
pendent of others in different localities. Within each
local housing market there are various submarkets, many
of which are also nearly independent from one another, in
the sense that a prospective buyer in one submarket would
not consider a dwelling in other submarkets. Thus one mar-
ket might be based on structure (single-family vs. apart-
ment or row houses), another on tenure (owner-occupancy
vs. rental), still another on value level or rental rates
(low-income, middle-income, or high-income), and finally
on locational criteria (type of neighborhood being sought).

What can be said about the low-income housing submarket generally? Although the submarket will vary greatly from city to city, on the whole it seems safe to say that the supply in the submarket is predominantly rental and overwhelmingly part of the standing stock. Owner-occupancy in the low-income submarket is not widespread in most cities, for the obvious reason that the kind of terms the poor would need for ownership are not readily available.[16] Nearly all of the new rental housing is being built for the middle-income submarket or above. In these submarkets it is possible to charge sufficient rents to realize a handsome return on investment; such is not the case in the low-income submarket.

Most low-income families are therefore dependent for accommodations upon rental housing obtained through the filtering process. R. V. Ratcliff defines filtering as, "the changing of occupancy [which occurs] as the housing that is occupied by one income group becomes available to the next lower-income group as a result in the decline of market price, i.e., in sales price or rent value."[17] Filtering thus results from new construction

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[16] Charles Abrams, The City is the Frontier (New York: Harper and Row, 1965), p. 285.

[17] William Grigsby, Housing Markets and Public Policy (Philadelphia: University of Pennsylvania Press, 1963), p. 86.

at any income level as higher-income groups abandon older housing to groups with lower income. Unfortunately, particularly with rental housing, the result is often obsolescent or deteriorating housing filtering down to low-income groups.

The problems of the filtering process are, of course, greatly exacerbated in many (but not all) cities by the existence of rigidly segregated housing markets. This greatly narrows the housing opportunities open to Negroes and results in greater demand and higher rentals if the market is tight or lower maintenance standards and deteriorating housing if the market is loose. In a tight market rents will likely be high (relative to ability to pay) and the vacancy rate low as excess demand bids up the price for housing. In a loose market landlords dare not raise rents, for fear of causing greater vacancy rates. Instead they are likely to cut services and maintenance in an attempt to cut costs and thus increase profits.

It is worth noting at this point that the relatively high rents and low maintenance in the low-income submarket are not due solely to "cold-hearted slumlords."

Hard financial and economic considerations also lead in the same direction.

Slum landlords justify their high rate of profit as necessary because of the risk involved. Presumably if expected returns were not so high, landlords would find alternative investments at lower risks and the supply and quality of low-income rental housing would be even lower than it is now. In a brilliant study of slum landlords in Newark (where the market is loose) George Sternlieb concludes:

> It is the risk factor . . . which raises the required threshold of return on investment in slum properties. . . . The high rate of current return demanded by investors in slum tenements can be summarized as a compound of the fear of costly code crackdowns; the basic weakness of the market, both in terms of rental increases, and securing full tenancy; the risk of outright loss through the complete abandonment of a parcel; and in substantial part, the pejoratives which society heaps upon the "slumlord."[18]

The filtering process will be particularly ineffective if new construction lags. The result would be an inadequate supply of housing available to the poor, and that in not very good shape.

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[18] George Sternlieb, The Tenement Landlord (New Brunswick, N.J.: The William Byrd Press Inc., 1966), pp. 95-96.

In this situation rehabilitation of existing dwelling units has been called for as the answer to the housing problems of the poor. What are the barriers to success in this approach? There are several. First, according to Sternlieb, it is difficult for any but large holders of slum properties to obtain the necessary financing for rehabilitation. Then, too, many landlords are hesitant to rehabilitate because rehabilitation requires higher rents and this is impossible if the market is loose. If the market is tight, rehabilitation will mean higher rents for tenants who cannot afford them. In this situation it is unlikely rehabilitation will serve the needs of the lower classes without, at the same time, some form of rent subsidization.

Another barrier to rehabilitation is the fear of landlords that their improved property will be reassessed with resulting high taxes. Sternlieb observes that sheer ignorance, both of what a reassessable improvement is and how to go about obtaining rehabilitation financing, are major factors in the lack of impact rehabilitation has thus far made.[19] He also points to another problem with rehabilitation efforts that too often is ignored by those

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[19]Ibid., p. XV.

sympathetic to the poor:

> A basic problem of slum maintenance and rehabilita-
> tion is the attitude of tenantry, largely a function
> of their basic alienation from the absentee land-
> lord. Any effort towards rehabilitation which does
> not face up to this reality is pure romanticism.[20]

In short, except where strict code enforcement is

a definite possibility, most landlords perceive that they

have little to gain and possibly a good deal to lose (in-

creased vacancy rates in loose markets, or if rent is not

raised, decreased return). And code enforcement has been

notoriously ineffective in nearly all American cities, in

part because codes are unrealistically strict. If all

code violations were required to be eliminated, many

landlords would probably sell or abandon their holdings

rather than undertake costly improvements to themselves

unless they could be assured either of subsidy or of suc-

cessfully passing the costs on to the tenantry without

increasing vacancy rates.

D. The Authoritative Allocation of Values--
    Housing and the Political System: FHA

The Federal Government's major response to hous-

ing problems arose out of the depression experience. It

was a response to a problem which was qualitatively dif-

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[20]Ibid.

ferent from the problem of housing perceived by those

who today refer to "the housing problem." Housing con-

struction is an industry which is one of the first to

suffer during an economic downturn. During the Great De-

pression it not only suffered first, but also suffered

most. The FHA mortgage insurance program which came

out of the National Housing Act of 1934 was primarily a

response to the collapsed condition of the housing indus-

try. Sherman Maisel explains FHA as an effort,

> to reduce the risks of the mortgage market in order
> to make savings institutions lend more willingly on
> real estate. This increased lending would foster a
> step-up in building, more employment, and an increase
> in the gross national product. The failure of the
> housing industry to re-establish itself was recog-
> nized as a major drag on the entire economy. From
> its start, the FHA was concerned with influencing
> the level of housing production.[21]

FHA mortgage insurance, as the name implies, is

insurance provided by the Federal Government to the lending

institution. In other words, the risk of non-payment and

foreclosure is assumed by the government rather than the

lending agency. All FHA loans must be approved by the local

FHA office in accordance with certain standards set by the

FHA Commissioner. Included in these is that the interest

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[21] Sherman J. Maisel, Financing Real Estate (New York: McGraw-Hill, 1965), p. 100.

charge must be below a specified maximum rate (usually very close to the market rate) set by the Commissioner. The loans must also be made on the basis of a minimum downpayment and repaid within a maximum specified time period, again set by the Commissioner. These specified regulations have been progressively liberalized since 1934. The major advantage to the home buyer from FHA mortgage insurance has thus been less required downpayment and a longer period for repayment rather than reduced interest rates.

One further regulation specifically stated in the law until 1967 was that the loans be based on the criteria of "economic soundness." This meant that attempts to make use of FHA insurance in slum areas have been fought because of the "excessive risk" involved in extending loans to low-income people in a deteriorating area. FHA, which operates on a decentralized local basis, has developed quite good relations with local financial institutions, and its lending policy reflects the same conservative direction that characterizes its clientele. Because of this, it has gained the reputation of an institution not readily sympathetic to the needs of the poor.

Indeed, the housing needs of low-income families have not generally been served by FHA. In addition to the difficulty in showing "economic soundness" on loans to low-income individuals, interest costs are still generally too high, relative to incomes of the poor. Poor families would need some kind of mortgage subsidy in order to consider buying. Such a provision was a major part of the housing legislation which Congress passed in 1968. FHA mortgage insurance for rental housing has had a similarly miniscule effect so far as aiding low-income families is concerned.

Thus, in 1964, only 2.4 per cent of FHA loans on homes (Sec. 203) went to families with an income under $4,800 per year; only 0.3 per cent of apartments built with FHA guarantees rented for less than $100 a month (which would require a $4,800 per year income if it is assumed a family can spend 25 per cent of its income on rent).

FHA insurance has had a major impact on middle and lower-middle income families over the past three decades. In many ways it has provided the financing mechanism to move young families from the city to owner-occupied homes in the suburbs, where FHA has had its greatest effect.

Surveys over a three-year period (1964-66) show that about two-thirds of FHA housing within SMSA's has been in the suburbs.

Indeed, the rate of home ownership has soared since 1945. But this process has generally benefited low-income families, if at all, only through the filtering mechanism by which dwelling units are made available in the city as they are abandoned by more affluent families migrating to the suburbs. Recently efforts have increased, with some success, at orienting FHA more towards the problems of poor people. FHA is the agency, for example, which administers the rent supplement program. Those who support the interests of low-income families have understandably not favored that arrangement.

E. Housing and the Political System: Public Housing

The New Deal's other major response to "the housing problem" again seems curiously outdated in terms of what we perceive today under that name. That many people were poorly housed during the thirties was not only recognized by housing experts but was the subject of public discussion. Franklin Roosevelt's "one-third of a nation" speech is an

eloquent testimony to public concern. But the problem was
not viewed, at that time, as primarily an urban Negro prob-
lem, a factor which was to bedevil the government's hous-
ing efforts in later years. At the same time, much of the
concern about easily visible slums was not about the de-
privations suffered by their inhabitants, but rather about
the affront to aesthetic sensibilities these blights on
the urban landscape caused.

The government's response to these considerations
clearly reflected the Depression atmosphere in which it
was shaped. It is not surprising, therefore, that the
first slum clearance and public housing program, initiated
in 1933, was administered by the Public Works Administra-
tion. The program was aimed primarily at stimulating the
economy; other objectives were secondary or incidental.
This was stated very clearly by Harold Ickes who outlined
the goals of the PWA housing program as:

> First to deal with the unemployment situation by
> giving employment to workers. . . . Second, to
> furnish decent, sanitary dwellings to those whose
> incomes are so low that private capital is unable
> to provide adequate housing within their means. [22]
> Third to eradicate and rehabilitate slum areas . . .

The PWA experiment served as the basis for a much
larger and permanent public housing program. In 1937

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[22] Jewell Bellush and Murray Hausknecht, "Urban
Renewal: An Historical Overview," Bellush and Hausknecht,
op. cit., p. 7.

Congress passed the Wagner-Steagall Low Rent Housing Bill

which established the United States Housing Authority.

The bill was passed over the protests of Congressmen who

saw the road to socialism clearly leading from the door-

step of public housing.

Unlike earlier public housing efforts, the USHA

was to work through local public housing agencies which

in turn would own and control (consistent with a set of

federal regulations which quickly burgeoned to mammoth

proportions) the housing projects. Local public agencies

were eligible for long-term 60-year loans for up to 90 per

cent of the costs of financing the housing project. The

long-term loan means a lower amortization, which in turn

means lower rentals. In addition the agencies were to re-

ceive a grant in aid from the Federal Government covering

the difference between the economic rents of a project (the

rents necessary to cover cost if the project were unsubsi-

dized) and the social rents (the rents the lowest-income

group can afford to pay).[23]

Despite the fact that the projects had to be ini-

tiated, approved, and operated by local authorities, the

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[23] Charles Abrams, The Future of Housing (New York: Harper and Brothers, 1946), p. 260.

federal requirements to be fulfilled were quite rigorous.

They included specifications for the physical structure

of the project (rooms not to exceed certain size, etc.),

and income limitations on inhabitants (both maximum and

minimum) as well as required local contributions (10 per

cent of the cost of building and 20 per cent of the annual

federal subsidy). In addition there was a requirement that

for each unit of public housing erected a slum dwelling

unit had to be torn down.[24]

Although this last proviso was not strictly en-

forced, it testifies eloquently to the fact that the

original objectives of public housing were more to tear

down ugly slums than to improve housing opportunities for

poor people. An effort to achieve the latter would have

left all but the most dangerous slum dwellings standing

at the same time as public housing went up, in an effort

to bring down the level of rents by increasing supply in

the low-income submarket.

What has public housing accomplished? Under the

Housing Act of 1937, some 114,000 units of public housing

were built. The Housing Act of 1949 authorized an addi-

tional 810,000 units of housing to be built over a six-

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[24]_Ibid_., p. 261.

year period. Public housing during the thirties and for-

ties indeed was seen by most housing experts as the ul-

timate solution to the housing problems of the poor. One

of the most sophisticated of these, Charles Abrams, con-

cluded in 1946:

> We must look ahead to the days when perhaps a quar-
> ter or a third of our population will be living in
> public projects.[25]

It is difficult to imagine anyone making such a

statement today. Public housing has become an unpopular

program, even among many liberals. Congress has consis-

tently refused to appropriate high levels of funds and

as a result, of the 810,000 units authorized in 1949 to

be built in six years, only 608,000 had been built by

March 1, 1966. Moreover, as Robert Ellickson concludes,

recent public housing projects have ceased to perform

any meaningful function so far as low-income city resi-

dents are concerned.

> Of the 26,000 new units constructed annually, about
> half are designed exclusively for the elderly and
> many of the rest are located in small towns just
> beginning participation in the program. The program
> no longer provides much new housing for the non-
> elderly low-income families living in urban ghettos.[26]

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[25]Ibid., p. 371.

[26]Robert Ellickson, "Government Housing Assistance
to the Poor," Yale Law Review, 76, No. 3 (January, 1967),
511-512.

Why has traditional public housing been, as Nathan

Glazer has called it, "a graveyard of good intentions"?[27]

The foremost reason is that the perceived beneficiaries

have changed, in much the same way as has happened with

other social welfare programs of the New Deal era. Gil-

bert Steiner, in his study of welfare policy, quotes Frank

Bane, an early director of the Social Security Board,

concerning the New Deal vision of the ADC recipient: "The

ADC example we always thought about," Bane remarked, "was

the poor lady in West Virginia whose husband was killed

in a mining accident, and the problem of how she could

feed those kids."[28]

"ADC money," Steiner comments, "is now going to re-

cipients with very different characteristics from the re-

cipient group of the depression. As a matter of fact, the

whole public relief program now deals with recipients with

different characteristics from those of recipients of the

depression period."[29] The same, indeed, holds true with

public housing recipients. In the depression years, public

[27]Glazer, op. cit., p. 35.

[28]Gilbert Steiner, Social Insecurity: The Politics
of Welfare (Chicago: Rand McNally, 1966), p. 237.

[29]Ibid., p. 33.

housing beneficiaries were perceived to be, as Alvin

Schorr notes, "families who voluntarily sought to improve

their housing but could not afford private rentals. This

group was not regarded as dependent."[30]   If anything, it

was seen to be a cross-section of the American popula-

tion. More recently, partly because of the Housing Act

of 1949 which gives displacees from urban renewal areas

first priority in public housing, the image (as well as,

to a large extent, the reality) of the public housing fam-

ily changed. Public housing now contains a relatively

high concentration of depressed, untutored, and dependent

families. And most of these are thought to be Negro.[31]

Anxiety on the part of many relatively affluent

Americans that public housing might mean low-income Negro

families living next door to them in projects has accounted

for both fewer units of public housing (as this anxiety

has communicated itself to Congressmen) and the high con-

centration of what public housing there is in slum areas.

Public housing has also suffered because it has

disproven for all to see the old theory that physical

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[30]Schorr, op. cit., p. 110.

[31]Actually about 50 per cent of public housing fam-
ilies are Negro. See Ellickson, op. cit., p. 511.

housing structure is the main cause of slums. Many, if

not most, public housing projects have merely relocated

the slum environment, not changed it. The shock with which

many New Deal liberals faced this fact is registered in

Harrison Salisbury's account of his tour of New York in

1958. It is worth quoting at length:

> I have been away from the United States a good
> deal since the War. When I came back to New York
> and drove the expressway around the island I
> hardly recognized parts of the city. The great
> experiment in public housing launched during the
> Roosevelt administration seemed to have paid off.
> I was amazed at the changes. Whole areas of the
> city had given way to fine new construction. I
> wished that I could take a delegation of Russians
> around and show them what a magnificent job we
> were doing in the field of public housing.
>
> Then, last winter I visited Fort Greene Houses,
> Brooklyn. . . .
>
> Until my nostrils ferreted out the fetid story
> of Fort Greene and until I had seen the inside of
> Mercy Houses and St. Nicholas Houses I was not
> aware that in too many instances we have merely
> institutionalized our slums. We have immured old
> horror and new deprivation behind these cold walls.
> . . .
>
> Fort Greene projects . . . are fiendishly con-
> trived institutions for the debasing of family and
> community life to the lowest common mean. They are
> worse than anything George Orwell conceived.[32]

32
Harrison Salisbury, "The Shook-up Generation,"
Bellush and Hausknecht, op. cit., pp. 426-427.

Salisbury, of course, overreacted. Public housing projects no more "cause" slums (debase family and community life) than they could eliminate slums. But, how much have the projects contributed to better housing for the poor? Much recent criticism from the political left has suggested that public housing represents an abhorrent symbol to the poor and is chosen only as a last resort. Schorr quotes several studies which indicate that there is, among a large segment of the poor, a decided reluctance to reside in public housing.[33] On the other hand, he also cites several studies which show that a majority of those who do live in public housing say they like it and exhibit higher morale than they did in their previous substandard housing.[34] And however inadequate public housing is, every city has huge waiting lists of families trying desperately to get into an inadequate supply.

Public housing is undoubtedly unpleasant to the poor compared to other alternatives which are not realistically open to them. Like most slums, it is a meeting place for anti-social behavior and crime; particularly in a high-rise project, individual anti-social behavior

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[33]Schorr, op. cit., p. 64.

[34]Ibid., p. 115.

(urinating in the elevator is always cited) is likely to impinge on the entire community. Then, too, tenants are circumscribed by a set of bureaucratic regulations, each one, no doubt, well-meaning in intention, but often suffocating and counterproductive in aggregate. Undoubtedly, the most counterproductive is the regulation (recent attempts have been made to modify it) which requires tenants to move out once their incomes exceed the maximum limit. Not only does this act to impede initiative (it may be difficult to find comparable housing even with a slightly higher income), but it has the effect of systematically removing the most stable and active members of the project.

Finally, public housing has become entangled in its own bureaucratic mechanisms. It takes a seemingly interminable length of time and miles of red tape to get a project approved and constructed. An exchange during the 1965 Rent Supplement hearings between Senator Douglas and Nathanial Keith, Executive Director of the National Housing Conference, generally speaking, the lobby group for local housing bureaucrats, is revealing here.

> Sen. Douglas: The staff calls my attention to the fact that there were 24,000 units constructed last year . . . That 24,000 sounds extraordinarily low. We have been authorizing 35,000 year

after year after year, and I have al-
ways thought that ceiling was too low,
but when the ceiling is not taken ad-
vantage of . . .

Now you show vigorous reaction so
far as making a claim, but will the
local agencies show equal vigor in
performance? I think you ought to
read the riot act to your members.

Mr. Keith: I think that is sound advice, Senator.

Sen. Douglas: Go ahead.

Mr. Keith: In keeping with what we have been dis-
cussing the last few moments, we are
recommending that the authorization
be increased 125,000 units a year.

Sen. Douglas: Well, that is fine, but will you see
the local units build the 35,000 that
have been authorized in these past
years.

Sen. Sparkman: By the way, we had the same experience
back when we were operating under the
135,000 a year. It never did come up,
I believe, more than, I guess, 75,000
in one year.

Mr. Keith: I think that was about the maximum
rate. Then, of course, there was the
fact that during the 1950's and for
several years, the Appropriations Com-
mittee --

Sen. Douglas: Part of the fault is due to Congress,
there is no doubt about that. But cer-
tainly some of the fault must lie in
the localities.

Mr. Keith: I have to agree with you on that.

Sen. Douglas: Good for you. Now what can your asso-
ciation do?

Mr. Keith: Well, I don't know. I guess we have
to do more than we have in the past.[35]

If public housing is going to serve any useful fu-

ture function, it is generally acknowledged that signifi-

cant innovations must occur. Recent attempts at making

the program more flexible seem to have had some degree

of success, although they have not, as yet, generated a

significant volume of public housing. These new attempts

at innovation include provisions for tenants to purchase

their units should their income permit them to do so.

Other programs allow for local authorities to purchase

and rehabilitate existing housing for use as public hous-

ing (flexible formula) and for the authority to rent ex-

isting housing as public housing, paying rent subsidies

to the landlord on behalf of the public housing tenant

who lives there (the Widnall plan). A final promising ap-

proach is "turnkey," in which private builders, rather than

the housing authority itself, develop new projects and

then sell them to local authorities. The result has been

both cheaper and quicker than the traditional approach.

One barrier to these innovations is the attitude of the

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[35]U.S. Congress, Senate Subcommittee on Housing,
Committee on Banking and Currency, Hearings, Housing Legis-
lation of 1965, 89th Cong., 1st Sess., 1965, pp. 266-69.

traditional public housing bureaucracy (as represented by

NAHRO) which has a vested interest in the continuance of

the large public housing projects they have constructed

and managed since the thirties.[36]

More important, however, is that public housing

does not seem likely of significant future contributions

for two reasons. First, very few people are pushing it

as a vitally important program the way they were in the

thirties. Second, and more important, Congress is un-

likely to grant large sums of money for public housing so

long as fear persists among whites that public housing

may mean Negroes in their community. That this fear has

largely been groundless (there have been very few proj-

ects moving Negroes into white areas) does not belie the

fact that the fear exists. In short, the opposition to

public housing has changed. One seldom hears arguments

against public housing in terms of socialism, but rather

now in terms of social engineering by the government, a

term which can be more accurately translated into "forcing

integration."

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[36]Verrick O. French, a research fellow at the
Washington Center for Metropolitan Studies, told of the
suspicion with which the local public housing authority
viewed his evaluation of the Widnall Plan housing program
in Washington. His evaluation was that the program was a
great success. (Personal interview, August 8, 1967.)

F. Housing and the Political System:
    Urban Renewal

Congress passed the Housing Act of 1949 with a ringing declaration of federal policy. The preamble to that Act stated:

> The Congress hereby declares that the general wel-
> fare and security of the Nation and the health and
> living standards of its people require housing pro-
> duction and related community development suffi-
> cient to remedy the serious housing shortage, the
> elimination of sub-standard and other inadequate
> housing through the clearance of slums and blighted
> areas, and the realization as soon as feasible of the
> goal of a decent home and suitable living environ-
> ment for every American family, thus contributing
> to the development and redevelopment of communi-
> ties and to the advancement of the growth, wealth,
> and security of the Nation.
>   - Housing Act of 1949[37]

The Act had two main features. Title I covered slum clearance and urban redevelopment. Title III pro-vided for 810,000 units of low-rent public housing in which, it was assumed, those families who would be up-rooted by slum clearance could be rehoused (indeed the Act gave such displacees preferences in public housing). The first title provided federal loans to a local public agency for assembly, clearance, and site preparation of

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[37]Congressional Quarterly, "Housing a Nation" (Washington, D.C.: Congressional Quarterly, 1966), p. 28.

blighted land. The prepared land would then be sold by the city to private concerns which would develop the area in accordance with a redevelopment plan. The most important provision specified that the Federal Government would pay two-thirds of the cost of the city's loss if the cost of buying and preparing the land exceeded the gains of selling it to the developer (as it invariably did). The result, of course, enabled private developers to obtain land from cities at a very substantial "write down" of its real worth with the difference being subsidized by the United States Government.

The Act was passed in a period of severe housing shortage, and it appears clear, as the preamble suggests, that Congress intended the primary purpose of the legislation to be the provision of housing for the poor on the cleared sites. Thus, Ashley Foard and Hilbert Fefferman, two HHFA lawyers who were involved in drawing up the legislation, observe that Senator Taft (R.Ohio), the chief proponent of the bill,

> questioned the federal interest in any project going "beyond housing and beyond the elimination of slums." He argued that the federal government was committed to a policy of assisting housing, thereby relieving poverty and hardship, and that

federally-aided urban redevelopment for this social welfare purpose was desirable, but projects going further merely improved the looks or financial status of local communities.[38]

If this, indeed, was the intent of Congress, it has been quite consistently flouted. Most urban renewal projects have <u>not</u> provided housing for low-income families, because such an effort would not be a profit-rewarding one for the private developer who undertook it. Rather, most projects have resulted in middle or upper-middle income apartment housing and/or office buildings. Indeed, it is not unfair to say that urban renewal has worked as a detriment to the poor rather than as an aid. It is their houses which are uprooted and it is they who are moved from the renewal neighborhood where the new rents are no longer within their ability to pay. They must be relocated and relocation efforts have not been especially successful Originally it was thought that relocation would occur in the 810,000 units of public housing authorized in the 1949 Act. However, as has been noted, nearly 20 years later, the full 810,000 units are still not completed. Instead, all too often, the poor who are displaced simply

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[38] Ashley A. Foard and Hilbert Fefferman, "Federal Urban Renewal Legislation," Wilson, <u>op</u>. <u>cit</u>., p. 105.

have moved into slum housing in other parts of the city,

housing only marginally better and often more expensive

than that which they previously occupied. And, since for

the most part inhabitants of central city slum areas sub-

ject to renewal have been Negro, it is no wonder that urban

renewal is referred to by many bitter slum dwellers as

"Negro removal." Chester Hartman, who has conducted a

detailed study of relocation efforts from renewal areas,

reports:

> It is an inescapable conclusion that relocation
> has been only an ancillary component of the re-
> newal process; were this not the case, the com-
> munity would find totally unacceptable "slum clear-
> ance" projects which leave as many as two-thirds
> of the displaced families still living in sub-
> standard conditions, or which actually increase
> the incidence of overcrowding.[39]

The Omnibus Housing Act of 1954 was aimed at ac-

celerating the pace of urban redevelopment as well as

rectifying some of the more glaring difficulties with the

1949 legislation. Apparently, incentives were not high

enough for in the first five-year period after passage,

only 60 cities had reached even the land acquisition stage.

In the most optimistic words of its own administrators,

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[39]Chester Hartman, "The Housing of Relocated Fami-
lies," ibid., p. 321.

the program had merely "gained momentum."[40]

As a result, several important changes were made.
First, in Title I the term urban renewal was substituted
for urban redevelopment, and the concept was broadened
to include restoration and rehabilitation in accordance
with an urban renewal plan rather than simply clearance.
A section (220) was added to the National Housing Act
of 1937 making available, on liberal terms, FHA mort-
gage money for new or rehabilitated sales and rental
housing in urban renewal areas. In addition, Section
221 authorized FHA mortgage insurance aid for displaced
families seeking relocation anywhere in the community.
However, neither of these changes has had any significant
impact on low-income families. As has already been
pointed out, tinkering with the mortgage terms is likely
to have only a minor effect on the housing choices open
to poverty level families--the cost of good housing is
still likely to be too high for many without addition-
al subsidy. At the end of 1966, this program had gen-
erated 216,600 units of new or rehabilitated housing.

Section 220, on the other hand, was not even aimed
primarily at the poor. Thus, Foard and Fefferman comment:

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[40]Abrams, The City is the Frontier, op. cit., p.
86.

> Because the purpose of section 220 is to encour-
> age renewal of project areas for their most
> suitable housing use, WHICH IS NOT NECESSARILY
> LOW-INCOME HOUSING [caps mine], section 220 in-
> sured mortgages may be considerably larger in
> amount per dwelling unit than mortgages insured
> under 221, which is designed to serve displaced
> persons who are generally of low or moderate in-
> come.[41]

Section 220, at any rate, has accounted for only a lit-

tle more than 60,000 units of housing since its incep-

tion.

At the same time the Act of 1954 made the first

exemption in a requirement written into the 1949 Act which

required that a project area must be either predominantly

residential in character to begin with or redeveloped for

primarily residential use. The history of the erosion of

this residential requirement since 1949 is best stated by

HUD itself:

> Nonresidential renewal.-The 1954 exception to the
> predominantly residential requirement of title I
> was limited to 10 percent of capital grant funds
> and was also limited to areas containing a sub-
> stantial number of substandard living accommoda-
> tions. The exception has been changed several
> times. It now provides that 30 percent of the
> aggregate amount of Federal grants authorized for
> contracting on or after the enactment of the

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[41]Foard and Fefferman, loc. cit., pp. 97-98.

Housing Act of 1959 may be made available under the
exception, along with 35 percent of the amount of
capital grants authorized for contracting on or
after the enactment of the Housing and Urban Devel-
opment Act of 1965. Also, the requirement that
there must be a substantial number of substandard
dwellings has been dropped, and in its place, there
has been enacted a requirement that redevelopment
for predominantly non-residential uses shall have
been found by the locality to be "necessary for the
proper development of the community."[42]

The Housing Act of 1954 and subsequent acts have

thus moved urban renewal from a program whose primary

purpose was to improve housing for poor people towards

a program whose purpose is more to renew the central

city tax base and to recall middle and high-income whites

from the suburbs to the city. HUD itself supports this

interpretation. In the same Hearings before the Ribi-

coff Committee just quoted, the HUD presentation observes,

"In effect the Congress has broadened urban renewal goals

to the point where it is fruitless to attempt to dis-

tinguish whether non-residential renewal is now a primary,

or still a secondary, goal of the program."[43]

In addition to the substantive changes made by

the Housing Act of 1954, Congress made a procedural change.

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[42]U.S. Congress, Senate, Subcommittee on Executive
Reorganization of the Committee on Government Operations,
Hearing, Federal Role in Urban Affairs, 89th Cong., 2nd
sess., 1966, Appendix to Part 1, p. 59.

[43]Ibid., p. 59.

Communities were required to submit and have approved a

Workable Program for Community Improvement before they

could receive Title I funds. This Workable Program con-

sisted of:

(a) Codes and ordinances establishing adequate
standards of health and safety for a community's
housing.

(b) A comprehensive plan for the community's future
development.

(c) Analyses of the neighborhoods in the community
to identify those where something should be
done about blight.

(d) Administrative organization capable of co-
ordinating and carrying out a community program.

(e) Financial resources to support the localities'
share of an urban renewal program.

(f) Housing resources to meet the needs of those
displaced by urban renewal.

(g) Assurance that the community as a whole is fully
informed and has the fullest opportunity to take
part in developing and executing an urban renewal
program.[44]

Secretary Weaver himself has pointed out that the

Workable Program has not been vigorously enforced. Of

particular interest to lower-income families, particularly

in view of the emphasis on participation in the War on

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[44]Robert Weaver, The Urban Complex (New York:
Doubleday and Company, 1960), p. 85.

Poverty, is the last condition relating to community

participation in developing and carrying out the re-

newal program. More than any of the other provisions,

this one has been honored more in the breach. Most

attempts at citizen participation have been mere ritual

approval of plans presented to the citizens. Further-

more, historically workable program citizen committees

have had very few low-income members. Citizen involve-

ment by the poor is often ad hoc organized opposition

to the whole renewal venture--and thus not very welcome

by cities committed to renewal.[45]

Since 1954 some efforts have been made to deal

with the relocation grievances of the poor. The main

emphasis has been on encouraging rehabilitation of dwell-

ings in renewal areas so that the poor will not have to

be displaced. In 1964 Congress passed a program pro-

viding, for the first time, direct federal low-interest

rate (3%) loans. The loans were to go to property owners

or long-term tenants in renewal areas for rehabilitation

efforts necessary to make the property conform to the

housing code. The same year a provision permitting urban

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[45]For a more thorough discussion of citizen
participation, see James Q. Wilson, "Planning and Poli-
tics: Citizen Participation in Urban Renewal," Bellush
and Hausknecht, op. cit., pp. 287-301.

renewal capital grant funds for enforcing housing codes in

urban renewal areas was put into the Act. Finally,

in 1965, limited rehabilitation grants were authorized to

low-income homeowners in urban renewal areas. Despite

these attempts to meet the problem, HUD admits, "the ag-

gregate volume of rehabilitated housing attained in these

various programs . . . is modest compared with the tre-

mendous need."[46]

Nonetheless, in the past few years, HUD has put

major emphasis on rehabilitation and code enforcement as

a means of solving the housing problems of the poor. There

are several problems with such an approach. If the market

is tight, code enforcement, to be a realistic force, must

be accompanied by rehabilitation (at rents the poor can

afford) or an additional supply of low-income housing

elsewhere; otherwise the result will be a decreased supply

of housing for low-income people, and it is difficult to

see how that will improve anything.

Unfortunately, efforts at rehabilitation have in-

variably resulted in significant rent increases. Unless

other low-income housing at pre-rehabilitation prices is

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[46]U.S. Congress, Senate, Subcommittee on Execu-
tive Reorganization, Committee on Government Operations,
op. cit., p. 65.

readily available, the poor may have to absorb quite un-

willingly these increases even though some may have pre-

ferred inferior housing at lower costs. Under these cir-

cumstances, rehabilitation does not seem feasible without

accompanying rent supplements or rent control or both, un-

less, that is, the cost of rehabilitation can be signifi-

cantly reduced. Towards this end there has recently been

much discussion of the need for technological break-

throughs which would lower rehabilitation costs and a sub-

sequent mass rehabilitation industry. Several small dem-

onstration efforts have shown signs of success, but nothing

on a significant scale has yet been attempted.

Urban renewal has, during the last decade, lost many

of its liberal supporters because of its seeming non-concern

with problems of low-income families. HUD does seem in-

creasingly aware of the need for urban renewal to address

itself more boldly to the problems of this group. In June,

1967, Secretary Weaver issued a set of priorities by which

urban renewal applications could be judged. Top priority

was given to applications which "contribute effectively to

the conservation and expansion of housing for low and moder-

ate income families; the development of employment opportuni-

ties and the renewal of areas with critical and urgent
needs."[47]

Model Cities legislation, passed in 1966, is, in
many ways, simply an encouragement of this trend in urban
renewal. The basic thrust of the legislation was to co-
ordinate the city's fight on slums and blight and to allow
for innovation in doing so. Cities were to submit plans
which dealt comprehensively with an entire neighborhood.
These plans consisted of series of federal programs already
on the books, plus new and innovative programs drawn up by
the cities themselves. These latter programs were to be
financed partly by the Federal Government through a formula
which gave the cities up to 80 per cent of the local share
of the federal grant-in-aid programs included in their
Model Cities plan. The Act specifically calls for "a sub-
stantial increase in the supply of housing of low and moder-
ate cost." HUD, in its Senate testimony, specifically sug-
gested this be done through a concentrated rehabilitation
effort financed in part by the 80 per cent supplemental

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[47]U.S. Department of Housing and Urban Development,
HUD News, HUD No. 2651, June 2, 1967.

grant. Since funds were limited (the program was sold
as a demonstration), competition among applicants for
grants was high.

The most original contribution of Model Cities
is the supplemental grant. Cities have complained for
years that they have suffered under the oppressive hand
of the "Feds"; now they are given a chance to develop
their own programs tailored to their own problems. They
have not been given much money with which to do this,
however. In order to maximize the supplemental grant
it is likely that cities will turn to the federal pro-
gram where there is the most readily available supply
of grant-in-aid matching fund money. That program is
urban renewal.

G. Housing and the Political System:
    Housing Subsidies for Low-Income Families

In 1961 Congress passed, with much fanfare, a
below-market interest rental housing program, popularly
known as 221(D)(3). The program is aimed primarily at the
lower-middle income groups whose income was too high to
qualify for public housing. Below the market rate 100%
loans established at three percent in 1965, are authorized
to non-profit organizations, cooperatives, and limited
dividend corporations for construction or rehabilitation of

five-family or larger rental dwellings. The below-market

interest rate is subsidized by special assistance funds

from FNMA.[48] Maximum income levels are usually several

thousand dollars above those established for public housing.

The major importance of 221(D)(3) as far as low-

income families are concerned (it has not generated enough

units to have had a significant filtration effect) is that

the (D)(3) program has served as the vehicle for the rent

supplement program passed in 1965. In the rent supplement

program the Federal Government pays the difference between

rent on an apartment in a rent supplement project and 25

per cent of the tenant's income. Rent supplement projects

must be approved by FHA and must sign a Regulatory Agree-

ment requiring the landlord to clear its rents with the gov-

ernment. This provision prevents landlords from charging

outrageous rents which would be borne by the government in

the form of the rent supplement.

As in 221(D)(3) housing, sponsors of rent supplement

projects must be either private non-profit organizations,

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[48]FNMA special assistance programs guarantee that holders of first mortgages will be able to sell their market-interest rate mortgages to FNMA which then charges the holder an interest rate substantially below the original market rate. FNMA is provided with direct appropriations from Congress to cover these thinly disguised subsidies.

limited dividend corporations, or cooperatives. Projects must pay the market-interest rate; the loan to value ratio, however, is the same as in the below market interest rate 221(D)(3) program (up to 100 per cent for nonprofit sponsors).

Rent supplements, in its inception, was aimed at the group whose income was too high for public housing, in fact, the same group which benefits from 221(D)(3). Indeed, many believe rent supplements was being groomed by the administration to replace the 221(D)(3) below market program which the administration considered too great a drain on the Treasury. However, Congress changed the program so that it served only low-income people. Income limits on participants, identical with those in public housing, were placed in the legislation, as was a $2,000 limit on assets ($5,000 for the elderly). In addition, tenants must be in one of the following categories:

(1) displaced by governmental action
(2) at least 62 years of age
(3) physically handicapped
(4) living in substandard housing
(5) occupying living units destroyed or extensively damaged by natural disaster.[49]

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[49]This section on rent supplements is drawn nearly wholly from Robert Ellickson's excellent account, op. cit.

There are obvious advantages over public housing
for the tenant, not the least of which is that 221(D)(3)
housing is likely to be physically better than public hous-
ing. The tenant also is not required to move should his
income rise above the maximum limit; rather, his rent sup-
plement will stop and he will assume the full rent payment
himself. Again, unlike public housing, the tenant will not
deal directly with the government at all, but with the
private landlord who receives the supplement directly from
the government and who determines who may be accepted into
the project. In short, the landlord-tenant relationship
is no different from the traditional private relationship.
The landlord may accept (and it is expected that he will)
a significant percentage of tenants who will pay the full
rent themselves. There will be no way for anyone but the
landlord to know who are the subsidized tenants and who
are not. The stigma of institutionalized public housing
will thus be avoided; at the same time the cost to the gov-
ernment will be less since it will not be involved in proj-
ect management.

The most obvious difficulty with the rent supple-
ment program thus far is that it has not been adequately
funded. One of the reasons it has not been adequately funded

is the potential   for fostering integration which some

Congressmen have found in the program. Because there or-

iginally was no control by a local public agency as there

is in public housing, rent supplement projects could be

located anywhere--perhaps even in suburbs where increasing-

ly the employment opportunities are to be found. Indeed,

the first paragraph of preliminary FHA guidelines on rent

supplements, issued in September, 1965, stated:

> Important criteria with regard to approval of a
> rent supplement project will include full consider-
> ation of its contribution to assisting in integrating
> income groups and furthering the legal requirement
> and objectives of equal opportunity in housing.[50]

This statement received widespread publicity and

resulted in quick withdrawl by FHA of the preliminary guide-

lines, when it appeared they might jeopardize appropriations

for the supplement program. Despite the quick withdrawal, the

Appropriations Committee added a "local control" rider to

the appropriations. Indeed, in the context of an economy-

minded Congress, the "specter" of integration has made rent

supplements one of the prime targets for those bent on budget-

cutting.

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[50]U.S. Federal Housing Administration, Rent Supple-
ment Program Package, MF Letter No. 63, September 28, 1965.

A more basic long-range difficulty with rent
supplements (and 221(D)(3) in general) is the limita-
tions of non-profit and limited-dividend corporations.
They are limited both in numbers and, perhaps more
importantly, in knowledge, both in terms of financial
know-how and project management. Efforts are being made
by private groups to educate and help along interested
sponsors. However, it is still too early to tell whether
enough of these sponsors can succeed to ensure that the
rent supplement program will have a significant impact
even if it is more adequately funded. As of July 31,
1967, only 62,915 units of regular (D)(3) housing had
been constructed since the program's enthusiastic in-
ception in 1961. The low figure is surely not due to
a lack of desirous tenants, but to a lack of willing
and able sponsors. This does not lend encouragement
to the future success of the supplement program, at
least under the present mechanism.

Several proposals in 1967 focused upon home-owner-
ship subsidy for low-income people. Although there have
been a variety of such proposals, they all basically depend
upon the mechanism of a below-market interest rate subsidy
administered either directly through FHA or indirectly
through a non-profit corporation capitalized originally by

the Federal Government. Such proposals at least have the

virtue of meeting the desires of the American public.

Surveys have   shown that the vast majority of

Americans would prefer to own their own homes.[51]   In addi-

tion, Sternlieb's study of Newark points out quite clearly

the importance of a proprietary interest in encouraging

adequate maintenance.[52]

Secretary Weaver, on the other hand, questioned the

desirability of encouraging the very poor to own their

homes. Not only does it burden them heavily with debt,

he suggested, but it severely limits their mobility which

may be an important factor in terms of improving employ-

ment situation. It should be noted, however, that the

proposed home-ownership plans would serve families with an

income range of $4,000-$7,000, or what is really the moder-

ate, rather than the low-income range.

A final approach suggested by a few academic housing

experts urges some reduction on further uses of housing sub-

sidies. Adherents of this approach argue that housing is

not the crucial problem at all so far as the poor are con-

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[51] Glazer, op. cit., p. 31.

[52] Sternlieb, op. cit., p. 176.

cerned; the crucial problem is lack of income. Public
policy thus should be aimed at income maintenance rather
than assuring adequate housing per se. Once income is
sufficient adequate housing will be easily obtainable.
The only excuse for concentrating on housing subsidies
is that they are a more politically feasible form of re-
distribution of wealth than other alternative policies.
However, if housing efforts do not redistribute income as
efficiently or quickly to the poor as other politically
acceptable measures, or if housing efforts themselves are
not politically acceptable, then housing must be sub-
ordinated to other efforts.

H. Housing and the Political System:
    Segregation, Non-discrimination,
    and Integration

Segregated markets per se are an important factor
in hindering the amelioration of poor housing conditions
for Negroes. Particularly when the inner-city housing mar-
ket is tight, the presence of segregated housing markets in
the suburbs deprives Negroes of needed opportunities for
housing. In addition, in nearly all cities, jobs are in-
creasingly migrating to the suburbs. The Negro, if he is
to respond to this shifting opportunity structure in employ-
ment, must either make use of extremely poor transporation

facilities going outwards from the central city or he must

move to where the jobs are. The first choice does not

seem a viable alternative; the real choice is for Negroes

to move to the suburbs or to have their employment situa-

tion worsen.[53]

Civil Rights advocates have long complained that

both FHA and VA have not approved loans to Negroes. Rather

these agencies have represented the biases of realtors and

lending institutions with whom they work closely on the

local level. In response to this, President Kennedy is-

sued, in 1962, an Executive Order prohibiting discrimina-

tion in new housing provided with federal aid, including

insurance of loans. In addition, discrimination in new or

old housing owned by the Federal Government was outlawed.

Although the Executive Order had a millenium ring about

it when it was issued, the results have been more consis-

tent with what has gone before. A recent study by the Amer-

ican Friends Service Committee concludes:

1. Executive Order 11063 is being widely and fla-
grantly violated by builders, brokers and
lenders.

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[53]This discussion is independent of any considera-
tion of the social desirability of integration. Negroes
moving to the suburbs does not necessarily mean they will
live next door to whites.

2. Implementation of the Order by the Federal Housing Administration (FHA) and Veterans Administration (VA) has been at best ineffective, and at worst subversive of the goal of equal opportunity in housing.[54]

FHA, after having undergone a series of harsh attacks in 1967, responded with several changes in guidelines designed to eliminate discrimination in handling of FHA loans. Then, in 1968, Congressional passage of a fair housing law made non-discrimination the law of the land. However, most of the Northern industrial states (and a scattering of others) already have state fair housing laws. Their success has not been spectacular. Enforcement procedures are usually cumbersome and require extraordinary activity on the part of the aggrieved. Furthermore, they have not been accompanied by concerted efforts to educate Negroes who might desire to move about the opportunities that do exist as well as how to take advantage of these opportuniti

The whole question of the desirability of integration as a short-range goal has recently come under scrutiny. Some, including black militants, have argued that immediate priority ought to be given to improving the quality of life

[54]American Friends Service Committee, A Report to the President on Equal Opportunity in Housing (Philadelphia: American Friends Service Committee, May, 1967), p. 1.

in the ghetto which is where most low-income Negroes will
be for years to come. And, at any rate, few Negroes wish
to move out into predominantly white neighborhoods and
less than a majority prefer mixed neighborhoods. Based
on a sample of Negroes in several large cities, Gary T.
Marx found the following distribution:[55]

Type of neighborhood preferred if all equally well
kept up:

Mostly Negroes	62%
Mixed or no difference	31%
Mostly white	4%
Don't know	3%

Government response to this switch of emphasis by
groups representing the Negro community is, at the time of
this writing, still somewhat uncertain. The response of the
housing decision-making elite to this question, as well as
others concerning housing policy is discussed
in Chapter IX.

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[55]Gary T. Marx, <u>Protest and Prejudice: A Study of Belief in the Black Community</u> (New York: Harper and Row, 1967), p. 176.

CHAPTER IV

THE HOUSING POLICY SYSTEM

A. Introductory Note

The findings presented in the following five chap-

ters represent a first attempt to describe and generalize

about the way policy is made within the housing political

system at the national level. As such, they ought to be

viewed as exploratory and suggestive rather than as proven

assertions. Indeed, it is exceedingly tempting for

political scientists, in describing the public policy process, to

impose more order on it than such a system actually possesses,

for classification and generalization are the goals of all

social scientists. James Burns has written:

> After spending three years in the White House
> Office under Kennedy, Arthur Schleshinger, Jr.,
> concluded that "the historian tends in retrospect
> to make the processes of decision far more tidy
> and rational than they are; to assume that people
> have fixed positions and represent fixed interests
> and to impose a pattern on what is actually a swirl
> if not a chaos. I think the historian doesn't re-
> alize the opaqueness of the process." The poli-
> tical scientist, who shares the temptation to in-
> flict patterns on disorderly political processes,
> may also underestimate the almost anarchic nature

of decision-making among a group of men without established relationships meeting perhaps in a crisis amidst a stream of murky information in order to grapple with the shifting activities and plans of rival politicians or foreign leaders.[1]

However, the fact that order is not easily imposed on such a system does not mean that order does not exist. Rather it testifies to the exploratory nature of the study. What is at first random and inexplicable may yield to generalization easily after more intensive study.

The primary data from these chapters were derived from approximately 60 wide-ranging and unstructured interviews with active participants representing a variety of perspectives within the housing policy process. In order to conduct these interviews in such a way so that honest and frank responses were encouraged, it was necessary to guarantee anonymity to each respondent before the interview. For this reason, no citations will be given from these interviews. Secondary data, particularly for the first sections in Chapter IV, were drawn from existing literature on housing and housing economics.

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[1] James MacGregor Burns, Presidential Government (Boston: Houghton Mifflin Company, 1966), p. 143.

B. The Non-governmental Environment

The importance of a system's environment cannot be

overlooked, for the environment both defines the problem

and sets the limits of the system's response. Each system

is itself a subsystem of some larger system which includes

a part of the former's environment. Thus, the federal hous-

ing decision-making system is only a part of a much larger

system which allocates values (non-authoritative) in the

area of housing. Most values in this larger housing system

are allocated by the private market or through other non-

federal institutions. It follows from this that the fed-

eral housing decision-making system, the focus of this

study, cannot be either comprehended or appreciated with-

out taking into account the environment in which it oper-

ates. This environment (the wider systems) both defines

the problem and sets the constraints within which decisions

are made.[2]

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[2] "System theory dictates a strategy of research
which is in basic opposition to reductionism or the imme-
diate pushing to some more elementary level for an under-
standing of social-psychological phenomena. The first step
should always be to go to the next higher level of system
organization to study the dependence of the system in ques-
tion upon the supersystem of which it is a part, for the
supersystem sets the limits of variance of behavior of the
dependent system. More analytic study can then explore the
contributions of subsystems to this limited range of

These constraints, presently, must be assumed to
be given so far as those within the federal housing system
are concerned, although some of these constraints would
be, in principle, open to manipulation by the federal
housing elite if such manipulation were politically feas-
ible. The most important set of constraints concern the
private economy, and more particularly, the private hous-
ing industry as these affect the supply of low-income
housing. Let us assume, for convenience, that the goal
of government housing policy is as expressed in the Hous-
ing Act of 1949, to assure adequate housing for all Amer-
icans who are not able to obtain it on the private market..
As has already been pointed out, most low-income families
obtain accommodations through the filtering process by
which more affluent families move to new housing, setting
up a chain reaction of upward mobility which ultimately
opens up more housing to low-income groups.[3]

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variance. For example, if we want to study patterns of co-
operation and conflict within an industrial company, our
first step would not be to look at the informal standards
in work groups but to study the position of the company in
the industry as a whole." Daniel Katz and Robert Kahn,
The Social Psychology of Organizations (New York: John
Wiley & Sons, 1966), p. 58.

[3]See Chapter III, p. 71.

The gap which the government must then bridge to provide adequate housing for all people varies according to the performance in the private housing market itself, both in terms of new starts and vacancy rates in the existing stock. In years in which the homebuilding industry has low numbers of housing starts, the housing problems of low-income people are exacerbated, thus increasing the scope of the problem so far as government is concerned. Anthony Downs, a noted real estate analyst, as well as political scientist, explains why:

> Unless there is a general expansion in the supply
> of housing offered on the market at a relatively
> rapid rate, housing conditions for slum dwellers
> cannot improve . . . high levels of annual housing
> starts will create a "loose" housing market in gen-
> eral by providing more new units than there are new
> households formed. Only if such "looseness" pre-
> vails can there be an improvement in the housing
> conditions at the bottom of the inventory. This
> is true even though persons living in bottom-of-
> the-inventory units cannot afford new housing.
> They do not even efficiently gain the benefits of
> the trickle-down (filtering) process. Yet that
> process works with amazing efficiency in trans-
> mitting low vacancy rates and rising rents down-
> ward through the housing stock. As a result, in
> periods when housing starts are cut back but gen-
> eral prosperity remains strong, housing conditions
> immediately worsen in the ghetto. Vacancies de-
> cline, rents rise, and landlords reduce maintenance
> as they realize their competition is declining.[4]

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[4]U.S. Congress, Senate, Subcommittee on Executive Reorganizations of Committee on Government Operations, Federal Role in Urban Affairs, 90th Congress, 1st sess., 1967, Part 17, pp. 3495-96.

The number of housing starts depends in large part on the availability of mortgage money at reasonable terms. Unfortunately, the interest rate is determined with little reference to the needs of housing. Thus, the Vietnam War undoubtedly acted as a major constraint on private construction. It resulted in huge federal expenditures for the war effort with consequent federal borrowing to finance those expenditures. The government, thus, by increasing the demand for loanable funds, drove up the interest rate. At the same time, the upward trend in interest rates was reinforced by the reliance on monetary rather than fiscal policy to dampen the inflationary pressures in the economy.

Housing in general (including government programs which work through the private mortgage market) suffers when interest rates rise. Since mortgage lending institutions' rates to depositors are slow to change, prospective depositors will divert their funds to government bonds and other financial intermediaries. As a result, the amount of loanable funds of the mortgage lending institutions, particularly savings and loan associations, will fall and interest rates rise. The consequence of all this is to

limit greatly decision-makers within the federal housing

policy system unless they are willing to think in terms

of developing new and better credit institutions for the

housing industry which would somehow divorce housing in-

terest rates from those of the rest of the economy. This

is not an easy thing to do.

Another clear constraint on the supply side con-

cerns the scarcity of equity capital in the housing mar-

ket. Investors of equity in both private and governmental

programs compare prospective returns on their investments

in housing to alternative investments elsewhere in the

economy. Again the attractiveness of other investments

is something housing policy-makers can only react to but

cannot control except as they affect the relative attrac-

tiveness of housing. And the low return on investment for

new low-income rental housing (because of low rent rates)

acts as a nearly insurmountable barrier without some form

of government subsidy to the investor. As of 1968 a major

dispute concerned whether present low-income programs pro-

vided sufficient subsidies to attract equity capital or

whether some other factor, such as inadequate appropria-

tions or excessive government red tape was a more impor-

tant cause for restricting the supply of housing for low-

income people. The lack of attractive incentives for
equity capital formed the basis of both Senators Percy's
and Kennedy's respective housing bills in the 90th Con-
gress.

Also on the supply side, there are cost factors
which both drive up the price of housing and cut into the
profit margin of builders, thus cutting relative attrac-
tiveness. Primary among these is the cost of land which
has doubled over the last two decades.[5] Again, there is
virtually no way for housing policy makers to react to
this unless they begin to think in terms of controlling
land prices, either through land subsidy or write-down
such as exists in the urban renewal program. Outmoded
local building codes, a function of local governments, also
contributed substantially to cost and, again, have been
beyond the purview of the federal housing establishment.
The cost of both labor and materials in the construction
of a building, on the other hand, has decreased, but there
is bitter debate within the industry concerning the pace of
further cost-reducing innovation. Homebuilders accuse the
craft guilds involved in the construction process, particu-

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[5]*Ibid.*, p. 3509.

larly the building   trades unions of opposing inno-

vation, both in terms of efficiency and new materials.

Labor, for its part, accuses the builders of attempting

to lower standards through new industrial pre-fab tech-

niques.

On the demand side, the problem set by the en-

vironment is much clearer. The market for new housing

is almost entirely a middle and upper-income suburban one

because that is usually the only area with land available.

As a major durable, good housing demands are likely to

reflect quickly any major trend in the economy quite em-

phatically; thus, housing demand is likely to fall as

uncertainty sets in. Since most low-income people are

ultimately housed through the vagaries of the filtering

process, the extent of housing demand among middle and

upper-income groups determines, to a large extent, their

own housing situation.

Because low-income people have insufficient in-

come to compete in the private market, it has been sug-

gested that the most effective approach to housing prob-

lems would be to raise their income (or supplement it for

housing purposes) thus providing a demand for the housing

industry to respond to. However, it is not known whether

this increased demand would indeed result in increased supply or whether it would merely result in price increases in present units, both homes and apartments. The real questions are how much demand would have to increase at the lower-income level before supply increased significantly and how much prices would rise in the interim. Again, this limits the options open to the federal housing system unless that system's elite is willing to control rents and prices, or set them, as in effect they do, in the rent supplement program.[6]

Federal efforts are further limited by a set of constraints at the community level, for nearly all federal housing programs affecting low-income people are dependent upon local initiative. The most important of these is local opposition to Negroes in general, and to integration in particular. Such opposition makes it extremely difficult for local governments to approve public housing, rent

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[6] For further discussion of the economic constraints on federal housing policy, see Martin Meyerson, Barbara Terrett, and William L. C. Wheaton, Housing People and Cities (New York: McGraw-Hill, 1962), h. 2-9; and Maisel, op. cit.

supplement, or 221(d)(3) programs, or to agree upon sites

for their construction. At the same time there still ex-

ists a general ideological opposition to federal housing

programs, albeit this seems to be lessening. The only op-

tion open here to the housing policy system is for the

Federal Government to assume the initiative in housing from

the local level, and the political barriers are so obvious

that it is not even contemplated as a possibility.

C. The Federal Government as Environment

The federal housing system is also a subsystem of

the larger Federal Government decision-making system.

Since federal resources are scarce, the share going to

housing depends, in part, on competing demands for those

resources within the federal budget. The existence of the

war in Vietnam placed a major strain on the federal budget

and greatly limited resources available to other domestic

programs during the mid- and late 1960's. Resources open

for allocation in the budget to domestic programs are fur-

ther limited by the relatively high proportion of non-man-

ipulable   e expenditures in the budget (agricultural support

programs, veteran's pensions, aid to dependent children,

etc.). Housing competes for the remaining available resources

with other non-fixed domestic needs.

The Administration's acceptance of the New Economics as a legitimate means to manipulate the economy further limited the options open to the federal housing system. The threat of inflation due to excess aggregate demand (again a problem greatly aggravated by the Vietnam War) specified, according to the New Economics, government reaction to restrict the economic expansion. Ideally, fiscal policy would have played a major role in a balanced policy, but that route was closed because of Congressional opposition. It was, therefore, necessary to rely during the period under discussion almost entirely on monetary policy as influenced by upward movements in the discount rate of the Federal Reserve Board. The intended result of this was to dampen the economy through higher interest rates. Unfortunately, a secondary result was to affect adversely housing construction which is the sector of society most sensitive to changing rates. The housing industry was the most vigorous supporter of President Johnson's proposed 10 per cent tax surcharge.

As a further largely psychological effort to cut aggregate demand, the President can hold back on the expenditure of already appropriated funds, as he did during

early 1967 with FNMA special assistance funds, again ad-
versely affecting federal housing programs for a non-
housing reason.

D. Environmental Demands

The environment does more than place limits on
a system. It also provides inputs   (demands) to which
the system reacts. Objectively the need for improved
housing for low-income people had existed for many years.
But, until the mid-1960's this need was, to a large ex-
tent, not translated into a sustained demand on the po-
litical system. It is true that groups such as labor
and the National Housing Conference pushed with varying
intensity, the low-income housing legislation. However,
they did so in the traditional terms of an increased
amount of public housing, a demand which ran into ex-
tremely strong opposition from other elements in the
federal housing system and its environment. In addition,
the housing problems they had in mind during most of the
period from 1935-1960 were primarily those of low-income,
but employed whites, particularly those in labor unions.

Few organized groups pressed effectively for ac-
tion on the housing problems of low-income Negroes, a

significant number of whom were unemployed. The prob-

lem of low-income housing for either racial group re-

ceived little support from important opinion leaders,

the mass media, and the mass public. As a result of

the strong opposition to public housing and the general

lack of concern about low-income housing as an urgent

problem, low-income housing was not granted a top priority

either within the Federal Government generally or within

the federal housing system more specifically. During most

of the post-war era, the major demands on this system

emanated from the housing industry and middle class Amer-

icans to finance the movement of the white urban middle

class to the suburbs. This was done through the FHA

mortgage programs.

However, as this indicates, the federal housing

system is not isolated from social and political trends

occurring in the non-housing sectors. Rather, it is

closely tied to broad social forces. Thus, it was the

Negro revolution of the early and mid-1960's which brought

poor housing, as well as other problems of low-income

Negroes, to the level of visibility and which led to

demands on the political system for action. The riots

of 1964-1968 reinforced this and focused attention on

housing needs, since poor housing is probably the most visible deprivation suffered by low-income groups.

These events led to new demands, including the direct improvement of housing conditions of the poor. This housing demand entered the national political system through the activity of largely white, liberal groups sympathetic to the problems of the Negro poor as well as through elected politicians either directly representing low-income Negroes or sympathetic to their plight. In many cases these groups or individuals may have been transferring the demands of Negro organizations or groups with whom they had contact at local levels. In addition, other groups, in some cases very powerful and significant ones, whose self-interest coincided with better housing for low-income Negroes, added their voices. The National Association of Home Builders was probably the most significant of these. Most Negro organizations, however, remained inactive nationally.

The inputs were increased in effectiveness by demands from a portion of the public (and many decision-makers) to respond to the riots by eliminating some of the grievances which caused them—the most visible of which was poor housing. In effect, this was a demand trans-

mitted to nearly all elements in the government to return

the social system to equilibrium, that is, to assure sta-

bility. Other contrary demands entered the system calling

for the use of as much force as necessary to put down

riots and urging rioters not be "rewarded" for their crim-

inal activity.

A much more diffuse demand may have been in the

end, however, most important. The housing elite gradu-

ally responded to the concern other elements of society

were expressing towards the problems of poverty. Opinion

leaders in America and the mass media began to focus on

the poor, particularly as the Civil Rights Revolution

gave way to its more militant phase. Partially in re-

sponse to this, and partially in response to his own intel-

lectual and emotional predelections, President Johnson

made the "War on Poverty" the keystone of his legislative

efforts and the major domestic issue in his 1964 cam-

paign. OEO and its activities undoubtedly acted as a

spur on HUD to pay more attention to the problems of the

poor. Later, public commissions, such as the Kerner

Commission on urban disorders, focused directly on prob-

lems of ghetto dwellers. So did the Ribicoff hearings in

1966-67. Both of these received wide publicity in the com-

munications media.

The result was that, in broad terms, housing problems began to redefine themselves in terms of the poor, and the Negro ghetto poor in particular. Partly, no doubt, they redefined themselves because objectively problems were created for decision-makers. Noise and confusion rather than orderly group demands were effective as demands because they threatened the stability of the housing system and called forth an equilibrating response. Thus, Negro groups threatened to thwart urban renewal programs in many cities. Their demands had to be dealt with. But it also seems clear that the housing elite itself changed (partly through replacement of members) its own personal attitudes and sense of priorities in accordance with major events in the rest of society.

E. Organized Groups in the Environment

Operating in the environment of the housing policy process are a variety of organized interest groups.[7] Much of the activity of these groups is directed towards,

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[7] In some cases, organized groups, or parts of them, may be considered as a part of the conversion process rather than merely a part in the environment. This phenomenon shall be referred to later.

what David Truman refers to as "the attempt to achieve
effective access to points of decision."[8] Not all
of these groups do obtain access--the establishment
of communication channels with members of the decision-
making elite. Nor is access, once obtained, necessarily
effective, since decision-makers can listen without
either heeding or agreeing. For this study, the groups
selected for examination included all those which put
forth a major effort to influence housing policy and,
in addition, a variety of lesser groups selected so that
viewpoints not represented by the major more active
groups might also be considered.

The National Association of Housing and Redevelop-
ment Officials (NAHRO) is a professional organization for
members and employees of local public housing agencies.
Although not a lobby, because of its tax exempt status,
NAHRO has long been one of the most visible forces be-
hind "liberal" legislation. Its main interest, of
course, is public housing, and its main thrust is to
push for more and more of it. It also is a strong sup-
port of urban renewal and Model Cities. NAHRO has

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[8]
Truman, op. cit., p. 264.

been somewhat suspicious of new innovations which threaten
to work outside the traditional framework of local public
housing agencies. Thus, for example, it was a vigorous
opponent of the rent supplement program in 1965 and some
of its members have given only nominal support since then.
More recently NAHRO has begun to represent the need for
effective metropolitan planning.

The National Housing Conference (NHC) is considered
by many as the lobby arm of NAHRO. It consists of members
from various "public interest organizations" as well as
distinguished individuals who share NHC's goals of a
long-term commitment to building housing for low- and
moderate-income people. Traditionally it has been strongly
identified with public housing and urban renewal. Whereas
NAHRO is likely to concentrate on access to HUD, NHC aims
its main efforts at the Hill.

The AFL-CIO at the national level has been a
strong supporter of almost all housing programs for low-
and moderate-income people. It is viewed by many as
the most effective lobby at the Congressional stage,
mostly because of its ready access to those Congressmen
whose constituency includes significant elements of organ-
ized labor. Because it is not a housing "expert"

labor's role is usually, though not exclusively, one

of rounding up support for programs proposed by others.

Both labor and NHC have historically sought volume for

extablished programs far beyond what the Administration

has been willing to recommend or the Congress ready

to grant.

The United States Conference of Mayors is an

organization consisting of mayors of the larger cities.

It supports programs which make available to cities

as much money as possible with as few strings as possible

attached. Its major effort is thus aimed not at drawing

up specific programs, but at bringing money to cities.

The Conference is, according to several respondents, an

organization dominated by Chicago's Mayor Daley; its

Executive Director, John Gunther, has been quite close

to higher members of the institutionalized presidency.

In addition to the Conference's influence at this level,

its members can achieve publicity for its desires.quite

easily. For the same reason, its members often are ef-

fective lobbyists with key Congressmen whose constituencies

lie within the borders of their city. The National

League of Cities (NLC) is a similar organization except

that its membership includes mayors of all cities regardless

of size. It works quite closely with the Conference of Mayors.

The National Association of Home Builders (NAHB) has, in the 1960's, become the major housing industry organization to throw its support behind Administration programs to house low- and moderate-income people. Consisting mostly of small builders, the Association historically has opposed government programs. As late as the 1950's it attacked public housing as "socialistic and communistic." However, in the 1960's NAHB has grown more pragmatic. it now favors nearly any program which will mean more houses for them to construct. Thus, the emphasis on housing for low and moderate-income people has been favorably perceived as opening up a whole new market to the builders. It also is in the forefront of the fight in opposition to high interest rates, since high interest rates usually dry up the supply of money necessary to finance homebuilding.

The major financial institutions connected with the housing industry are the Mortgage Bankers Association (MBA), the American Bankers Association (A.B.A.), the U.S. Savings and Loan Association (U.S.S.& L.A.), and the National Association of Mutual Savings Banks. Since

all of these deal with housing mortgages, their major
concern is that government programs do not interfere
adversely with the normal operations of the mortgage
market. Thus they oppose direct government loans and
subsidized interest rate programs which operate outside
the normal mortgage market. However, both the MBA and
the Mutual Savings Banks supported the rent supplement
program since it works through the mortgage market. All
the organizations also supported legislation to free the
FHA interest rate ceiling to make FHA-insured mortgages
competitive with other investments during periods of
rising interest rates. The Mutual Savings Bank, and
to a lesser extent the MBA, actively attempt to influence
broad social programs, while the A.B.A. and U.S.S. & L.A.
concentrate their energies on more technical matters of
great interest to them. In more general terms, the finan-
cial organizations, with the exception of the Mutual
Savings Banks association which is more progressive, are
likely to react in a somewhat cautious and skeptical man-
ner to efforts to house low- and moderate-income people
whom these organizations have traditionally viewed as poor
risks.

The National Association of Real Estate Boards (NAREB) is an organization composed of the nation's realtors. More than any other organization NAREB has the reputation of supporting what could loosely be called the conservative viewpoint in housing matters. It has been the spearhead of opposition to open housing laws, whether federal, state, or local. In addition, it still opposes public housing as well as subsidized interest rate programs. Despite opposition during 1965, NAREB switched to support of the rent supplement when they began to perceive it as an alternative to public housing. Although NAREB puts a substantial amount of effort into lobbying, many respondents suggested that its rather consistent stance in opposition renders it relatively ineffective at influencing policy.

The National Association for the Advancement of Colored People (NAACP) is a mass membership organization which espouses a moderate civil rights viewpoint. Its major effort in housing has been directed at obtaining open-housing laws, and its lobbyist, Clarence Mitchell, is given major credit for obtaining passage of the open-housing law in 1968.[9] However, in other areas of housing

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[9]See "Civil Rights Lobbying," _Congressional Quarterly_, April 26, 1968, p. 931.

policy, the NAACP was practically moribund from 1964 to
1968. it had no staff expert on housing nor any par-
ticular position on most housing matters other than non-
discrimination.

The National Committee against Discrimination in
Housing (NCDH) is a small organization whose major inter-
est is to open up the suburbs to all races. It has spe-
cialized in research to buttress their attempts to influ-
ence policy which are directed towards HUD and more broadly
at the educated public. NCDH's pamphlet "How the Federal
Government Builds Ghettos"[10] has received fairly wide
publicity. NCDH has consistently criticized HUD for dis-
crimination by local offices in granting of FHA loans to
Negroes. It has also attacked urban renewal as "Negro
removal," claiming that, in aggregate, urban renewal has
destroyed more housing for low-income Negroes through
clearance than it has produced.[11]

The Urban League also has concentrated on achiev-
ing non-discrimination in housing. However, primarily due

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[10]National Committee against Discrimination in
Housing, How the Federal Government Builds Ghettos (New
York: NCDH, 1967).

[11]Ibid., p. 7.

to its Executive Director, Whitney Young, the League
has taken a more active interest in other aspects of
housing policy than the NAACP. Young has pushed for
an expanded supply of housing for minority groups. He
has particularly favored programs to involve private
capital in low-income housing, such as 221(D)(3) and
rent supplements. As a tax exempt organization the
League is strictly prohibited from lobbying before
Congress.

The Congress of Racial Equality (CORE) and the
Student Non-Violent Coordinating Committee generally
support the position that efforts should be put into
improving housing conditions within the ghetto rather
than integrating the suburbs. Although SNCC has been
relatively quiet on housing, CORE has called for a mas-
sive federal effort to expand housing supply for low-
income people and to improve the present supply. The
organization has strongly supported a comprehensive
program similar to the one sponsored by Senator Robert
Kennedy in Bedford-Stuyvesant which features a corpora-
tion with the poor represented on the board of directors.
The corporation is planned, not only to finance housing
for the poor, but also to employ and train community
workers to do the work. CORE also has attacked urban
renewal as not responsive to the needs of black people.

The American Institute of Planners is the pro-
fessional organization of city planners. It has placed
major emphasis on the need for comprehensive planning,
relating housing to a host of other equally important
variables such as employment, transportation, health,
aesthetics, and others. It has particularly pushed
New Town planning. Because it is a tax exempt organi-
zation, however, it puts most of its efforts into af-
fecting HUD guidelines rather than influencing legis-
lation.

The most recently organized group to involve it-
self in housing policy is the Urban Coalition, a nation-
al organization of mayors, labor leaders, and business-
men. The Coalition has put its weight behind efforts
to improve housing conditions for low-income Negroes.
It particularly has pushed programs which involve a
partnership between government and the private sector,
putting resources at the command of the private sector
to work in solving problems of the ghetto. Thus, it has
been very much in favor of programs such as rent supple-
ment, 221(D)(3), and turnkey public housing, although
it also supports other government programs.

F. Access and Representation

In order to determine how much access each of these

groups has to members of the decision-making elite, members

of that elite were asked how often they communicated with

each of the organizations over the course of a year. The

question was closed and the alternatives were: many times,

occasionally, and almost never. The results are presented

in Table 1.

It is interesting to note that the organizations

with the best access (many times plus occasionally) are those

which were strong supporters of the housing policy of the

Johnson Administrations and of federal efforts to improve

housing in general. In some cases, these organizations were

somewhat ahead of Administration policy. In the middle are

the more conservative financial and realtor groups, many of

which are quite chary of federal efforts in the housing mar-

ket. The groups with the least access are those advocating

the most change--the planners and the militant Negro organ-

izations.

However, mere communication does not necessarily

imply that a group's views have entered into the decision-

making process. It is _effective_ access, not simply access

TABLE 1

DECISION-MAKERS' COMMUNICATION WITH ORGANIZATIONS

Organization	Number of Decision-makers Communicated With			
	Many Times	Occasionally	Almost Never	No Answer
Conference of Mayors	22	22	12	12
NAHB	20	29	6	13
National League of Cities	19	21	16	12
Urban Coalition	14	11	19	24[12]
AFL-CIO	13	27	15	13
NHC	13	27	15	13
NAHRO	13	26	16	13
NAACP or Urban League[13]	12	21	23	12
MBA	9	25	22	12
NAREB	7	19	29	13
A.I.P.	6	16	35	11
NCDH	6	11	38	13
A.B.A.	5	17	33	13
U.S.S. & L.A.	4	22	29	13
Mutual Savings Banks	3	9	21	35[12]
SNCC or CORE[13]	2	12	41	13

[12] and [13] See page 143.

for which groups strive. The question to be pursued, then, is whether a group's views are _represented_ within the decision-making elite. Thus, in addition to being asked about frequency of communication, the members of the decision-making elite were also asked whether they usually agreed or disagreed with the views of each of the groups. The question was as follows: Do you usually agree or disagree with their stand: (1) very highly agree; (2) agree more than disagree; (3) disagree more than agree; (4) very highly disagree; and (5) usually do not know what position is.

When combined with answers to the question concerning frequency of communication, a useful typology of representation can be developed. First it was necessary to collapse categories in each question. Thus answers of "many times" and "occasionally" to the communication

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[12] The Urban Coalition and National Association of Mutual Savings Banks were added to the list of questions after nearly half of the interviews were completed which accounts for the high percentage of no answers.

[13] The NAACP and Urban League were grouped together in the question as were SNCC and CORE because it was felt communication with either one of the pair would result in much the same views being represented.

frequency question were added together and put in one category called "much communication." At the same time, on the following question the categories of "very highly agree" and "agree more than disagree" were collapsed to a category called agree; similarly, "very highly disagree" and "disagree" were added together and called disagree.

The typology thus consists of a 2 x 3 table with six possible classifications. Much communication plus agreement is considered "representation"; almost no communication plus agreement is looked upon as "virtual representation." In the second case the organization's views are represented through members within the decision-making elite who hold similar views, even though the organization does not communicate--or has no access to--these members. Much communication plus disagreement is termed "pressure," whereas little communication plus disagreement appears to be a case of "mutual antagonism." Little communication plus lack of knowledge about views of an organization suggests "lack of effort" on the part of the organization, since access, at least on the level of formally presenting views to the elite, is relatively easy to achieve at nearly all levels of the housing policy system. Much communica-

tion plus lack of knowledge of an organization's position was viewed as evidence of that organization's "incompetence."

The typology can thus be pictured (results follow in Table 2):

	Much Communication	Little Communication
Agree	Representation	Virtual Representation
Disagree	Pressure	Mutual Antagonism
Do not know position	Incompetence	Lack of effort

Again, it is the groups which in general terms supported the Johnson Administration programs which are the best represented. However, it is the more conservative groups rather than the more radical groups whose views were most rejected by members of the elite. NAREB, probably the most conservative of the groups listed was classified as a "pressure" group by 14 organizations and as mutually antagonistic by 17 more, making a grand total of 31 who disagreed with that organization's views. A.B.A. with 20, MBA with 16, and U.S.S.& L.C. with 14 followed NAREB as organizations with whose views the most decision-makers were in disagreement.

The change groups (moderate and militant civil rights and Negro groups plus the planners) present the most interesting case. Critiques of group theory have suggested that "potential" groups with such attitudes either are not likely to become actual organized groups

TABLE 2

ORGANIZATIONAL INFLUENCE

Organization	Representation	Virtual Representation	Pressure	Mutual Antagonism	Lack of Effort	Incomp	No Answer
Conference of Mayors	37	3	2	0	3	0	23
NHC	33	5	0	0	5	1	24
AFL-CIO	33	5	0	2	2	0	26
NLC	33	5	1	2	3	0	24
NAHRO	30	4	2	2	2	2	26
NAHB	30	2	11	1	1	0	23
NAACP or Urban League	25	9	0	2	7	0	25
Urban Coalition	22	6	0	0	6	0	34
MBA	20	2	7	9	7	1	22
A.I.P.	18	8	0	2	14	1	25
U.S.S.& L.L.	14	3	6	8	11	2	24
NCDH	13	8	1	4	13	1	28
SNCC or CORE	8	5	2	11	15	1	26
Mutual Savings Banks	7	3	3	2	9	1	43
NAREB	7	1	14	17	3	0	26
ABA	6	1	8	12	14	4	23

or to be allowed access to the decision-making elite.[14]
The data, however, suggests that an additional--or
perhaps alternative--major deterrent to effective repre-
sentation of their views is simple lack of effort on
the part of these organizations. Thus, of the four
highest groups in the classification of lack of effort--
meaning decision-makers did not know the group's views--
three were change groups: SNCC or CORE with 15, A.I.P.
with 14, and NCDH with 13. The top three groups in the
classification of virtual representation--little com-
munication but agreement with views--were also change
groups: NAACP or Urban League with 9, NCDH with 8,
and A.I.P. with 8. For various reasons, these groups
apparently opt to put their efforts elsewhere.[15]

G. The Low-income Housing Policy
    System Conversion Process

The federal housing system (for redistributive de-
cisions) consists itself of several separate subsystems.

[14] Grant McConnell, Private Power and American
Democracy (New York: Alfred A. Knopf, 1967), p. 349.

[15] For an attempted explantion of this phenom-
enon, see Mancur Olson, The Logic of Collective Action
(Cambridge, Mass.: Harvard University Press, 1965).
See also Harold Wolman and Norman Thomas, "Negro Groups
and Public Policy: The Cases of Housing and Education,"
unpublished manuscript.

In the order in which they would occur in any particular
redistributive policy decision they are: (1) the policy
formulation subsystem; (2) the substantive legislation
subsystem; (3) the appropriations subsystem; and (4)
the operations subsystem. The subsystems (particularly
1, 2, and 4) are overlapping to some extent in membership,
but analytically each of them is distinct. Because they
do overlap, various institutions may at the same time
be involved in more than one subsystem. As a result
an institution (or part of it) may constitute part of
its own environment in a subsystem, even if it is a part
of that subsystem.

The policy formulation subsystem consists of three
stages, although the order in which these stages occur
is not invariable. New programs must be proposed or
developed (ideas must be brought forward for change),
the Administration must accept or reject these new
programs, and it must place a priority on the political
effort necessary to bring into being these new programs
relative to other alternative expenditures of political
energy.

Partly due to the inability of the housing agency to propose imaginative new programs and partly because of Albert Rains' retirement in 1964, the government task force became a major focus for housing policy formulation. The task force has combined with the White House staff, the Budget Bureau, and the highest officials at HUD in efforts to develop "Administration" housing policy.

The substantive legislative stage involves legislative drafting, Congressional committee consideration, lobbying, and Congressional passage (or non-passage). Congressional committee consideration and Congressional passage are likely to be the most important so far as redistributive change is concerned.

The appropriations stage involves largely the same institutions associated with the institutionalized presidency as were active in the policy formation stage (with the exception of the task force) and, in addition, Congressional appropriations subcommittees dealing with housing.

The operations stage is that part of the process in which guidelines and regulations are developed to implement programs authorized by Congress. HUD itself dominates this stage.

CHAPTER V

POLICY FORMULATION

A. Environment

Policy is not formulated in a vacuum. Indeed, in

many ways, what environmental factors prevent policy from

being is more important than what policy actually is.[1] As

has already been noted, a variety of economic, financial,

and community restraints limit policy options open for the

housing arena. In addition to these, actors engaged in the

process of policy formulation within the housing policy

system are constrained by important political and institu-

tional factors.

The political mood of the country as translated

through Congress probably comprises the most severe re-

straint. The Administration is loath to put its prestige

on the line by presenting programs which are unlikely to

generate significant support in Congress. Thus, despite the

fact that large numbers of Administration officials feel that

guaranteed employment or a guaranteed income is highly

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[1]See Bachrach and Baratz, Decision . . . , op. cit.,
pp. 641-642.

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desirable, the Administration has made no attempt to
formulate such policy for political consideration. A
crude but useful demographic analysis of the Ninetieth
Congress suggests what limits policy formulators must
face when they address themselves to an area perceived
as an _urban_ problem. Most Congressmen come from areas
where this urban problem does not exist. Only 115, or
26.5 percent, of the 435 Congressmen had a majority of
constituents who, by the 1960 census, lived in central
cities of over 50,000. Another 97, or 22.2 percent,
had a majority of constituents who lived in urbanized
areas (central cities of over 50,000 and their surround-
ing suburbs) but not a majority living in the central
cities alone. Seventy-five of these latter districts
were more suburban than urban in character. Although
it is true that not all suburbs perceive their inter-
ests to be antithetical to central cities, it seems be-
yond question that large numbers of these suburban dis-
tricts shared neither the problems nor the concern of the
central cities. A clear majority of the Congressional dis-
trists, 223, or 51.3 percent, were primarily small town or
rural.[2]

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[2]These figures were compiled by Henry Bain and
Mrs. Carol Kimbrough of the Washington Center for Metro-
politan Studies.

However, Congress, or elements of it, can, at times, act as a prod on the Administration to formulate more aggressive housing policy. Thus, liberal Congressmen may grab the initiative and attempt to develop policy themselves as Senators Mondale and Percy did with their home ownership for low-income people proposals in 1967. These proposals generated wide, favorable publicity and literally forced the Administration[3] to include a home-ownership program in the 1968 bill.

Institutional factors also affect the formulation of policy. Entrenched segments within the HUD bureaucracy may resist new or changing programs which disrupt existing patterns of relationships. Thus, the Public Housing Agency vigorously, though unsuccessfully, fought the rent supplement program because it perceived this program as a threat to its own existence. Similarly, questions of institutional self-interest may move other agencies to oppose certain types of policy. Thus, the Treasury Department actively dis-

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[3] Secretary Weaver had originally vigorously opposed home-ownership for the poor on the grounds that it would impair labor mobility and, at any rate, poor people should not be saddled with such large debts. See U.S. Congress, Senate Subcommittee on Housing and Urban Affairs of the Committee on Banking and Currency, Hearings on Housing Legislation of 1967, 90th Cong., 1st Sess. (1967), Part 1, p. 8.

courages attempts to use the tax structure for social pur-
poses such as helping house the poor. In 1967, Under
Secretary of the Treasury Joseph Barr testified in op-
position to Senator Robert Kennedy's bill which utilized
tax credits to encourage investment in low-income hous-
ing. Barr and Senator Smathers (D-Fla.), a cosponsor of
the Kennedy proposal, tangled.

> Mr. Barr: . . . We have consistently opposed the
> use of the tax code for narrow or spec-
> ialized purposes. In this situation,
> we are considering a problem that in-
> volves urban housing, but not all urban
> housing. We are considering a problem
> that involves a portion of urban housing.
>
> Senator Smather: . . . Is it your judgment and the
> Treasury's judgment that the riots in
> Newark and Detroit are a specialized
> problem that is not of concern to the
> Treasury and the people of the United
> States?
>
> Mr. Barr: . . . It is indeed of concern to the
> Treasury and to every reasonable man in
> this country. It must be attacked.
> The only issue we are raising here: Is
> the tax code the appropriate vehicle?"[4]

The Labor Department attempts to stymie pro-
posals that are anathema to organized labor and en-
sures that prevailing union wage rates be paid for
any construction financed with federal monies. OEO,
for its part, attempts to ensure that housing programs

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[4]U. S. Congress, Senate Committee on Finance,
Hearings on S. 2100, Tax Incentives to Encourage Housing
in Urban Poverty Areas, 90th Cong., 1st Sess. (1967),
p. 148.

involve adequate participation of the poor.

Many lobby groups, particularly the ones that have
an important political impact (U.S. Conference of Mayors,
National League of Cities, and organized Labor) also put
a rather constant pressure on the institutionalized presi-
dency. The form of this pressure from the above three
groups is almost always in terms of making more money
available to cities with as few strings attached as pos-
sible. Since this input is, in effect, a constant factor,
it is largely ineffective unless combined with other forces.

Of the housing industry groups, the National Asso-
ciation of Home Builders appears, at least during the mid-
1960's, to have exercised the greatest impact on the formu-
lation of policy. The Home Builders, because of the frag-
mented nature of the industry, represent political power
in nearly every Congressional district. For this reason,
the Administration was quite willing to listen to (and
even incorporate) the ideas of NAHB in exchange for the
Home Builders' support in Congress, particularly since in
broad terms, NAHB goals (more home ownership) coincided
generally with the Administration's goals. NAHB, at least
during the mid-sixties, further pyramided their influence
by electing prominent Democrats to head their organization,

including Larry Blackmon, a Texan and close personal friend
of President Johnson.

More narrowly oriented groups with housing concerns
(Mortgage Bankers, American Bankers Association, United
States Savings and Loan Associations, etc.) have little
impact on Administration policy formulation, at least so
far as major redistributive policy is concerned. Rather
these groups work either through the Congressional commit-
tees or the HUD bureaucracy in an effort to achieve their
more limited ends. A few organizations which would like
to influence redistributive policy, such as the National
Association of Housing and Redevelopment Officials (NAHRO),
complain bitterly that the process of Administration policy
formulation does not provide them the access they feel
they deserve.

A variety of semi-organized elites also operate in
the policy formulation environment. Some businessmen re-
sponded to the President's plea for a "constructive" part-
nership with government in housing ventures. These business-
men pressed the President to devise programs attractive to
private industry, and the President, in turn, pressed them
to become more active in social concerns. The Business Ad-
visory Council provided the formal link between the Admin-

inistration and business, but informal contacts between
the President and businessmen such as Edgar Kaiser of
Kaiser Industries, Ben Heineman of the Chicago and North-
western Railroad, and David Rockefeller of the Chase
Manhattan Bank were probably more important.

In a more diffuse sense, academics (such as
Charles Abrams and Chester Hartman) and semi-popular
urbanologists (such as Daniel Moynihan and Paul Ylvisaker)
occupied an important place in the environment, because
their writings in some ways provided the common experience
for those within the system, and thus shaped the frame-
work of policy. In addition, these writings provided a
source of new ideas and proposals in the field of housing.

B. Conversion Process: Congressional
Initiative

Since 1964 the institutionalized presidency has been
the major source of policy initiation in housing. Prior
to that, Congress and the general counsel's office of
HHFA played the major role. In most cases, however, deci-
sions emanating from those bodies were not redistributive
in nature, although there are significant exceptions. One
such exception was the Housing Act of 1949 which laid the
basis for urban renewal. This was largely a product of

years of work by the Senate Banking and Currency Commit-

tee, particularly Senators Taft and Wagner. In 1954

President Eisenhower anticipated the _modus_ _operandi_ of later

Democratic presidents, by presenting to Congress a program

(involving some redistributive change) based on recommenda-

tions of the Advisory Committee on Government Housing Poli-

cies and Programs, appointed in 1953. After 1954, Eisen-

hower began to favor less involvement of the Federal Gov-

ernment in housing. As a result, the initiative in hous-

ing legislation switched back to Congress, particularly

to the Housing Subcommittee of the House Banking and Cur-

rency Committee which was chaired by Albert Rains (D-Ala.)

and staffed by John Barriere. The combination of a reluc-

tant Republican President and a strong Democratic leader-

ship in a Democratic Congress, greatly enhanced the power

of Congress; but, again, mostly for distributive changes.

The distributive nature of the change is underlined by

the frequent use of omnibus housing bills. Omnibus bills

serve to facilitate the something-for-everybody "disaggre-

gated" trading and bargaining, which characterizes dis-

tributive change.

This pattern changed after 1964 for a variety of

reasons which will be discussed later. However, the shift

coincided with the retirement of Representative Rains
and the reorganization of HHFA into HUD. The latter re-
sulted in the departure of the powerful General Counsel,
Milton Semer, and a clear downgrading of that division
within the housing agency.

Despite the relative decline in the importance
of Congress as the initiator of policy, it may still
effectively involve itself in policy formulation under
certain conditions.

What are these conditions? Because of somewhat
random personality factors (see discussion below, p. 163)
it is difficult to come to an exact answer. Clearly, some
situations are conducive to Congressional policy initia-
tion. When the Administration itself puts forth no proposal,
there is a policy vacuum waiting to be filled. Senator Charles
Percy filled that vacuum in 1967. Percy, a Republican fresh-
man from Illinois, announced plans for a major housing bill
almost as soon as he entered the Senate, and because he was at
that time regarded as a possible Republican Presidential can-
didate for 1968, his proposal received wide publicity. The
Percy bill would have established a private non-profit founda-
tion which would have been capitalized through federally guar-
anteed bonds. The foundation would have been able to pro-
vide non-profit sponsors with low-interest loans for rehabili-

tating or constructing homes for resale to low-income families. The eventual low-income homeowner would have received his mortgage at below-market interest rates with a direct subsidy from the Treasury making up the difference.

The bill was one especially appealing to Republicans searching for alternatives to Democratic proposals, since it emphasized homeownership, (one of the traditional American virtues according to Republican ideology) and since it worked as closely as possible through the private market. The bill was introduced April 20, 1967 in both the Senate and the House. All 36 of the Republican senators co-sponsored the bill, while 106 of the 187 Republicans in the House did likewise. Senator Dirksen, the Republican minority leader, termed the bill "the major Republican housing measure in this session."[5]

Meanwhile, three Democratic senators (Clark, Mondale, and Ribicoff) had introduced separate bills, each providing for low-income home ownership. Although the three bills varied, they all differed from the Percy proposal in one major aspect: all worked through the existing FHA structure rather than through a new private foundation. Mondale's bill was the result of close

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[5] "Republican Housing Bill Introduced in Both Chambers," _Congressional Quarterly_, April 28, 1967, p. 687.

cooperation between the Senator's staff and John Zuccoti,

an assistant to HUD Undersecretary Robert Wood. Wood, ac-

cording to a respondent, wished to assure a

Democratic alternative to the Percy bill. The Admin-

istration, for its part, did not submit any major pro-

posals in the housing field during 1967. As a result,

Chairman Sparkman was free to hold hearings on the home-

ownership proposals. Sparkman, according to several re-

spondents, decided to hold the hearings partly because of

the publicity engendered by Percy's proposals and partly

because the numerous homeownership proposals by Democrats

indicated a real Senate interest in that concept.

The hearings started July 17, and the Administra-

tion opposition was quickly indicated by Secretary Weaver,

who contended the Percy measure would not serve low-income

people, since total monthly payments would still be over

$100 a month for a $12,500 home. Weaver also questioned

whether low-income people ought to be saddled with the

debt homeownership would occasion, and whether their mar-

ginal employment situation put a premium on mobility which

homeownership would greatly hinder.[6] Those close to Weaver

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[6]
Hearings on House Legislation of 1967, loc. cit.,

were unanimous in agreeing that Weaver's opposition to homeownership by the poor was real in substantive terms and that it was not occasioned solely by the fact that the proposal had been identified with a possible Republican Presidential contender. However, according to a HUD official, opposition from the White House did seem predicated on political considerations.

After the hearings, Sparkman directed Carl Coan, the staff director of the Senate Housing Subcommittee, to prepare a draft bill based on the best in all four proposals. Coan, working closely with Ashley Foard of HUD's General Counsel's office, settled on a proposal which embodied the main feature of Mondale's bill-direct federal subsidy of interest payments on FHA mortgages to low-income homeowners. At that point, Sparkman urged Percy and Mondale to agree on a compromise proposal using the committee's bill as a starting point.

Coan, John MacGuire, Mondale's legislative assistant, and Carol Khosrovi, Percy's assistant, then met several times to try to work out an agreement. Late in the year, Sparkman, Mondale, and Percy met with Weaver, Philip Brownstein, the Assistant Secretary for FHA, Joseph Barr, Undersecretary of the Treasury, Sherman Maisel of the Federal Reserve Board, and Charles Schultze, Director

of the Budget Bureau. At that meeting Weaver endorsed,
for the first time, a small homeownership program. Spark-
man also suggested what would eventually be the means to a
compromise solution. Percy had held out for funding through
his private foundation because FHA money, strangled by a
six per cent maximum interest rate,was becoming scarce,
as interest rates soared in the economy. Sparkman sug-
gested the interest rate on FHA loans be temporarily
freed to make FHA money available, and Percy agreed. The
eventual compromise, worked out between Mondale, Percy,
MacGuire, and Khosrovi, satisfied Percy by keeping in the
bill his National Homeownership Foundation, although that
foundation was now limited to providing technical advice
to private and public organizations to help promote home-
ownership among low-income people. The financing mechanism
was basically drawn from the original Mondale proposal.
Then the Banking and Currency Committee, on November 28,
1967, reported out S.2700, the Percy-Mondale compromise
on homeownership. However, political factors in the House
prevented Sparkman from bringing the bill to the floor in
that session. The 1968 Administration bill (according to
several respondents, the President himself was committed

to the idea of homeownership for the poor), for all prac-

tical purposes, incorporated S. 2700 as its homeownership

proposal.[7]

Congress also may have a major impact on policy

formulation in somewhat different circumstances. Thus,

working within the framework of an omnibus housing bill,

Congressmen may pledge their support for an Administration

bill in return for inclusion in that bill of their own pet

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[7]It is probably fair to say that Percy, despite
the fact that very little of his original proposal re-
mained in the bill, was the man most responsible for the
1968 homeownership legislation. Certainly he was the ne-
cessary, if clearly not sufficient cause. Yet, it is in-
teresting to reflect on what chance conditions a major
piece of housing legislation rested. The 1968 homeowner-
ship legislation rested ultimately on the fact that
Charles Percy's family was, during his depression child-
hood, evicted from several apart ments for non-payment
of rent. This, according to Percy at a speech before the
National Housing Conference's Convention in April, 1967,
accounted for his interest in housing and homeownership
in particular, rather than some other area of legislation.

The influence of individual personalities is a re-
curring theme throughout an analysis of the housing policy
process. Undoubtedly, broader forces determine what is
possible and what is not, but the force of individual per-
sonality--the right man in the right place at the right
time--is in good part responsible for whether what is pos-
sible does indeed occur, and for, with a good deal of lati-
tude, what shape it actually takes when it does occur.
That this is, in many ways, alien to the analytical frame-
work of social scientists, ought not to obscure the fact
that it is so. Although ultimately explainable and classi-
fiable perhaps by reference to psychological variables, it
may be useful to view personality, at least given the pres-
ent state of social science knowledge, as essentially a
random variable.

policies   William Widnall, ranking Republican member

of the House Banking and Currency Subcommittee on Hous-

ing, is the foremost exponent of this form of Congres-

sional policy formulation.   In 1964, Widnall inserted a

proposal for three per cent rehabilitation loans for slum

homeowners, and in 1965 he was responsible for the rent

certificate program through which existing units of hous-

ing are rented by the government from private landlords

for public housing.   Both were successfully enacted, and

both are major programs, at least semi-redistributive in

nature.

In order for Congress to exercise an impact in

this manner, however, two conditions must be met.   First,

the Administration and Congressional leadership must be

convinced that the support of someone like Widnall is neces-

sary in order to assure passage of the Administration's

proposals.   Second, there must be in that key position

a Congressman with personal and staff resources   suffi-

cient to present a cogent housing proposal and, given the

complexity of housing policy, this condition will not al-

ways be satisfied.

The more normal manner of Congressional policy

formulation involves distributive policy included at the

behest of housing groups which maintain close liaison
with members of the committees and committee staff.
These groups provide needed technical information to
Congressional personnel and, in return, hope to be
granted favorable consideration on rather technical policy
of great importance to them, but of relatively little
importance to other powerful groups.

C. Conversion Process: The Institu-
    tionalized Presidency Initiative

Despite the important role Congress can play in
policy formulation, the more normal vehicle, at least
since 1964, has been the institutionalized Presidency--
White House staff, Bureau of the Budget, Council of Eco-
nomic Advisors and special White House task forces--with
particular emphasis on the task force. Although the proces-
ses of policy formulation have varied widely since 1964, the
skeletal form utilized by the Johnson Administration is
readily visible. The process appears similar for all
areas of domestic policy, including housing. In late
spring, Presidential assistant Califano and his assistants
traveled to a number of universities in order to glean
ideas for new programs. They talked to people in a vari-
ety of disciplines, asking them to discuss a specific
problem (such as cities or housing) or to discuss what
they felt the country's pressing problems were. After

returning, Califano wrote a letter to each of them asking each to submit proposals for solutions to the problems they had discussed. These were compiled in a single book and formed the basis for discussion by top representatives of the institutionalized Presidency concerning priorities for developing legislation for the following year. In July and August, Califano, in a series of meetings, discussed the compiled proposals with the President. In some cases, new, outside task forces would be set up; in other cases, proposals would be sent to relevant agencies, and occasionally some of the proposals would be completely abandoned. The task forces met and generally submitted its reports to the White House by November. The White House sent the reports to the Budget Bureau for evaluation and other relevant agencies for comment.

The next step was to develop the report's recommendations into legislative proposals, if legislation was desired (there were significant Administration housing proposals in 1965, 1966, and 1968). This process was accomplished in December, during a series of meetings coordinated by the White House. Participants were top officials (or their representatives) of the institutionalized

Presidency.[8] In housing policy, those present usually in-
cluded Moyers or Califano, a White House assistant for
urban affairs (Richard Goodwin, or later Fred Bohen), the
Director of the Budget Bureau (first Kermit Gordon, then
Charles Schultze), and his top expert in housing (Phil
Hanna)., the top urban expert on the Council of Economic
Advisers (James Deusenberry), plus Secretary Weaver and
Undersecretary Wood (another functional member of the in-
stitutionalized Presidency, appointed by Johnson from an
academic post at M.I.T.). High-ranking officials of other
departments, such as Undersecretary of the Treasury
Joseph Barr, might also be present when matters of con-
cern to their institutions were under discussion.

    After agreement was reached, the White House repre-
sentative (Moyers or Califano) presented the proposals to
the President for his approval or reshaping. The Presi-
dent made the final decision late in December or early in
January in time for inclusion in his State of the Union

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[8]In such cases, it seems useful to include Secre-
tary Weaver as a member of the institutionalized Presidency,
since, not only was he a direct Presidential appointment,
but due to his lack of strong support from clientele groups,
he was dependent on the President a great deal more than
most Cabinet Secretaries. In short, Weaver's strength was
that he was the Negro in Johnson's cabinet; his weakness
was that Negro groups did not solidly support him on sub-
stantive issues.

address. The latter was a joint product of the White

House, Budget Bureau, and HUD.

D.   Conversion Process: The Task Force

The task force operation was the crux of the en-

tire process. Task forces were not, of course, unknown

before President Johnson, but they were never used as

widely nor as explicitly as a formal means of policy

formulation before his administration. The immediate

inspiration for the task force concept seems to have been

the Kennedy pre-inaugural experience in 1961. The Presi-

dent-elect set up academic task forces in a number of

areas, one of which was housing. As one member of the

1961 task force put it, "It was an attempt to mobilize

a series of propositions that the bureaucracy would have

to respond to."

However, the 1961 housing task force was not a

very important factor in formulating the 1961 housing

proposals. Instead, the 1961 ⋮ ⋮ proposals were put

together by the newly appointed HHFA staff and Budget

Bureau representatives in a series of meetings chaired

by Robert Weaver. The principal proposal was the 221(D)(3)

moderate-income rental program which was largely the result

of the thinking of General Counsel Milton Semer, and FHA

Commissioner Neil Hardy. The White House simply accepted Agency recommendations because, as a participant recalled, "They had no urbanist or housing man on their staff. We dealt with Lee White who knew something about housing, but who certainly was no expert."

The task force's lack of influence is traceable to the fact that it was composed mostly of outsiders who had no institutional attachments to the policy process. The chairman of that task force was Joseph McMurray, who had been director of housing in New York. As one respondent remarked, "Had McMurray been appointed head of HHFA, as he hoped to be, or had Weaver been chairman of that task force before being appointed Director, then that task force report would have counted for something, because there would have been someone with power pushing it. As it was, it could be safely ignored."

No major housing proposals emerged in 1962 and 1963, but the 1964 proposals came out of the first round of Johnson task forces. The 1964 task force was extra-governmental, composed mostly of academics and experts, as the 1961 Kennedy task forces had been. As several respondents suggested, President Johnson felt he had to go outside the Administration if he were to develop his own

proposals, since many of his top officials had been inherited from the Kennedy Administration. The 1964 task force recommended the rent supplement proposal, which Congress enacted into law in 1965.

In 1965, the task force was, according to one respondent, "a refinement of the 1964 one, more consistent with the Johnson style. The '65 group was, again, mostly extra-governmental, but unlike the '64 one, its membership reflected major centers of power in American society. The President himself took a much greater interest in the '65 task force, which recommended both the Model Cities program (enacted into law in 1966) and the organization of the new Department of Housing and Urban Development."

The 1966 task force, the Ylvisaker task force, followed on the heels of two very productive predecessors in terms of legislative achievements. Since the political climate did not appear propitious for further legislation, the 1966 task force, which, like the 1964 task force, was top-heavy with academics, was not aimed specifically at developing legislation for 1967. Instead, it produced a document that, as one observer commented, was more philosophic than legislative. The Ylvisaker report concentrated on the problems of racism in American

society rather than urbanism, which had preoccupied HUD

and its predecessors during the preceding years. There

is widespread agreement that the report had little, if

any, policy impact because, as several respondents indi-

cated, it' recommendations were simply "too radical."

Three task forces were in operation in 1967:

the Douglas Commission, the Kaiser Commission, and an

intra-government interagency task force. Both the Kaiser

and Douglas Commissions were public bodies composed of

representatives of various segments of American society.

The Douglas Commission was created by Congress in 1966

to study problems of urban zoning, building codes, and

other important but somewhat limited problems. It quickly

expanded its purview to include all urban problems, and

conducted a series of public hearings in cities around

the country. Since it had no real institutionalized

Presidency base, and since its chairman, former Senator

Paul Douglas, alienated HUD officials with his public

criticism of the Department, the commission contributed

little to policy.

The Kaiser Committee (The President's Committee

on Urban Housing) was established with much fanfare by

the President, and was charged specifically with developing

proposals to increase the production of housing for low-
and moderate-income families. Its major substantive con-
tribution was Title IX of the Administration's 1968
housing legislation, a proposal for a National Housing
Partnership which was a private corporation to provide
equity capital for low- and moderate-income housing.
The Kaiser Committee also set the national housing goal
of 26 million houses over the next decade, which the
President announced in his State of the Union message.
HUD had submitted a substantially smaller figure.

The 1967 interagency governmental task force
probably had the greatest input on the Administration's
1968 proposals, apart from the National Housing Partner-
ship proposal and the homeownership proposal, which eman-
ated from the Senate Housing Committee.[9] Members of
the task force chaired and dominated by HUD included
representatives of seven departments or agencies, plus
representatives of the institutionalized Presidency. It
was this task force which advocated, for the first time,
the setting of national housing goals. It also recommended

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[9]According to a member of the institutionalized
Presidency, it was these two proposals which the Presi-
dent thought most important.

a new homeownership program which was strikingly similar to the

one drawn up in the Senate Housing Subcommittee and a

new rent supplement approach through interest subsidies

or mortgages. The President, particularly because he

chose to make housing his major domestic legislation in

1968, kept in close touch with the task force through

the participation of Califano's assistant, Fred Bohen.

E. Task Force Functions

Members of the institutionalized Presidency

viewed the task force as a major institutional innova-

tion of the Johnson Administration. A high official

in the Executive Offices commented:

> Starting in 1964, the White House took a much
> greater role than it had in the past in the formu-
> lation of new legislation. Previously, the Budget
> Bureau had formally called on the Department for
> submission of new legislation. This tended to
> bring forth either pet unworkable ideas or minor
> variations--but not really significant changes.
> The task force process put the White House, to some
> extent the Budget Bureau, and to a lesser extent, the
> Council of Economic Advisers in the driver's seat.
> Within that framework, some departments have re-
> sponded better than others in terms of producing
> change. HEW is a good example, although real big
> changes don't come from them. HUD perhaps is a
> little worse than others.

Despite this view, it appears that task forces

were, even in the Johnson Administration, in many ways a

response to felt needs rather than an institutionalized form of policy formulation. The task force concept provides a useful means of developing policy proposals when new proposals are needed and when, for whatever reasons, such proposals cannot be trusted or expected to come from within the Administration itself. This is likely to occur in three situations, two of which were clearly present when Johnson initiated the task force operation in 1964. A Vice President succeeding to the Presidency during the term of his predecessor[10] obviously creates a situation in which the Administration, at least at first, is not his own. In such cases, the new President may go outside to develop his own policy proposals rather than have them associated with his predecessor. Several respondents suggested this accounted in large measure for the 1964 Johnson task forces. As one observed, "He inherited a lot of Kennedy blood and he didn't trust it."

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[10] Such an occurrence ought to be viewed by political scientists as a normal occurrence in American politics rather than an aberration. In this century, four of our 12 Presidents (Theodore Roosevelt, Coolidge, Truman, and Johnson) have succeeded to that office from the Vice-Presidency after the death of a President. In two other cases (Wilson and Eisenhower) the Vice-President certainly came close to succeeding to the Presidency.

In the second case, a department or agency may develop its own interests independent of those of the President. This may occur particularly after top officials have held their position for several years and have developed a loyalty to their agency rather than the Presidency. Questions of institutional self-preservation may conflict with Presidential desires for policy change. In 1964, top HHFA personnel had remained stable for nearly four years. A rather uneasy equilibrium relationship had been established between HHFA and the various power centers (Congressional substantive and Appropriations Committees, various financially oriented clientele groups, etc.) involved in distributive housing policy. The White House wished to disturb this equilibrium by initiating new redistributive policies. According to several respondents, HHFA opposed the 1964 rent supplement proposals on the grounds that Congress would never buy it. They then opposed the 1965 Model Cities proposals because they felt HHFA's position was not strong enough to withstand another major Congressional battle after the rent supplement struggle the previous year.

Conversely, task forces may not be as important at the beginning of an Administration when loyalty to

the President on the part of recent personal appointees
is likely to be high, and ideas fresh. In 1961, the
newly appointed HHFA leadership ignored the report of
a special housing task force and submitted its own pro-
posals which the President embraced as Administration
policy.

The third case is the official rationale given
publicly by the Administration which does seem to occur.
Task forces are called upon when a problem exists and
there is no obvious answer to it. This has not fre-
quently been the case in housing where a common cliche
is that there is no such thing as a new idea. However,
it appears more frequently in other areas. As an Execu-
tive Office respondent recalled, the 1966 task force on
children came forth with suggestions that could not have
been developed inside the government, simply because the
best minds in the country were put to work on the problem
in the task force. Thus, task forces can provide the
President with views of problems and ideas for solving
them that perhaps are unavailable elsewhere; either be-
cause expertise is not available or because political
considerations prevent bringing the idea to the Presi-
dent's attention. In language very close to that Neustadt

uses in <u>Presidential Power</u>, a member of the institu-

tionalized Presidency commented, "The President has

simply got to have advice from someone who really knows

what the right answer is and who has no political axe

to grind."

By the same token, when answers are known, the

White House is likely to utilize inside interagency task

forces to develop proposals. Thus, the President, in

1967, determined that housing programs must be greatly

speeded up, and directed an interagency task force to

develop the bulk of the Administration's proposals for

1968. That it was called an interagency task force

should not disguise the fact that it was very much

dominated by HUD.

F. <u>Varieties of Task Forces</u>

Since 1964, three distinctive types of task

forces can be discerned in the area of housing policy.

Most publicized has been the public commission composed

of distinguished representatives of various sectors of

American society plus, in certain cases, a sprinkling of

academics or experts (in order, as one respondent sug-

gested, to make sure there are some ideas). The Kaiser

Committee and the Douglas Committee in housing are good

examples of this, as are the Kerner Commission on civil

disorders, the Heineman Commission on income maintenance,

and the Crime Commission. A second type is the non-

public task force composed either of representatives of

sectors in American society (the 1965 Wood task force)

or mainly academics (1964 Wood task force, Ylvisaker

task force). Finally, there is the interagency task

force (1967 HUD task force).

The public commissions can, as cynics have sug-

gested, give the illusion that something is being done

to attack a problem. Creating a public commission or

task force is a safe response; it is action and yet at

the same time it disturbs none of the very real political

opposition which would emerge if substantive action were

attempted.[11] The impact of the report is likely to be

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[11] Elizabeth Drew lists, in a barbed though highly perceptive article, eight uses of public commissions. Among these are: to postpone action, yet be justified in insisting that you are at work on the problem; to act as a lightning rod, drawing political heat away from the White House; to investigate, lay to rest rumors, and convince the public of the validity of one particular set of facts. See Elizabeth Drew, "On Giving Oneself A Hotfoot: Government by Commission," Atlantic Monthly, May, 1968, Vol. 221, No. 5, pp. 45-48.

A highly placed official in the Executive Office of the President remarked, "There's a hell of a lot of truth to some of the things in Drew's article. However, in some cases we do expect new and important things to come out of public commissions. In some cases we do it

more in terms of public education than immediate Administration policy proposals, unless the President is utterly certain of the task force chairman and keeps in close contact with him. The Kaiser Committee is a good example of such an exception. Both Kaiser and staff director Howard Moscof remained in close contact with the White House and, as has already been pointed out, had an immediate impact upon Administration policy.

The less public task forces are likely to be much more effective, however. As a member of the institutionalized Presidency observed, "The more inside the task force, the more serious its results are likely to be. The process of policy formulation is one no public servant likes to see done in the open. It's a little bit like the professional diplomat's aversion to open diplomacy." Of particular importance are the outside task forces, which share with the commissions the attribute of representativeness.

The benefits derived from a "representative" inside task force are several. Most important, if the task force report is unanimous, a supporting coalition representing

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publicly because we want to expose the report to a lot of public attention. In the process of making recommendations, we then build support."

most of the major elements in American society will al-

ready have been built. Issues dividing builders, labor,

financiers, cities, civil rights groups, and others will

have been bargained out and settled prior to the Congres-

sional battle where the Administration has much less con-

trol. In 1965, for example, rent supplements came out of

a non-representative academic task force in 1964, and was

significantly changed by Congress. The 1966 Model Cities

legislation, on the other hand, coming from the 1965

Wood "representative" task force, emerged from Congress

relatively similar to the legislation which the Administra-

tion had submitted. In addition, business support for

Model Cities was led by Ben Heineman, a member of the 1965

task force.

Representative task forces and representative

public commissions have the added benefit of co-opting

relatively powerful but essentially conservative elements

of society into directing their efforts toward social

problem-solving. That this is a conscious and explicit

function of these task forces was suggested by a high offi-

cial in the institutionalized Presidency, who volunteered:

"We try to bring some of these elements in to, in effect,

co-opt them. We rub their noses in the problem and bring

them along with the solutions. Hell, some of them have

never seen slums or ghettoes before. We bring them in

to the slums and they are amazed that such things can

exist. It's surprising how radical some of them become."

The membership of the two "representative" task

forces and commissions gives a good indication of what

segments of American society are and are not included.

Wood Task Force (1965)

Robert Wood, Political Science Department, M.I.T.
                (academic)
Charles Haar, Harvard Law School (academic)
Kermit Gordon, Director, Bureau of the Budget (Pres-
                ident)
Ben Heineman, President, Chicago and Northwestern
                Railroad (business)
Edgar Kaiser, President, Kaiser Industries (business)
Walter Reuther, President, United Auto Workers (labor)
William Rafsky, Executive Vice President, Old Phila-
                delphia Development Corporation
                (cities)
Whitney Young, Executive Director, Urban League
                (Negroes)
Senator Abraham Ribicoff (D-Conn.), United States
                                Senate (Congress)

Kaiser Committee (1967-68)

Edgar Kaiser, President, Kaiser Industries (business)
Graham Morgan, President, U.S. Gypsum (business)
J. Irwin Miller, President, Cummins Engine Co. (busi-
                ness)
Leon Weiner, Past President, National Association of
                Homebuilders (small builder)
Charles Keller, Association of General Contractors
                (small builder)

Raymond Nasher, President, Nasher Industries (small builder)

R. V. Hansberger, President, Boise Cascade Corporation (large builder)

Peter Kiewit, President, Peter Kiewit Sons (large builder)

S. D. Bechtel, President, Bechtel Corporation (large builder)

Gaylord Freeman, Vice-Chairman, First National Bank of Washington (finance)

John McCone, Joshua Hend Corporation (finance)

John Wheeler, President, Mechanics and Farmers Bank, Durham, N.C. (finance and a Negro)

George Meany, President, AFL-CIO (craft and guild unions)

Joseph Keenan, Secretary, International Brotherhood of Electrical Workers (craft and guild unions)

Walter Reuther, President, United Auto Workers (industrial unions)

Whitney Young, Executive Director, National Urban League (Negro organization)

Joseph Barr, Mayor of Pittsburgh (cities)

Walter Rosenblith, Professor of Communications Biophysics, M.I.T. (academic)

In a loose way the members do represent their institutional bases during task force or commission deliberations. Indeed, a staff member of one of the task forces commented, "They not only actually do speak in terms of the interests of that sector of society from which they are appointed, but in many cases they perceive their role on the task force as doing exactly that." In the 1965 Wood task force, according to a participant in the proceedings, Kermit Gordon, the Director of the Budget, spoke frequently in terms of budgetary considerations and restraints; Senator Ribicoff

and his assistant, Jerome Sonofsky viewed things in terms of political constraints imposed by Congress. It was Ribicoff who suggested that the number of demonstration projects be increased from the initial six or seven to 70 in order to scatter them in more states and thus increase its Congressional marketability. Rafsky looked after the interests of cities vis a vis metropolitan areas and Haar spoke often in terms of legal considerations. Reuther promoted a system approach which would create an industrialized pre-fab housing industry. Wood, the chairman, talked in terms of general policy considerations and directed the discussion, but it was Heineman who played the essential role of broker. "He was the guy who managed to find the formula to please all, who came up with the compromise that made sense."

In Kaiser Committee deliberations, a major dispute broke down along the lines of small builders (Weiner, Keller, and Nasher) versus large builders (Kaiser, Kiewit) who wanted to create a huge and monolithic housing industry.[12] The industrial unions (Walter Reuther) sympathized with the idea of creating a real housing industry, while the crafts and guilds (Meany and Keenan) opposed. According to an observer, "The bankers generally acted like

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[12]The small builders won.

bankers and the Negroes talk about equal access and citizen participation."

Generally, the representative task forces and commissions seemed to confirm a trend which Theodore Lowi has called "Interest Group Liberalism." As an example of this, Lowi quotes Arthur Schleshinger, Jr., describing the Administration of John Kennedy:

> What is the essence of a multi-interest Administration? It is surely that the leading interests in society are all represented in the interior process of policy formation which can be done only if members or advocates of these interests are included in key positions of government.[13]

Some outside task forces, such as the 1964 Wood task force and the 1966 Ylvisaker task force, were primarily academic in nature. Academic task forces are more likely to be used when no immediate legislation is envisioned, but when a longer-range view is required.[14] Academic task forces are suspect by members of the institutionalized Presidency because of the faults usually

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[13] Lowi, op. cit., "The Public Philosophy . . .", p. 15.

[14] The 1964 Wood task force is an exception since it had immediate legislative impact. However, the experience with the full range of task forces in 1964 led to a de-emphasis on primarily academic task forces according to a member of the Executive Office of the President.

attributed to academics. They are "not practical" according to one; they have no sense of political reality according to another. Thus, the Ylvisaker report was criticized by a member of HUD as "completely useless. It was simply too radical." Since 1964, according to a member of the White House circle, conscious attempts have been made to ensure that "a few practical men [translate non-academics] are on those task forces which are predominantly academic."

Interagency task forces, as has already been suggested, were, at least in the Johnson Administration, a main mechanism of policy-formulation only when the President either already knew what he wanted in the form of legislation or, alternatively, did not want much of anything. In 1967, according to a high official in the Executive Office of the President, the President determined to put major effort into housing for the 1968 legislative program, mostly in terms of gearing up and improving present programs to a level where they could produce far more than they had in the past. He asked Califano to set up an interagency task force through HUD to put together proposals.

The _raison d'etre_ of the interagency task force is the belief that functional problems cut across depart-

mental lines. Thus, housing problems are at the same time problems for OEO and HEW as well as HUD. This belief, however, although perhaps shared by the departments, often runs counter to each department's view of its own interests. Thus, a former HUD employee described some interagency task force meetings he attended as "fluff, speeches, an exchange of papers, but most of all lies. The various agencies strive to protect their own jurisdictions. They are imperialistic and it is difficult to get any kind of results from them. They will work only if Califano rides them and makes it known he wants results."

In 1967, Califano did let it be known that he wanted results from the housing task force. In all, six departments or agencies, plus representatives of the institutionalized Presidency, had representation on the interagency task force,[15] but the results were not a testimony to the interagency nature of the group. The membership and the staff were left to the discretion of HUD's Secretary. Weaver himself chaired the task force and staffed it with two of his special assistants, Jay Janis

[15] HUD, Commerce, Treasury, Justice, OEO, HEW, Budget Bureau, Council of Economic Advisers, and the White House staff.

and Henry Schecter. According to all accounts, HUD--

and Weaver in particular--dominated the proceedings and

wrote most of the papers, including the final report. As

an observer remarked: "Interagency task forces often

simply reflect the lead agency's legislative program. Last

fall HUD did all the staff work and Weaver chaired. The

result would have been about the same had it simply come

out of HUD without the participation of other agencies."

G. Task Force Operations and Procedures

The membership of the task forces was selected

by means of rather informal nominations from members of

the White House staff, Budget Bureau, Council of Econo-

mic Advisers, and during the last part of the Johnson

Administration, the Secretary and Undersecretary of HUD.

A participant in one of these sessions described the cri-

teria used for nominations:

> The names were suggested on the basis of a
> kind of common-sense soundness. We would not
> have picked a Michael Harrington, for example.
> We looked for people who had written with per-
> spective but reasonable freshness and who hadn't
> been in the Government for several years.

About 50 names were gathered from these sources

and they were then winnowed down, with the White House

representative playing the dominant role. At that point,

Califano sent the list to the President, who generally

approved most of the members and, in some cases, made

his own additions. In 1965, for example, it was Presi-

dent Johnson himself who was responsible for the inclu-

sion of Senator Ribicoff and Edgar Kaiser on the Wood

task force. The overlap in actual membership between

task forces (for example, four members of the 1965 Wood

task force were later members of the Kaiser Committee)

reinforces the tongue-in-cheek conclusion of Elizabeth

Drew that "a study of rosters of recently appointed com-

missions tends to confirm the widely held view that there

are only 47 people in the whole world."[16]

All the task forces, including the public com-

missions, are shrouded in a good deal of secrecy while

preparing their reports. The reports and even the mem-

bership of the non-public task forces have never been

publicly released and are treated in the same manner as

classified national security material. A staff member on

one of the task forces commented, "Our task force was a

CIA-like operation. I felt very odd about it. I wasn't

sure what I could say and what I couldn't." The secrecy

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[16] Drew, op. cit., p. 48.

is justified by the Administration as a means of assuring

a creative flow of ideas to the President without neces-

sarily committing him to them or embarrassing him politi-

cally. According to all who have participated on task

forces, members were given nearly complete freedom to come

forth with ideas. The President, observed a high offi-

cial in the Executive Offices, wanted their judgment on

substance--not priority or political feasibility. The

task force members were thus told to ignore the latter

two considerations and concentrate on the former. In

1965, for example, the task force was told to come up with,

in the words of one participant, "a bold new experimental

program which would dramatically revitalize large areas of

the city. The only decisions that had been made were that

it would be a demonstration program and it would involve

competition among cities for grants." As one Budget Bureau

official observed:

> The task forces have a lot of freedom to come up
> with new ideas. Probably they have too much freedom.
> In many cases, the report just gets buried. But they
> can come up with whatever they want. That's the
> beauty of confidential reports.

The actual proceedings of the task forces reflect

both similarities and differences associated with the vari-

ous types of task forces. All apparently operate on the

basis of prepared papers (by the staff in the more pres-
tigious commissions and task forces; by the members them-
selves in some of the more academic-oriented and inter-
agency task forces), discussion based on the papers, and
then revision.   In all cases, decisions are arrived at by
consensus, often after prolonged discussion and compro-
mise.   The consensual process is aided by what appears to
be the informal decision rule that small minorities grace-
fully acquiesce in the face of a sizeable majority, unless
that small minority is deemed crucial to the outcome of
the report.   For example, in 1965, all members of the
Wood task force except Budget Director Kermit Gordon and
Urban League Director Whitney Young wished to recommend
that the Community Action Program be shifted from the Of-
fice of Economic Opportunity to HUD.   Young argued that
Negroes greatly distrusted the housing agency and that
they would see the transfer of the CAP programs to HUD
as an effort to kill CAP.   His argument that he could not
go back to the Negro community with such a proposal was
sufficiently powerful to carry the day.

The role of the staff is likely to vary with the
type of task force; the more public and prestigious the
task force, the more important the staff becomes.   The

staff, under director Howard Moscof, in many ways ran the

Kaiser Committee. As one respondent commented:

> The staff set the agenda, wrote the position
> papers and proposals, and wrote the final report.
> In a way, the committee had only veto power over
> the staff.

The 1965 Wood task force staff, on the other hand, per-

formed more in the role of technical back-up, primarily

because Wood himself informally played the role of staff

director as well as chairman. As he had in 1964, Wood

wrote several of the position papers and the final report.

The importance of the staff's role seems to have

evolved from the 1964 experience in which the task forces

were staffed largely by Budget Bureau and agency person-

nel. Starting in 1965, however, the task forces were pro-

vided with professional staffs, selected by and responsi-

ble to the White House. It is not too much to suggest

that a primary reason the White House moved to profes-

sional staffing of outside task forces was to ensure that

task forces would respond to Presidential prerogatives,

not those of the Budget Bureau (as some claimed the 1964

Wood task force had done) or the agency.

The staff directors maintained a close liaison

with the White House staff throughout the deliberations.

Thus, Moscof of the Kaiser Commission was in frequent com-

munication with the White House through both Fred Bohen

and Joe Califano and was able to exercise some impact on

the 1968 Administration proposals through those channels.

The White House assigns one of its staff members as liaison

to every task force and the liaison may play a major role

on those task forces from which immediate legislative pro-

posals are expected. Consequently, Fred Bohen, Califano's

assistant, maintained a close liaison with the 1967 inter-

agency task force, sitting in on several of the meetings

and representing the President's interest in "thinking

big" to members of that group. In 1964, Richard Goodwin

was White House liaison to the Wood task force but seldom

participated. Harry McPherson played a more vigorous role

in the 1965 Wood task force after the White House deter-

mined to play a more active role than it had in 1964. The

job of the liaison, however, appears to be less that of

acting as Presidential supervisor over the deliberations

than that of representing those deliberations to the Presi-

dent himself through Special Assistant Joe Califano.

Califano, who came to the White House in 1965, acted as

the President's chief assistant in domestic affairs. He

assembled under him a small staff of assistants, one of

whom (Fred Bohen) spent the greater part of his time on matters pertaining to housing and urban affairs.[17]

The Budget Bureau, as well as the White House staff, acts as the staff arm of the President, although in a general way distinction can be drawn between their activities. The White House staff took the initiative more in terms of developing new programs and changes of direction, while the Budget Bureau was more active in changing or expanding existing programs. The Budget Bureau was also much more likely to be active in internal task forces than in outside ones. Thus, Budget Bureau housing specialist Philip Hanna was quite an active member of the 1967 interagency task force, but the Kaiser Committee had only informal and intermittent contact with B.O.B. The Budget Bureau played a major role in the 1964 Wood task force because they staffed it (William Ross, then of Budget, was the Executive Secretary) and a significant role in the 1965 Wood task force primarily because Budget Director Kermit Gordon was a member. However, since the 1964 experience, B.O.B.'s

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[17] Before Bohen, Lawrence Levinson performed the same task. In 1966, Milton Semer, former HHFA General Counsel, was the President's resident urban expert and previous to that Richard Goodwin served in that capacity both in the Kennedy Administration and in the first years of the Johnson Administration.

role has diminished somewhat as a participant (al-
though key Budget Bureau personnel are quite important
in terms of evaluating the report). Each task force
since 1964 has been assigned a Budget liaison whose pri-
mary function, according to a White House staff man, is
to advise the outside task force of the existence and
nature of ongoing federal programs. In addition, the
Bureau of the Budget asks the task force at the end of
its considerations to "price out" the cost of the pro-
grams it recommends. The task forces are then asked to
list priorities in their recommendations if they are
restricted to $X millions per year, or, alternatively,
one-half X millions. The Budget Bureau, as well as
HUD, plays a significant role in this endeavor.

HUD itself has played a very ambiguous role in
task forces. Since the obvious intent of outside task
forces is to bypass the Department as a means of policy
formulation, HUD officials not only distrust the outside
task forces, but also denigrate their significance. Thus,
a HUD official disdainfully observed, "I think the task
forces have done an editing job that hasn't been done else-
where and little more." HHFA itself was represented on the
1964 task force through Morton Shussheim, who presented the
first paper dealing with legislative proposals and who

participated quite actively. However, HHFA's negative
reaction to many parts of the 1964 report was apparently
not appreciated at the White House. In 1965 HHFA was
nearly completely bypassed. According to a top HHFA
official, Weaver was not even informed that there was to
be a task force until the day the White House announced
it. An HHFA bureaucrat, on loan from the agency, did a
little staff work for the task force, but, unlike the
other staff members, he was pointedly not allowed to at-
tend any of the meetings.

Three participants of the 1965 Wood task force
(Wood, Haar, and Ross) were appointed to high positions
in the newly formed HUD soon after the task force broke
up and that undoubtedly put the Department in better
shape so far as relations with the White House were con-
cerned. HUD, as has already been pointed out, dominated
the interagency task force the President set up in 1967.
Yet, although HUD assigned a liaison to the Kaiser Com-
mittee, he did not play an important role in Committee
deliberations, nor did HUD do much more than receive criti-
cism from the Douglas Commission.

H.   Underline Evaluation of Task Force Reports

The evaluation of the task force reports again
is a flexible and somewhat unstructured process. The
White House receives the report and usually sends it to
the Budget Bureau for evaluation. The report formally
goes to the Budget Bureau's Office of Legislative Refer-
ence which coordinates the Bureau's review of legisla-
tion and policy proposals, but, at least in housing, OLR
has not had the expertise to make any real substantive
contribution. OLR sends the report directly to the As-
sistant Director in charge of housing (Philip Hanna). How-
ever, if the Budget Bureau is deeply involved in task
force deliberations (as William Ross of Budget was in 1964
and 1965 and Philip Hanna was in 1967), the evaluation of
the report is considerably simplified since it simply oc-
curs as the task force proceeds.

Other interested parties may also get a chance to
comment on the report, including the lead agency. How-
ever, HUD has generally not played a very significant role
in the evaluation process. In 1964 Goodwin attempted more
to do a selling job on HHFA in favor of the recommendations
of the report than to ask HUD's advice. In 1965, HHFA was
completely ignored. Weaver, Wood, and Ross have played a

more active evaluatory role since HUD's inception. The

Council of Economic Advisers in particular may be asked

to review the report or contribute its own point of

view. In 1967, the CEA, for example, studied, at the

behest of the White House, the structure of the capital

market in housing and made suggestions paralleling those

of the Kaiser Committee, with respect to the need for

improved mechanisms to attract equity capital to the

housing market. The Council, particularly housing expert

James Deusenberry, was called upon as a matter of course

to judge proposed housing legislation with respect to its

economic viability and its probable costs and benefits.

Use of the CEA's micro-economic judgments on specific

policy marked a change from its use almost solely for macro-

economic predictions in the late 1940's and 1950's.

The degree of evaluation depends, to some extent,

on the closeness with which the White House and Budget

Bureau have followed the task force proceedings and the

confidence the President has in the task force, The 1965

Wood task force underwent hardly any review at all. It was

taken by McPherson directly from Wood, who wrote it, to the

President, who approved it. Such cases, however, are the

exception rather than the rule. In most instances, there

is a review followed by a series of meetings between high
level officials of the institutionalized Presidency. This
was the case in 1967 when, according to a participant,
Califano, Bohen, Schultze, Hanna, Deusenberry, Weaver,
Wood, Moscof, and Treasury Undersecretary Barr met in
Califano's office to hammer out agreement on 1968 Admin-
stration proposals.

I: Task Forces: How Innovative?

Advocates of the task force process argue that it
allows new ideas to enter the policy process, but
many question how innovative task forces have actually been.
As a Budget Bureau official observed, "Task forces fail as
innovative forces. Their staffs are not of high·quality,
because high quality people are not readily available for
temporary work. As a result, all they do is pull together
existing things instead of coming up with new ideas." A
staff member of one of the housing task forces agreed:
"The staff basically pulled together ideas that had been
circulating. But we did not really come up with any new in-
novations, nor were we particularly creative."

It does seem true that the task forces which have had
the greatest immediate impact on legislation have recommended
programs which were hardly brave new intellectual break-

throughs. HHFA had already operated a rent supplement

program on a demonstration basis and that idea had been

around for years. As for Model Cities, which came out

of the 1965 Wood task force, a high HHFA official ridiculed

its claim to innovation:

> The Model Cities approach was on its way to
> being launched administratively by HHFA even be-
> fore the task force recommended it. In late 1965,
> Weaver had selected seven cities and was about to
> announce them as demonstration cities. This was
> because Detroit and New Haven had taken advantage
> of the recently enacted Community Renewal Program
> to put together an integrated plan for renewing
> large sections of their cities. We were going to
> accounce the grants when I happened to mention it
> to McPherson. He talked to the President and then
> told us to hold it because that was going to be
> the recommendation of the task force. So it was
> killed.

Any tendency towards innovation task forces might

possess is greatly mitigated by their "representative"

membership. Since consensus is the decision-making rule,

final agreement is likely to represent not innovative think-

ing, but compromise between the contending groups repre-

sented on the task force. As a high official in the Execu-

tive Office of the President admitted, "It is true that

with so many interests involved the result is, in some

sense, the lowest common denominator."

However, the fact that the task forces did not "in-

novate" does not mean that essentially the same course

would have been followed had they not been used. Although
the ideas may not have been new, they were not yet federal
policy, nor, in many cases, were they supported by the bu-
reaucracy. Thus, elements of HHFA opposed the rent supple-
ment recommendation and HUD was very lukewarm concerning
the desirability of attempting to devise any more than a
small demonstration city program.

The academic task forces are more often productive
in terms of innovative ideas, but they also are often ig-
nored because the ideas are not politically feasible. If
any innovation occurs, however, it is more likely to be
in terms of getting new ideas into the thought processes
of decision-makers rather than into next year's legisla-
tive process. That is, the innovation is more likely to
occur over the long run rather than the short run.

Many Johnson Administration officials view the
task force operation as a significant institutional contri-
bution of the Johnson Administration. However, it is not
at all clear that processes within the rubric of Presi-
dential activity are that easily institutionalized, given
the highly personalized nature of that office. Each Presi-
dent is likely to create those forms he is most comfortable
with. The task force operation was peculiarly suited to

the leadership style of Lyndon B. Johnson. It fitted

nicely with his oft-repeated emphasis on the need for

a partnership between public and private sectors, his

life-long instinct for decision-making on the basis of

consensus, and his almost abnormal preoccupation with

secrecy.

J. Output and Feedback

Output. The output of the policy formulative

system in housing policy is, of course, Administration

housing proposals. These are not in legislative form,

but in program form, and they are usually summarized briefly

in the President's State of the Union address before Con-

gress in January. In 1965, the Administration proposed

to begin phasing out the 221(D)(3) program and to replace

it with a new rent supplement program. Although changed

drastically by Congress later, the Administration pro-

posal would have aided moderate-income families whose in-

come was too high for public housing and too low for pri-

vate housing. The occupant would pay 20 per cent of his

income for rent and the government would pay whatever ad-

ditional amount was required for the dwelling unit.

In 1966, the Administration proposed a demonstra-

tion city program essentially the same in broad scale as

what Congress ultimately enacted, although different in

some important specifics. The President in his special message on the cities asked for a coordinated local attack on a blighted area in cities chosen for the program. Cities would put together a coordinated approach consisting of existing federal programs. In addition, they would receive grants up to 80 per cent of the local share of those federal programs to be used for any program the city itself wished to devise to attack problems in the chosen area.

In 1967, the Administration decided to forego any major proposal after hard-fought battles in two successive years. The only program of substance proposed was the $20 million program to eliminate rats in urban areas. In 1968, the Administration proposed a variety of new housing programs including a low- and moderate-income homeownership plan and an interest subsidy plan designed to replace the 221(D)(3) program.

Feedback. It is much easier to distinguish feedback analytically than it is empirically; empirically feedback tends to merge into system input from the environment. However, it is clear that Administration policy formulation in year x is influenced directly by what happened to Administration policy in year x-1. The output, particularly of the substantive legislative subsystem,

acts, in effect, as feedback from the policy formulation subsystem. All this merely states the obvious--that those involved in policy formulation base their decisions in part on expectations derived from previous experience. If Administration policy formulation output does not satisfy the goal of the subsystem,[18] then the subsystem will likely adjust by modifying its output in an appropriate manner the next time around.

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[18] In most, but not all cases, the goal is legislative passage. In some cases the goal may be focusing public attention on a problem or satisfying a clientele group or a variety of other possibilities.

CHAPTER VI

THE SUBSTANTIVE LEGISLATIVE SUBSYSTEM

The substantive legislative subsystem, the most
open of the four subsystems to inputs from the environ-
ment, encompasses that part of the policy process which
most political scientists have traditionally studied in
legislative case studies of which Stephen Bailey's <u>Con-
gress Makes a Law</u> is probably the best example.[1] Analy-
tically it is useful to divide this subsystem into two
further subsystems, one of which is concerned with legis-
lative preparation, the other with legislative considera-
tion and passage.

Legislative preparation includes the shaping of
broad statements of intention into specific legislative
proposals for Congressional consideration. Although not
often viewed as a very significant part of the policy pro-
cess, participants at this point can have a major influence.
As one observer commented:

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[1] Stephen Bailey, <u>Congress Makes A Law</u> (New York:
Columbia University Press, 1950).

The broad policy idea is given to the legislative
drafter, but the actual way the program will oper-
ate depends on the terms of the provisions. These
people have a significant impact.

A.   Legislative Preparation: Environment

The environment at this point in the process con-

sists of the general policy outlines determined at the

White House level on the one hand and the political atmos-

phere in Congress on the other hand.   The legislative pre-

paration stage seems well insulated from other outside in-

put.   The General Counsel's office, despite its clear im-

portance, does not seem to be (or to have been during the

Semer era) a focal point for much lobbying activity.   Some

of the industry groups, particularly those whose own paro-

chial interests could be vitally affected by specific deci-

sions made during legislative preparation, were in contact

with the General Counsel's office, but even efforts of these

groups were not very intensive.   Most lobbying activities

aimed at the housing agency, according to observers, were

aimed at less insulated and more visible levels of the organ-

ization, particularly the Office of the Secretary and the

Assistant Secretary (formerly Commissioner) for FHA.

After the General Counsel finishes preparing the

legislation, it goes back to the Budget Bureau for approval.

This stage is the traditional legislative clearance stage of Budget Bureau operations.[2] The legislation would go first to the Bureau's Office of Legislative Review (OLR), a small office which served mostly to coordinate the Bureau's legislative clearance functions.[3] OLR would then send it to the housing division examiners, particularly Philip Hanna and Donald Kummerfeld.

Bargaining over disputed areas would then ensue between HUD personnel and Hanna. The Budget Bureau, with whom the General Counsel's office worked very closely, protected the Administration's interests on the one hand, while the Department (particularly under Semer) tended to concern itself more with what they perceived political realities to be. From all accounts HUD was often politically more cautious than the Administration. Thus both Semer and Weaver originally opposed the Model Cities legislation as politically impossible, and they were supported in their

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[2]
See Richard E. Neustadt, "The Presidency and Legislation: Planning the President's Program, American Political Science Review, 49 (1955), pp. 980-1018. Also by Neustadt, "The Presidency and Legislation: The Growth of Central Clearance, op. cit., 48 (1954), pp. 641-671.

[3]
OLR itself often made substantive contributions in some fields if it had the relevant expertise on its small staff, but it does not appear to have had such expertise in housing during the 1960's.

opinion by John Barriere, the housing political strategist

on the Hill. The Administration, particularly Joseph Califano and

Lawrence O'Brien, were much more sanguine about the bill's

chances on the Hill. The 1968 interest subsidy dispute lends

further credence to the generalization of HUD's relative

caution.

B. Legislative Preparation: Conversion Process

Because of their technical skills, lawyers have a

major advantage in this part of the policy process. Indeed,

during the existence of HHFA, the General Counsel's office,

under the guidance of Milton Semer and Ashley Foard, played

the predominant role in legislative preparation in collabor-

ation with John Barriere, staff director of the Housing Sub-

committee of the House Banking and Currency Committee.

Semer and Barriere approached the legislation with

a view toward the political possibilities in Congress, while

Foard, usually performing the actual task of preparing the

bill, supplied technical expertise on behalf of the Agency's

own interests. When Semer left after HUD came into being,

the power of the General Counsel's office was greatly

diminished. Foard and his staff still played a major role

in legislative preparation, but they acted more under the guidance of the Secretary's Office, particularly Under Secretary Robert Wood and Deputy Under Secretary William Ross. Furthermore, with Semer's departure the General Counsel ceased to play a dominant role in policy formulation, so that the limits under which the HUD lawyers worked in turning general policy proposals into legislative proposals were more strictly imposed from the outside. Several respondents suggested that the General Counsel's office was intentionally weakened by the HUD reorganization in order to prevent strong challenges to the Secretary's control over his Department. The new General Counsel was a defeated Congressman inexperienced in housing affairs.

In 1968, HUD sent to the Budget Bureau legislation giving a mortgage subsidy to non-profit cooperative or limited dividend corporations willing to build low- or moderate-income housing. HUD originally suggested that the mortgage be subsidized down to the point where the mortgagee be required to pay only three per cent and that, in addition, a subsidy in the form of local property tax exemption be included. The Budget Bureau opposed this on the grounds that rents still would not be low enough to attract low-income tenants. Instead, the Bureau suggested a subsidy down to

no per cent, but without the property tax exemption. HUD

opposed this on the grounds of political infeasibility

(as an observer explained, "They felt the Hill would view

a 0% interest as somehow immoral"). The compromise solu-

tion was to subsidize down to one per cent, but with no

property tax exemption. Although most of the disputed

issues at this stage are incremental in nature such as this

was, they are by no means unimportant.

If disagreements persisted, the level of conflict

was then escalated to Secretary Weaver and the Director of

the Budget Bureau. Again personality plays a major role.

The Bureau's hand was undoubtedly strengthened by the fact

that all three Budget Directors during the Johnson Admin-

istration (Kermit Gordon, Charles Schultze, and Charles

Zwick) were economists well acquainted personally with

housing policy. The rare deadlocks between Weaver and the

Director, usually highly political in content, then were

mediated either by the President himself or his chief as-

sistant, Joseph Califano.

C. Legislative Passage: Environment

The second subsystem is, of course, legislative con-

sideration and passage. This subsystem is undoubtedly the

most open of the four to the environment; yet in many ways it is severely limited by the environment. The openness is understandable for a body which is periodically responsible to the public for return to office. Yet, it is the mood of the constituency itself which serves as one of the limits on the legislative system. If a complex housing program (and very few are not complex) such as rent supplements becomes publicly identified as a form of "socialized housing," there is little Congressmen can do to dispel such a belief even though rent supplement is a program highly praised by the private housing groups.

Part of the reason that it is so difficult to dispel such charges is that Congressmen themselves are not likely to have a good grasp of the legislation. Proficiency in housing legislation demands a knowledge of law, economics, finance, and housing technology which the average person is not likely to have. As a result, housing is an area in which expertise is at a premium. This means that Congressional staff assumes an importance beyond which it usually has when dealing with less complex legislative matters. A former staff assistant commented:

> The damn thing is so complicated it's hard to figure out what's even in the bill. This means there are a very few people in Congress who understand what's

going on. They have to instead deal with housing in broad policy terms. Do they want more rehab now? If so, give it to the staff and have them work up the techniques which will accomplish it.

Congress is further limited because most legislation, although not all, comes to them from the Administration. They do not start from a blank slate, but are put in a position of either voting down, changing, or adding to an already existent set of proposals. Given this limit, it is somewhat surprising to note that Congress often does make extensive substantive changes in housing legislation. In 1965, for example, a middle-income program designed primarily to integrate the suburbs was turned into the low-income, predominantly inner city, rent supplement program. The same year Congress wrote a new rent certificate program into the bill, allowing local authorities to rent existing housing for use as public housing. A year earlier a loan program for rehabilitating slum housing, the first direct loan program in the housing area, was successfully added to the Administration bill by Congress, while in 1966 Congress added the 221(H) program proving three per cent mortgages for low-income families who wish to purchase housing rehabilitated by a local non-profit organization. The 221(H) program

served as the basis for Senator Percy's homeownership proposal in 1967, and, ultimately, for the Administration's 1968 homeownership proposals. All of these proposals were important; the change to rent supplements, in particular, could be considered redistributive in nature.

The ideological nature of Congress itself clearly limits the options open to the legislative housing subsystem. Each substantive committee considers legislation in the light of what might be acceptable on the floor of Congress where the level of understanding is on a more general level than in subcommittee. Ideological and partisan considerations are likely to be more prevalent on the floor than during the committee stage. Thus the more status quo oriented Congress is, the more difficult it is to pass a redistributive housing bill; the more Republican Congress is, the more difficult it is to pass a Democratic housing bill (and vice versa). The housing subcommittees may shape the bill in order to break down opposition on the floor. In 1966, the Senate Housing Subcommittee added a provision to the Model Cities bill allowing small communities as well as big cities to be eligible for Model Cities program in an attempt to appeal for the votes of Senators from the less urbanized states.

The floor of Congress becomes an especially important part of the environment when the issue is a controversial one. In less controversial matters, bipartisan committee support is likely to mean easy floor passage because members are willing to accept the evaluation of their party's experts on the committee. However, when issues come to the level of public attention, such as rent supplements did, the mood of Congressional constituencies themselves--as perceived by Congressmen--may become a major factor in the environment. Rent supplements was the subject of widespread public debate and controversy, which was carried on in terms of highly emotive symbols such as "socialized housing." In this atmosphere the carefully bargained-for support of Congressman William Widnall (ranking minority member of the Housing Subcommittee) was of little help on the floor where only 26 Republicans supported final passage. So great was the pressure for making rent supplements a party issue that Widnall himself, despite the fact that he had declared himself in support of the entire bill, voted for the earlier recommital motion which was opposed by only four Republicans.

The importance of the bill to the Administration also determines the degree to which the White House will involve

itself as a direct input on the legislative subsystem.
Normally, unless the Administration's prestige is directly
committed (as it was, for example, on both rent supple-
ments and Model Cities), the major role in dealing with
the committee is left to the Department itself. When HHFA was
in existence, this task was performed mostly through Milton
Semer and Ashley Foard in the General Counsel's office. The
HHFA Congressional liaison office concerned itself with
the more perfunctory function of acting as a service bureau
for Congressional requests. However, since the creation of
HUD, the Congressional liaison office working in harmony
with the Office of the Secretary has become the main focus
of formulating Congressional strategy, although the Gen-
eral Counsel's office still plays a role. Because of their
legal expertise, members of the General Counsel's office
might be called upon to make quick judgments on proposed
changes during committee mark-ups or conference committee.
As one respondent observed, "Guys on the legal staff at the
proper time can be very important. They may be standing
outside the committee room when something important happens
and be very influential in shaping that."

Top HUD personnel--usually the Secretary and the
various Assistant Secretaries--are of course responsible

for testimony before the substantive committees, but com-

mittee testimony is not a very important part of the sub-
system.[4] One former Congressional staff aide referred to

HUD's committee presentations as "nothing but a lot of

pageantry."

Whereas good or adequate committee testimony from

the Department is not likely to help the legislation very

much, it is sometimes alleged that bad testimony can harm

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[4]It is not widely realized that the testimony of
any Administration figure must first be cleared through
the Budget Bureau for Presidential approval. This can
cause some embarrassing moments for an executive who is
forced to say in his testimony something he would probably
rather leave unsaid. It was suggested that this is what
happened to Secretary Weaver when he appeared before the
Ribicoff Committee with a statement listing what the Ad-
ministration's accomplishments had been in dealing with
the urban problems which the Committee was studying. The
following exchange then occurred, undoubtedly much to the
Secretary's discomfiture:

> Sen. Kennedy: I don't know whether we delude ourselves,
> Mr. Secretary, just by spending so much time going
> over what we have done, without really--we wouldn't
> be holding these hearings and you wouldn't be as
> concerned as you are if it was not a fact that we
> are not doing enough.

> Sect. Weaver: I grant that. I said that at the begin-
> ning of my statement, But I do think that it is
> important to indicate where we are and what we have
> been doing in order to decide where we go from here.

> Sen. Kennedy: It sounds on paper as if the problem is
> disappearing . . .

it, particularly if it is accompanied by personal animosity.

Several respondents suggested that the relations of top HUD

personnel with key Hill committees have not been the best.

One suggested that the rather pedagogical approach, charac-

teristic of academics such as Weaver, Wood, and Haar, was

not well suited for dealing with the Hill. An exception

Sect. Weaver: I think you will find that I am not
claiming that the problem has disappeared. I
think you will find that I am saying that there
are things we are proposing to do . . . but I
think these all have to be built on the basis of
what we have been doing and the experience we have
had to date. . . .

Sen. Ribicoff: I would like to comment, Senator Ken-
nedy, that the listing of all these programs and
all the achievements is the greatest argument for
the purpose of these hearings to indicate that we
have had all these programs and yet we keep slipping
further and further behind, and we have reaped and
are reaping a whirlwind of violence throughout the
nation indicating that our programs have not gone
to the heart of the basic problem. . . .

Sen. Kennedy: . . . as I listen to you talk about the
programs, and as I say, I have got the greatest re-
spect for you and I believe you know more about this
problem than anyone in the United States, maybe the
Chairman's point is correct that perhaps it indicates
the need for something different and something new
and something that we haven't been doing before, be-
cause if this is the answer, we had better get off
the ship.

Sect. Weaver: Let me thank you for your kind remarks . . .

From U.S. Senate, Hearings before the Subcommittee on Execu-
tive Reorganizations, op. cit., Part 1, pp. 187-88.

to this indictment appears to be Assistant Secretary Brown-
stein who is also Commissioner of FHA. Brownstein built
up a solid constituency on the Hill while serving as Chief
Benefits Director of the Veterans' Administration prior to
his appointment to FHA. In addition, FHA is the most popu-
lar component of HUD so far as the Hill is concerned, prob-
ably because it has had a wide beneficial impact on large
numbers of middle-income constituents. Other participants
in committee hearings are not likely to contribute much to
the policy process; rather the hearings provide an oppor-
tunity for a host of groups, most of them with little in-
fluence, to have their day in the sun.

The White House, as has been suggested, will be-
come involved in behind-the-scenes maneuvers during sub-
committee or committee stage if it' prestige is on the
line and the bill is in trouble. In such cases it has
worked closely with HUD members and key Congressional leader-
ship. This occurred during 1966, for example, when Lawrence
O'Brien, Joseph Califano, Weaver,Wood,and Sidney Spector, HUD
Congressional liaison director, all applied their efforts
to lining up sufficient votes to report the bill from the

House Housing Subcommittee.[5]

Normally, however, the White House will make its influence felt more on the floor than in committee, through whatever currency of influence it has available with individual members. In both cases there was a fuzzy division of role between Joseph Califano, whose dealing were more concerned with substantive changes in the legislation, and the White House Congressional liaison man (Barefoot Sanders in 1967-68, Lawrence O'Brien previously) who was more concerned with persuading Congressmen to vote with the Administration. The overlap, however, was great, since political strategy often requires substantive changes.

Other groups in the environment also divide themselves according to whether their influence is greater at the committee stage or on the floor. The special interest industry groups are likely to have a more important impact at the committee stage because they can use their expertise to advantage on matters which affect them but are not perceived to be of great social importance. The mortgage lending institutions, the realtors, the homebuilders, and the

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[5]See Robert Semple, "Signing of the Model Cities Bill Ends a Long Struggle to Keep It Alive," The New York Times, Nov. 4, 1966, for an excellent description of Administration efforts to pass the Model Cities legislation

public housing lobby all try to build strong relations
with the committee, particularly at the staff level. Groups
such as the homebuilders (NAHB), the lending institutions
(ABA, MBA, USS & LL) as well as the National League of
Cities and Conference of Mayors, also attempt to use their
geographical dispersion to the best advantage by bringing
members from the Congressional districts of committee
members to testify and urge support for the organization's
views. The National League of Cities, for example, tries
to assure that mayors from the districts of key committee
personnel give the League's testimony or at least write or
get in touch with the Congressman.

The homebuilders and the mayors groups attempt to
exercise an influence (generally in support of the Admin-
istration, at least during the 1960's) on housing policy
which has broad social and redistributive impact. The
realtors (NAREB) also are quite active in this sphere, though
more often opposed to Administration policy, particularly
fair housing laws. The lending institutions, however, have
shied away from larger social issues. As a representative
of one of these groups explained, "We don't get into the
big social programs. You spread yourself too thin if you

do. We're not experts in that kind of thing, so why should we do it. We're experts in our own area."

Nearly all respondents agreed that organized labor was an extremely powerful force on the floor of Congress. Labor is not unconcerned or inactive during committee consideration, but it has a much greater relative impact on the floor where soliciting support rather than urging substantive changes is of higher importance. Labor's effectivness stems partly from the fact that its support has helped elect many Congressmen and may well be needed to do so again in the future. Partly, it stems from the fact that its resources are ample enough to retain a large and skilled staff of Washington operatives, which gives it an immense advantage over many other organizations that share a legislative concern in housing.

During the Congressional consideration of Model Cities in 1966, a loose coalition of groups termed the Urban Alliance emerged, and has since remained active. The Urban Alliance apparently was a conscious attempt by HUD to develop a clientele which could support the Department on social issues before Congress. Until 1966, such a clientele did not exist for social issues (except labor, NAHRO, and the National Housing Conference), although FHA

had constructed effective clientele relations with the

mortgage lending institutions for financial issues.[6] As

one respondent observed:

> HUD has played with its groups only minimally. An
> intelligent Department would see the League of
> Cities, Conference of Mayors, NAHRO, and NAHB as
> natural extensions of itself. Why HUD has not viewed
> them this way is difficult to say. As a result, HUD
> is probably more dependent on the support of the Pres-
> ident than other Agencies, because they lack other
> support.

In 1966, a new Congressional liaison director,

Sidney Spector, convinced Weaver to set up a coalition

of liberal interest groups which would support HUD. The

Alliance was set up under the aegis of the Conference of

Mayors and its Director, John Gunther, but HUD for all

practical purposes was the motivating force. The Alliance

acted as a coordinating device for lobbying and assigning

lobbyists of various member organizations to those Con-

gressmen whom it was felt they could best influence. About

75 groups belonged, including such diverse groups as the AFL-

CIO,NAHB, the National Council of Churches to the American

Hospital Association, Jewish War Veterans, and the Founda-

tion for Cooperative Housing. In return for their aid the

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[6]Indeed, some question whether the clientele has
not controlled FHA for its own interest exists, particu-
larly at local levels.

members were told they would be involved in the policy

formulation process on the social policies they were

supporting. Several representatives of member groups

complained that this has not been the case and that the

monthly or semi-monthly meetings of the Alliance are usu-

ally only strategy sessions.

How important a part do the lobbies play in the

legislative subsystem? When the question under consider-

ation is incremental and technical and social ramifica-

tions are either absent or not well publicized it appears

that they can make quite an effective use of their exper-

tise. Thus, one respondent commented:

> During the 50's many of the new legislative pro-
> grams came onto the books via the staffs of the Housing
> subcommittees who in turn had been talking to various
> trade associations and interest groups, particularly
> NAREB, MBA, NAHB, and U.S.S. & L.L. These organiza-
> tions have been particularly effective in developing
> proposals that would involve their members and address
> themselves to problems.

However, as redistributive social considerations

move into the forefront these groups become much less im-

portant, partly because their expertise declines and partly

because other elements in the Congressman's environment be-

gin to exercise priority. Thus, nearly every major organ-

ization in the housing area supported rent supplement

appropriations in 1967,[7] but the House voted to cut rent supplements completely. The Senate then voted the Administration's full $40 million request and the House-Senate Conference Committee settled on a $10 million appropriation. The House balked at accepting even that amount, finally acquiescing by a vote of 198-184.

Likewise, opposition by one of these groups will not necessarily be sufficient to veto redistributive legislation as was shown by passage of the 1968 fair housing bill over what appeared to be insuperable obstacles, one of which was NAREB's opposition.

D. Legislative Consideration: Conversion Processes

The Housing Subcommittees of the Senate and House Banking and Currency Committees are the focal points in the conversion process. Both subcommittees are relatively autonomous of the full Banking and Currency Committees. Each has its own staff and a budget earmarked specifically for it. Because of this autonomy, subcommittee proceedings assume an importance beyond that which

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[7]Including the homebuilders, the realtors, the mortgage bankers, the mayors, the Negro and civil rights organizations, and, somewhat reluctantly, the public housing officials (National Association of Housing and Redevelopment Officials.)

subcommittees normally possess, which of course is not small. The subcommittee chairmen develop, with the aid of their staff, an expertise which the full committee simply cannot match. A Congressional staff member told George Goodwin that, "given an active subcommittee chairman working in a specialized field with a staff of his own, the parent committee can do no more than change the grammar of a subcommittee report."[8] This is a good description of the norm so far as the Housing Subcommittees are concerned.

E.   Conversion Process: The House

The subcommittee chairman, as this suggests, is the key to the committee's activities. In the House, Albert Rains chaired the subcommittee until 1964 when he retired from Congress. Rains and his staff director, John Barriere, commanded respect from virtually every respondent for their knowledge of housing and their ability to handle legislation. Rains, however, never handled a major redistributive housing bill. His forte was the intricate juggling of interests and bargaining which left all concerned satisfied and which is characteristic of incremental "disaggregated" policy.

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[8] George Goodwin, Jr., "Subcommittees: The Miniature Legislatures of Congress," American Political Science Review, LXI, (1962) 596.

After Rains retired, William Barrett succeeded to the subcommittee chairmanship, but only after vigorous committee infighting. Barrett was a loyal Administration Democrat, but he was at loggerheads with Wright Patman, chairman of the full committee. Patman, according to one account, wished to use the resources of the Housing Subcommittee to aid in his attack on high interest rates and the Federal Reserve System.[9] Thus, he submitted a resolution at the beginning of the Eighty-ninth Congress asking for funds for the full Banking and Currency Committee without requesting separate funds or identity for the Housing Subcommittee. Nineteen members of the full committee, including eight Democrats, immediately submitted resolutions requesting separate funds for the subcommittee. Patman and Barrett then appeared before the House Administration Accounts Subcommittee where Patman was asked why a separate resolution had not been submitted. Norton quotes an Administration Committee member who was present:

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[9]Bruce Norton, "The Committee on Banking and Currency as a Legislative Subsystem of the House of Representatives," first draft of doctoral dissertation, Syracuse University, pp. 57-60.

It was a messy affair. Patman sat there, right next to Bill Barrett, and proceeded to say that he didn't do it because he didn't have much confidence in his subcommittee chairman! Well, Barrett flared up—the first time I've ever seen Bill get mad—and he asked Patman how he could doubt his ability and competence. Raw nerves were exposed. It was real messy.[10]

Opposition to Patman forced separate funding of the Housing Subcommittee, but it was clear that Barrett's position was not one of strength. The new subcommittee chairman lacked the technical knowledge and intellectual capacity that Rains had possessed. This was accentuated by the departure of John Barriere, Rain's respected staff director, from the Housing Subcommittee to the Speaker's staff, where Barriere continued to play a major role in formulating housing strategy. Barrett, rather than pursue his own policies, as Rains had done, instead accepted the will of the Administration as his own. As a close observer remarked:

Barrett originates and initiates nothing. His importance is that he acts as a bridge between the Administration and Widnall on the one hand, and Widnall and Patman on the other.

And as a subcommittee member observed:

The subcommittee is unlikely to make too many changes in Administration proposals except as it is politically necessary to get the bill through. It will accept amendments at the subcommittee if they are not crippling.

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[10]*Ibid.*, p. 59.

The technique the chairman uses to pursue the Administration's ends is the omnibus bill. Omnibus bills are the traditional form of housing legislation. They are effective because they are means of buying support. Crucial members are co-opted by simply adding their own pet provisions or sweeteners to the bill already before the committee. In this way, controversial issues are muted as much as possible, Thus, in 1966, the Administration agreed to add another $600,000 in urban renewal funds to the omnibus bill in order to assuage the fears of some subcommittee members that Model Cities would cut into urban renewal. The Administration, through Barrett, has played this game particularly well with William Widnall.

Widnall was the key Republican force in the House on housing policy. After Barrett's elevation. to the subcommittee chairmanship, the New Jersey Republican was the driving force behind most changes made in the bill during committee consideration. The Administration, and Barrett as well, appeared to believe that Widnall's support of legislation was necessary both for successful full committee consideration and for victory on the floor. Widnall used this leverage, not to accomplish substantive changes of

importance in the Administration bill, but to force the

Administration to add to the Administration's omnibus

bill programs Widnall himself had developed.

Consequently, in 1965, Widnall bargained with

Semer, Barriere, and Barrett, and gave his support to rent

supplements. But in return, he forced the Administration

to accept a leased housing program in public housing.[11] The

subcommittee then reported out the bill by a 10-1 vote.

Widnall dominated the subcommittee on the G.O.P. side.

The minority staff member, Casy Ireland, was an employee

of Widnall and worked closely with the majority staff

members, Kenneth Burrows and James McEwen. Despite the ef-

forts to work closely with Widnall, the atmosphere, ac-

cording to several respondents, was quite partisan, unlike

the Senate subcommittee. The fact that Barrett so trans-

parently represented the Administration undoubtedly en-

couraged this partisanship.

According to several respondents, Widnall's sup-

port assured subcommittee approval and was likely to les-

sen greatly opposition (and encourage acquiescence) in

the full committee, but it meant little on the floor. This

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[11]Variously called rent certificates, leased hous-
ing or section 23, Widnall's program has proven one of the
most successful HUD runs. Existing housing is rented from
private landlords by the local public authority and the
Federal Government subsidizes the difference between the
economic rent and public housing level rent through "rent
certificates" paid to the private landlord.

was exactly the opposite of the influence Representative

Robert Stephens (D-Ga.) seemed to possess. Stephens was

viewed by the Administration, along with Widnall, as the

key person on the subcommittee. As a moderate Southerner,

Stephens was believed to be in a key position to persuade

large numbers of Southern Democrats, whose support was

necessary for legislation, and who looked to him as an

expert in housing. Thus, it was Stephens who offered the

crucial amendment on the floor in the 1965 rent supplement

debate. He asked that the supplement be made available

only to those whose income level qualified them for public

housing. Originally the Administration bill was aimed

at the moderate-level income group above the public hous-

ing level. However, the leadership judged it impossible

to pass any rent supplement legislation without support of

moderate Southerners and accepted the amendment. Stephens

then supported and voted for the legislation, as did 41

other Southern Democrats. The recommital motion failed

by the slim vote of 208-202.

The remainder of the subcommittee membership had

less of an impact than Widnall or Stephens. Democrats

Ashley, Moorhead, and Reuss acted as a liberal bloc to

expand Administration programs, but they had little success

in doing so. In 1967, the trio introduced a bill which would have provided a tenfold increase in the nation's supply of low- and moderate-income housing through extension and expansion of existing urban renewal, nonprofit building and rehabilitation programs, and various FHA insurance programs.[12] The trio, upon occasion, has balked at Administration proposals, although White House persuasion usually was effective. Mrs. Sullivan, a St. Louis Democrat, also was basically an Administration supporter who often bargained with the Administration for her support. Gonzales and St. Germain generally support the Administration.

On the Republican side, Mrs. Dwyer of New Jersey followed Widnall, while Paul Fino was a vocal and sometimes effective critic of HUD's efforts to use housing legislation as a means toward social integration.

♦ . The subcommittee as a whole appears to be the most prestigious within House Banking and Currency. In 1968, the top eight Democrats in seniority on the full committee comprised the Democratic side of the subcommittee; the top three Republicans in seniority were also on the subcommittee as were two other Republicans with less seniority. Even with a relatively weak chairman, the subcommittee can have a major effect on important social legis-

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[12] "Home Ownership Bills Not Enacted in 1967," Congressional Quarterly Almanac, 1967, p. 501.

lation. Rent supplements in 1965 is certainly instructive.
The Administration bill restricted eligible recipients for
rent supplements to those with income <u>above</u> the level which
would make them eligible for public housing. The subcom-
mittee, in response to criticism that rent supplements was
a middle-income program from which the needy were being
excluded, opened the program to those within the public
housing income limits as well. Later, on the floor, the
program was <u>restricted</u> to those within public housing in-
come.

Subcommittee decisions are usually routinely ap-
proved by the full committee. Widnall, often not able
to convince his Republican colleagues to support a measure,
can sometimes persuade them simply not to vote, or at the
least, not to impede the bill's progress. On the floor,
Barrett's inability to handle effectively bills caused
problems for the Democrats. Full Committee Chairman Wright
Patman floor managed the 1968 housing bill after Barrett's
less than satisfactory performance with the rent supplement
and Model Cities legislation.

Floor strategy was coordinated through John Barriere,
former staff director of the Housing Subcommittee under
Albert Rains, who since 1965 has been employed in the
Speaker's office. The White House, through its legislative

liaison, particularly Lawrence O'Brien, played a major and

effective role in rounding up votes at the floor stage

in both 1965 for rent supplements and in 1966 for Model

Cities. Republicans for their part looked to William

Widnall and, to a lesser extent, James Harvey, for in-

formation and cues on complex housing bills, although

Widnall, according to several respondents, was not well

liked by many of his House colleagues. In cases where

technical advice was not necessary because the issue was

drawn in redistributive and ideological terms, the Republi-

can Policy Committee or the individual's own judgment was

likely to take precedence over Widnall's expertise.

F. Conversion Process: The Senate

In the Senate, Senator John Sparkman (D-Ala.)

has chaired the Housing Subcommittee of Senate Banking

and Currency since 1956. In addition, Sparkman assumed

the chairmanship of the full committee upon the defeat of

Senator A. Willis Robertson in 1966. By virtue of his long

involvement with housing legislation and his formal au-

thority derived from his chairmanships, Sparkman was the

key figure in housing legislation on the Senate side.

Unlike the House Committee, Sparkman ran the Senate

Housing Subcommittee as a bipartisan venture. As a close

observer commented, "Sparkman is a consensus man. He

likes to present a united front. Thus he gives some in-

fluence to people like Senator Tower and Senator Bennett."

While Barrett may accept amendments and new programs to

the Administration bill as a matter of political strategy,

Sparkman did so as a matter of personal style. When Sen-

ator Percy proposed his homeownership plan in 1967, rather

than ignoring it as a Republican proposal, Sparkman

scheduled hearings on it and later directed his staff to

work out a proposal agreeable to Percy, as well as Demo-

cratic proponents of a homeownership program. In most

cases Sparkman made use of the omnibus bill to add dis-

tributive changes desired by subcommittee members.

Sparkman utilized Carl Coan, staff director of

the Housing Subcommittee, quite extensively. Coan's in-

fluence on policy was not insignificant, particularly when

Sparkman's own attentions were directed largely elsewhere

as was often the case in the mid-1960's. As one observer

remarked:

> Coan plays a very significant role. Sparkman
> is tremendously influential when he wants to be--
> but of late, he often doesn't want to be. His prob-
> lem is that he is a Senator from Alabama. He thus
> stays away from an identification of things helping
> Negroes.

Until his defeat in 1966, Senator Paul Douglas
(D-Ill.) was, next to Sparkman, probably the most impor-
tant person on the subcommittee. Douglas' representation
of liberals on the committee was institutionalized to the
extent that the subcommittee allowed Douglas and the
liberals one staff man of their own choosing responsible
to them. At times, Douglas took leadership of the commit-
tee, particularly with issues involving Negroes and civil
rights, in which Sparkman, a Southerner, was hesitant to
act. The Illinois Democrat was widely given credit for
Senate passage of rent supplements in 1965 under just such
circumstances. After Douglas' defeat, the liberal staff
member passed into the hands of Senator William Prox-
mire (D-Wis.), but Proxmire did not take major interest
in housing. No other clear liberal leader has emerged,
although Senator Muskie (D-Me.) played a very important
role in the Model Cities legislation in 1966 and Senator
Walter Mondale (D-Minn.) was similarly active in 1968.

The ranking subcommittee member, Senator John
Tower (R-Tex.) generally opposed redistributive housing
programs at their inception as did other subcommittee
Republicans through 1966. In 1965 and 1966, the four Re-
publicans on the full committee issued minority reports
opposing rent supplements and Model Cities. In 1965, their

report charged that the Administration bill embodied "new and enlarged urban programs bulging with money and power, designed to step up the pace of creeping federalism."[13] Nonetheless, Tower was one of the ten committee members voting in favor of the very bill which the report he signed criticized, an undoubted tribute to Sparkman's ability to get along with his opposite number.

In the Ninetieth Congress, the Republicans added Senator Charles Percy of Illinois and Senator Edward Brooke of Massachusetts to the full committee. Both were moderates and both moved quickly to play a more positive role in committee deliberations than Republicans had previously played. Percy, who was placed on the Housing Subcommittee, introduced his homeownership bill, which ultimately resulted in the passage of the Administration-supported homeownership bill. Brooke, though not on the Housing Subcommittee, launched a vigorous attack on FHA and proposed that a new low-income housing division be set up within HUD to handle programs such as rent supplements and 221(D)(3) which were then administered through FHA. The Ninetieth Congress, in short, marked the end of simple opposition to Democratic proposals by committee Republicans.

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[13]"Major Housing Legislation Enacted," Congressional Quarterly Almanac, 1965, p. 376.

In several cases at critical times Senator Muskie
(D-Me.) assumed the key role of broker between contending
forces. In 1965, Muskie successfully offered an amend-
ment in committee parallel to the amendment Representative
Stephens offered on the House floor to change the income
limits for rent supplement recipients, so that they co-
incided with the public housing limits. In 1966, Muskie and
his aide, Donald. Nicoll, played the role of intermediary
between the White House and the Senate with respect to the
Model Cities bill. According to Robert Semple of The New
York Times, after it was determined the bill was in trouble
both in the subcommittee and on the floor, a revision was
worked out at a series of meetings between Nicoll, Lawrence
Levinson (Califano's assistant), and Philip Hanna of the
Bureau of the Budget. Semple reports:

> The three went to work immediately. In long
> late night sessions at the White House, Mr. Nicoll
> and Mr. Hanna gradually rearranged the criteria
> (more in form than substance, but the bill was clari-
> fied), rewrote the desegregation provision (a poli-
> tically suicidal element of the bill), and decided
> to incorporate in the bill provisions for small me-
> tropolitan areas.[14]

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[14]Semple, op. cit., p. 1.

Both the subcommittee and full committee accepted the revised version of the bill which Muskie then floor managed. Despite his major role in 1965 and 1966, however, Muskie had little impact either in 1967 or 1968, probably because his interests turned from housing to intergovernmental relations. Once again, it is interesting to speculate on the effect of somewhat random personality variables upon the policy process. Muskie played a key role, not because of his constituency (housing is not a major issue in Maine), nor because his position was one of formal power (he had no formal leadership position on the committee). Rather, his very significant influence was due to the fact that Muskie was well equipped to moderate between the Administration and the committee, primarily because of his own personal attributes and because he happened to be at the right place at the right time. The fact that Muskie did play such a significant role in 1966, but then did not repeat his performance in 1967 and 1968 primarily out of a lack of interest, illustrates the difficulty political scientists face when they attempt to explain policy output entirely in terms of broad societal forces.

Since the Ninetieth Congress, when Sparkman became chairman of the full committee as well as the Housing Subcommittee, the subcommittee's actions have become, in effect,

committee actions. This was not always the case under the previous full committee chairman, A. Willis Robertson (D-Va.), an opponent of most government programs. Despite his opposition, Robertson did not try to bottle up new legislation. Changes at the committee level were not uncommon, however. The Muskie amendment to limit rent supplements for those eligible for public housing was a full committee amendment of the subcommittee's bills.

On the floor, Sparkman's leadership, when he is politically able to assert it, has been a major asset for bills coming out of the Banking and Currency Committee. As one respondent observed:

> Sparkman is very reasonable. He is a liberal on housing matters and yet a real member of the establishment. When a Fulbright or an Ellender comes up to him and asks about something to do with housing, they will believe him. He also has great credibility with Northerners.

Primarily because the Senate during the 1960's was much more "liberal" as a body than the House was, the floor stage in the Senate has not been an arena for making redistributive changes in housing bills. Rather the tendency has been to accept Administration bills put together elsewhere.

However, in contrast to this, the Senate committee and subcommittee stage appears to be a point at which

major redistributive decisions may be made. In 1965,
Douglas and Muskie brought about the change on income
limits of those eligible for rent supplements; a change
which was made in the House at the floor stage. In 1966,
major changes in Model Cities were brought about through
Muskie's negotiations with the White House described
above, and in 1967, the basis of the homeownership bill
which became law in 1968 was put together by the Senate
committee. The importance of the Senate committee dates
from 1965, after the retirement of Representative Albert
Rains (D-Ala.), Prior to that, Rains, as Chairman of the
Housing Subcommittee in the House, dominated the housing
process on the Hill.

G. The Conference Committee

According to all reports, Rains dominated the
Conference Committees when he was in the House. Since
his retirement at the end of the Eighty-eighth Congress,
Sparkman, Widnall, and Patman have been the major forces
in bringing about agreement between the two branches of
Congress. Much of the groundwork--and many of the decisions--
of the Conference Committee were set by staff members of
the respective subcommittees who maintain a fairly close
relationship with each other throughout the year.

One respondent volunteered that the two sub-committees actually operated on a semi-explicit strategy by which each attempted to get the best _possible_ bill through his respective House, but if a provision was in danger or uncertain in one House, it would be dropped and added later in conference if it passed the other House. This strategy was based on the fact that conference reports are much less likely to be rejected than original considerations. In 1965, for example, the Congressional Quarterly reported:

> The Senate July 26 by voice vote and the House July 27 by a 251-168 roll call approved the conference report. . . .
>
> The Senate version of HR 7984 carried on authorization of $7.5 billion for housing programs, while the House bill authorized $6 billion. The wide difference in authorization between the two bills was attributable (in part) to . . . a number of new programs and a broadening of existing ones provided under the Senate bill, but not under the House measure. . .
>
> The Conference Committee agreed to virtually all the new programs established by the Senate, with only a few minor modifications, and to several other new programs authorized only under the House measure.[15]

H. Output

In 1965, Congress enacted the rent supplement program described on page 106. Model Cities resulted from the 1966 deliberations as described on page 103. No major redistributive housing programs were enacted

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[15]Congressional Quarterly, "Housing a Nation," op. cit., p. 84.

in 1967, although the $20 million rat extermination program was passed. In 1967, Congress passed a major housing program which included provisions for home-ownership for low-income people and mortgage subsidies for low- and moderate-income rental programs.

I. Feedback

Because feedback, as has been suggested, is almost impossible to distinguish empirically from input, very little more can be added here that has not been said in previous sections. However, since the partici-pants are relatively constant from year to year, the amount of feedback is clearly high. The experience of previous years is likely to weigh more heavily on the bureaucratic participants whose professional life is dominated by housing than on Congressional influentials whose memories may be shorter if only because there are so many other things to concern them. HUD can further help to structure feedback so that it is favorable to itself by controlling the flow of information on imple-mentation of recently passed programs. Congress is al-most completely dependent upon the Department for inform-ation concerning the success of programs with which they have dealt. All this suggests that feedback is somewhat manipulable by HUD and can work in its favor.

CHAPTER VII

THE APPROPRIATIONS SUBSYSTEM

A. Redistributive Appropriations vs. Incrementalism

The Appropriations subsystem is the most formalized and least open system in the policy process. Its chronological sequences have become institutionalized and most of the roles involved are clearly specified. Because the Appropriations process produces outputs which lend themselves to ready manipulation by political scientists (i.e., money, which composes that rarity in social science research, an interval scale), it has been subjected to much more scrutiny by behavioral political science than any other aspects of the policy process save analysis of Congressional roll call voting. Yet, in many ways the Appropriations process is also relatively insignificant as far as societal impact is concerned. Aaron Wildavsky writes:

> Budgetary calculations are incremental, using a historical base as the point of departure. The existing level of expenditure is largely taken for granted and, for the most part, only small changes are seriously considered.[1]

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[1]Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown and Co., 1964), p. 125.

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The process which, as Wildavsky notes, is "incremental," "sequential," "fragmented," and "specialized," [2] normally represents almost the quintessential form of distributive politics. The Appropriations subsystem can, however, at times become a major arena for redistributive politics. When it does it acts "abnormally" according to the description Wildavsky presents. Redistributive politics in the Appropriations process are those which determine not simply how much more or less money a program will receive for a given year, but whether that program, if it is perceived as one which redistributes social or economic values from one class of people to another, will continue to exist or not or whether its funding levels are set as such a low rate that it cannot function effectively. Rather than "normal" appropriations politics this is an extension of the battle fought in the legislative subsystem to a forum where the actors and relative access and influence are quite different.

Redistribution programs quite often shift their focus of battle to the Appropriations subsystem for the years immediately after substantive passage. This is exactly what occurred with rent supplement and Model Cities from

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2
Ibid., ch. 2.

1965-1968. Appropriations battles were not fought over a question of how much money; they were fought over the very existence of the programs. Discussing the rent supplement Appropriations fight in 1967, the <u>Congressional Quarterly</u> commented:

> Because the thrust of opposition to supplements has been on the basic concept of the program and not so much on the amount of funds involved, observors believe it unlikely that the Administration could win many additional Senate votes through the ploy of seeking a reduced Appropriation. A spokesman for one special interest group supporting supplements said Republicans were "so determined to beat this program that they'd vote against it if the amount involved was no more than 10 cents.[3]

The following focuses more on the less studied redistributive nature of the Appropriations process, although the more normal processes will also be briefly described.

B. <u>Environment</u>

The Appropriations subsystem is, of course, limited by the output of the legislative subsystem. It is also limited by the same constraints associated with the mood of the country as reflected in Congress that are

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[3]"Drive Begins to Save Rent Supplement, 'City Funds,'" <u>Congressional Quarterly</u>, July 28, 1967, p. 1317.

operative upon the legislative subsystem. In addition,

the housing Appropriations subsystem decision-makers in

a broad sense must operate within the bounds of the gen-

eral performance of the American economy (is it a time

for government pump-priming or for restraint?) and com-

peting demands from other governmental subsystems (should

money be spent on defense or housing?).

The Appropriations subsystem is generally much more

insulated from the input of organized environmental groups

than is the substantive legislative subsystem. However,

when redistributive questions, however disguised, are

argued within the Appropriations subsystem the more sophis-

ticated organized groups, particularly the U.S. Conference

of Mayors and the AFL-CIO,play a role similar to the one they

play in the substantive legislative subsystem. Thus, in

1967, the Congressional Quarterly reported:

> . . . it was thought the strongest lobbying on
> the bill was that by big-city mayors in behalf of
> the model cities plan. Administration sources deemed
> this support crucial to the salvaging of the Appropri-
> ation.
>
> Impetus for the mayors' support came from efforts
> by the "Urban Alliance"--an ad hoc group of organiza-
> tions which were generally favorable to Administration
> housing and urban-aid policies. Organized in the sum-
> mer of 1966 by representatives of the U.S. Conference
> of Mayors, the alliance came to include such diverse
> groups as the AFL-CIO, National League of Cities . . .
> and a number of other groups.

On May 12--the Friday morning before Tuesday's
House debate on the Appropriations bill--the Alli-
ance telegraphed key mayors throughout the nation,
urging them to pressure their Representatives to
support both the cities and rent supplement plans.
A source who participated in the Alliance's dis-
cussions told CQ that the mayors had responded with
a "massive" lobby effort in behalf of the cities
program. . . .[4]

The more public a redistributive Appropriations
decision becomes, the more groups are likely to become in-
volved. In 1967, Model Cities funds received the public
support of a group of 21 top businessmen, many of whom
had served on earlier Presidential task forces. At the
same time local groups and interests, the developing con-
stituency of both rent supplements and Model Cities, entered
the fray. Congressional Quarterly observed:

Perhaps the most vigorous lobby effort in behalf
of both rent supplements and model cities was that
put on by the local civic groups and business inter-
ests that stood to gain from the programs. On supple-
ments, this included the local groups that had applied
for project sponsorship, the banks which would finance
the projects and the construction firms that would put
the developments up. On model cities, local support
came from civic and service groups, banks, business-
men, builders and other interests that contemplated
a role in the projects.[5]

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[4]"Lobby Campaign Saves Model Cities Funds in House,"
Congressional Quarterly, June 9, 1967, p. 979.

[5]Ibid., p. 981.

As the above suggests, almost all outside input is concentrated on the Congressional stage of the Appropriations process rather than agency or Budget Bureau stages.

C. Conversion Process: Budget Bureau and HUD

The Appropriations process itself naturally divides into three stages (subsystems, each of them, of the Appropriations subsystem). One of these, the Congressional stage, has been exhaustively studied by Richard Fenno,[6] although Fenno concentrates on distributive rather than redistributive Appropriations decisions. The other two, the agency stage and the Budget Bureau stage, have been described rather briefly in Wildavsky's book.[7]

Unlike other subsystems, the Appropriations subsystem is highly formalized, although not inflexible. Early in the spring, members of the institution-

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[6]Richard Fenno, The Power of the Purse (Boston: Little Brown and Company, 1966).

[7]Wildavsky, loc. cit.

alized Presidency (Budget Bureau, Council of Economic Advisers, White House staff) meet with economic experts from the Treasury Department and develop a series of economic assumptions on which the budget will be based. Usually at that point, the departments and agencies are asked to submit preliminary and general estimates of their requirements for the budget year which will begin on July 1 of the following year. The Budget Bureau provides the departments with the economic assumptions they have developed as guidelines.

HUD responds to the call for a preview by issuing a call of its own to all the Assistant Secretaries and regional administrators asking for estimates of projected new obligational authority, budget expenditures, and program levels. Each HUD Assistant Secretary has his own budget staff, and each works to develop these projections. The Secretary's economist supplies them with a

series of assumptions for the coming fiscal

year based on the projected state of the mort-

gage market, home building industry, etc. They

are then asked to present a series of figures

based on alternative budgetary assumptions. Thus

for FY 1969, the assumption was that there were

going to be budget cuts. Two alternative con-

straints were posed to the Assistant Secretar-

ies: (1) no budget level increases over FY

1968; (2) moderate increases over FY 1968 with-

out expanding the Department's present capabili-

ties. They were asked to submit projections based

on both assumptions.

Unlike most years, the internal review

based on the above assumptions was little

more than an academic exercise

in 1967. The President wished to exert more control than usual over the size of the budget which he feared would be too high. Thus, he asked the Budget Bureau examiners to conduct the budgetary preview for FY 1969 rather than the Department itself.

After receiving the preview figures, the President with his economic advisers sketches in the shape of the coming budget. The Budget Bureau, on the advice of the President and White House staff, suggests a planning figure which the Department must try to meet. In late spring and throughout the summer, the Department applies itself to trying to meet that figure. HUD has made use of an informal Budget Review Committee (BRC) to accomplish this task. During the latter years of the Johnson Administration, the Committee consisted of Undersecretary Wood, the four program Assistant Secretaries (Brownstein, Haar, Taylor, and Hummel), Assistant Secretary for Administration Dwight Ink, General Counsel Thomas McGrath, and Deputy Undersecretary William Ross. Although HUD has no centralized budget office (each Assistant Secretary has his own), the Secretary's own Budget Officer (John Frantz) acts as the Executive Secretary and his Budget Office staffs the BRC. Frantz and his staff present to the BRC their view of what the Department should

have and what should be cut to get to the planning figure. This sets the basis for the discussion.

Wood chaired the Committee which, as one participant recalled, met nearly 20 times between June and mid-September, 1967. Generally, there was unlimited discussion time and issues were argued out until a consensus was reached, often on the basis of a good deal of trading and bargaining by the Assistant Secretaries. At times, informal votes may be taken. If agreement could not be reached, the final recommendation was left open for the Secretary's own decision. Wood then wrote up the BRC's recommendations and took them to Weaver who went over them and decided any unresolved issues. After the Secretary has given his approval, the tentative budget is sent back to the Assistant Secretaries and their budget directors for review and appeal to the Secretary. Generally the budget must be in the hands of the Budget Bureau by September 30.

Despite Budget Bureau insistence on development of a program-planning budget system (PPBS), HUD has not enthusiastically adopted this technique. As one HUD respondent commented:

> We are not terribly far along in PPB. We observe a lot of the form in the final submission. But the initial submission is done on a conventional basis.

Ross's people play with these later and put
them into PPB terms just before we send it
off to the Budget Bureau. Congress also in-
sists on getting a conventionally arranged
budget.

The Budget Bureau examiners for HUD undertake
a comprehensive review of the submitted budget which in-
cludes hearings at which top HUD officials are examined
by Budget Bureau housing personnel (Philip Hanna and
Donald Kummerfeld) and the Assistant Director for the
Human Resources Program Division of B.O.B. (William
Carey). The officials are asked to defend and justify
their requests. In November, the Budget Bureau examiners
submit their recommendations to the Director who then
meets with them in "Director's Review."

The Director's Review concentrates on major
items of Presidential policy. As such, it is likely
to be the first opportunity in the Appropriations process
for major redistributive decisions to be considered.
The Budget directors have participated actively and
knowledgeably in Director's Review along with Philip
Hanna, the Assistant Division Chief for Housing, Wil-
liam Carey, the head of the Human Resources Program
Division of which the housing division is a part,

and Irving Lewis, the Deputy Assistant Director of the Division. Since the last two are not specifically housing experts, most important Budget Bureau housing decisions were the result of collaboration between the Director and Hanna or one of the latter's professional housing experts.

After the decisions are made in "Director's Review," the revised budget is sent back to HUD where the Secretary goes over it and sends it to the Assistant Secretaries for advice on possible appeals. A respondent involved in the agency-B.O.B. negotiations describes what occurs next:

> Around the middle or last half of November, the Secretary will meet with the Director on appeals. On some items the Director may compromise, on others he will hold fast. On some of these Weaver may say, "I am going to appeal to the President." Some of these issues simply go to the White House staff level, to Califano, where they are solved. Others go directly to the President for decision.

The process described above is routine, but apparently well insulated from outside pressures. It is only when Appropriations reach the Congressional level that any lobbying occurs at all. The Budget Bureau, however, disappears as an important force when the focus switches to Congress. HUD carries its own ball during the Congressional Appropriations process, although it receives needed aid

from the White House if the latter's prestige is on the
line--as it was in both 1966 and 1967 with rent supple-
ments.

D. Conversion Process: The House

The HUD appropriations are first considered by the
Independent Offices and Department of Housing and Urban
Development Subcommittee of the House Appropriations Com-
mittee. The very selection process of Committee members
to the Appropriations Committee ensures that Committee
members as a whole are likely to be more conservative than
the House as whole, since it emphasizes "legislative re-
sponsibility" and favors those from "safe districts."[8]

On the Appropriations Committee itself, in the
Ninetieth Congress, 59 per cent of the members came from
primarily rural or small town districts, as compared to
51 per cent in the entire House. More importantly, on the
Independent Offices Subcommittee, which handles all the HUD
appropriations--the major subcommittee handling urban af-
fairs--six of the 10 members were from primarily rural or

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[8]Nicholas A. Masters, "Committee Assignments," New
Perspectives on the House of Representatives, eds. Robert
Peabody and Nelson Polsby (Chicago: Rand McNally, 1963), pp.
47-49.

small town districts, three from primarily suburban dis-
tricts, and only one, Representative Boland (D-Mass.)
from a primarily urban district. Boland was the Subcom-
mittee member who pushed HUD's needs before the Subcom-
mittee and whom HUD, according to several respondents, felt
easiest in working with. In addition, the full Committee
Chairman and ranking minority member each have and often
exercise an ex-officio vote on the Subcommittee; during
the Eighty-ninth and Ninetieth Congress, Representative
George Mahon, representing a rural Texas district, was
Chairman and Representative Frank Bow, from suburban Cleve-
land, was ranking minority member. Partly because the Sub-
committee Chairman was new, most respondents reported that
Mahon played a major role on the Subcommittee.

The Chairman of the Subcommittee, Representative Joseph
Evins (D-Tenn.) had succeeded to that position upon the
death of former Subcommittee Chairman, Albert Thomas. After
assiduous effort by HUD and Administration officials, Evins,
by the end of the Johnson Administration, could be counted
upon as a safe vote for city programs. Normally, support of
the Appropriations Subcommittee Chairman would assure suc-
cess for a Department. Fenno reports that "Committee members
are in unanimous agreement that the subcommittee chairman

is the most influential decision-maker within this group."[9]

However, where redistributive issues are concerned, the

support of the Subcommittee Chairman may not be enough

Thus, in 1967, a fierce fight ensued in the Subcommittee

over Model Cities funds, despite Evins' support. The

Subcommittee first rejected, 8-4, a proposal to approve

the entire $662 million allotment the Administration had

requested. Then, by the narrowest of margins (a 6-6 tie)

the Subcommittee declined to knock out all the money ex-

cept $12 million in planning funds. According to the Con-

gressional Quarterly, the vote split as follows:

For knocking out:
    Chairman Mahon (D-Texas)
    Rep. Marsh (D-Va.)
    Rep. Bow (ranking committee minority member) (R-O.)
    Rep. Jonas (ranking subcommittee minority member)
        (R-N.C.)
    Rep. Minshall (R-O.)
    Rep. Talcott (R.-Cal.)

For keeping:
    Rep. Evins (Subcommittee Chairman) (D-Tenn.)
    Rep. Boland (D-Mass.)
    Rep. Shipley (D-Ill.)
    Rep. Giamo (D-Conn.)
    Rep. Pryor (D-Ark.)[10]
    Rep. Wyman (R-N.H.)

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[9] Fenno, op. cit., p. 169.

[10] "Lobby Campaign . . . ," op. cit., p. 980.

The Subcommittee then unanimously voted to allot
$237 million to Model Cities. This very brief discussion
of one redistributive case is instructive because it
points out clearly how great a difference there is between
this and the "normal" distributive Appropriations process
described by Fenno. Fenno observes that in Appropriations
subcommittees "the pervasiveness of such norms as recipro-
city, compromise, and minimal partisanship help to meet
House expectations that consensus-building procedures be
followed."[11] Yet, in the case just discussed in which the
very existence of a broad social program was at stake, the
norms Fenno describes either broke down completely or
wilted badly in the heat of battle.

The full Committee usually routinely accepts the
Subcommittee recommendation. However, on redistributive
issues this may not always be the case, particularly when
the Subcommittee membership differs markedly from that of
the full Committee. In 1966, the Subcommittee consisted
of three Northern Democrats and a liberal Southerner (Sub-
committee Chairman Evins), plus three Republicans. It re-
ported out $20 million of the Administration's $35 mil-
lion request for rent supplements. However, the full Com-

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[11]Ibid., p. 189.

mittee, which despite its overwhelming 34-16 Democratic majority, had 15 Southern or border Democrats on it, voted 25-21 to throw out the entire rent supplement appropriation.

The House Appropriations Committee's recommendations normally are ratified with ease on the House floor. The Committee succeeds, according to Fenno, primarily because it is able to maintain a very high degree of unity on the floor.

> Finally, and most important, the Committee succeeds on the House floor because it usually maintains a high degree of unity. . . . The extraordinary effort at internal integration, especially at minimizing partisanship, brings success to the floor.[12]

But, a look at some redistributive decisions further re-enforces the belief that Fenno deals only with ordinary distributive decisions of a little more or a little less on which unity is rather easy to achieve. Thus, in the battle over rent supplements just discussed, the full Committee's recommendation to cut all rent supplement funds was overturned on the floor, 192-188. The floor amendment, reinstating the $20 million the Subcommittee had originally provided, was offered by Representative Boland (D-Mass.), a member of the Subcommittee. On the vote, all

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[12]Ibid., p. 500.

four Democratic members of the Subcommittee were recorded

in favor of Boland's amendment; all three Republicans

were opposed. In all, the Democratic members of the

Subcommittee split 21-13 in favor of reinstating the rent

supplement appropriation, while all 16 Republicans voted

or were announced in opposition.

Similarly, in 1967, the Subcommittee reduced the

Administration's $40 million rent supplement to a rather

token $10 million. However, when the bill came to the

floor, Representative Davis (R-Wis.), a member of the

Committee, moved to delete all rent supplement money,

thus killing the program. Again, the move was opposed

by both Chairman Mahon and Subcommittee Chairman Evins,

but was formally backed by the House Republican leadership.

Republicans on the Appropriations Committee voted unani-

mously for the deletion, including the four G.O.P. members

of the Subcommittee. Democrats on the Committee opposed

the amendment by a vote of 22-5. All five who favored were

from the South; one was on the Subcommittee.

In the same year, the Subcommittee's decision, after

much strife, to give $237 million for Model Cities[13] was

challenged on the floor by Representative Michel (R-Ill.),

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[13]_Supra_., p. 257.

a member of the full Committee, who moved to knock out the
entire appropriation except $12 million in planning funds.
Both Chairman Mahon and Subcommittee Chairman Evins opposed
the motion. The Republican party leadership, however,
went on record as being in favor of the cut. Republicans
on the Committee then voted 11-6 in favor of the cut;
three of the four G.O.P. Subcommittee members voted against
their own Subcommittee recommendation. Democrats on the
Committee opposed the cut by a 20-8 vote; one Southern
Democratic Subcommittee member voted in favor. The amend-
ment was rejected 213-193.

The above suggests not simply an aberration, but
a pattern which existed for redistributive housing appro-
priations decisions throughout the period studied.[14] Com-
mittee proceedings were partisan and divisive rather than
non-partisan and consensual; so were Subcommittee deliber-
ations to a somewhat lesser extent. The reason for this,
as well as for the floor battles, was that major redis-
tributive battles (rent supplements and Model Cities) al-
ready fought once through the substantive legislative
system, were being refought in a different arena where the
line-up of forces was more favorable, at least in Committee
stage, to opponents.

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[14]The first attempt at funding rent supplements was
defeated by the House in 1965; even as late as 1968, appro-
priations to keep the program functioning were a major
legislative struggle.

E.   Conversion Process: The Senate

The Senate Appropriations Committee is viewed, and views itself, as a board of appeals. The House cuts the budget; the Senate judiciously restores some of these cuts. Fenno observes:

> As Senate Committee members view it, their pri-
> mary goal is to listen to and act on appeals brought
> to them by people who are dissatisfied with the ap-
> propriation bill passed by the House. These people
> normally include executive agencies, clientele groups
> supporting such agencies, members of the House and
> members of the Senate. Committee members describe
> themselves variously as a "court of appeals," "ap-
> pelate court," "appeals court," and "court of last
> resort."[15]

Since, in recent years, the Senate has been more "liberal" than the House, the Senate Appropriations norm to restore some House cuts has been re-enforced, particu-larly on redistributive decisions. In 1967, for example, the Committee restored $300 million of the $425 million the House had cut from the Model Cities appropriations HUD had requested and all $40 million from the requested rent supplement appropriation.

The Senate Subcommittee on Independent Offices handles the HUD appropriations. In both House and Senate, the fact that HUD appropriations are handled by the Inde-

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[15]*Ibid.*, p. 537.

pendent Offices Subcommittee is a holdover from the

HHFA days when the housing agency was <u>indeed</u> an inde-

pendent office. Efforts to create urban affairs subcom-

mittees have, failed, at least up until 1968, as members

of the Independent Offices Subcommittee have zealously

guarded what they consider to be part of their own domain.

One byproduct of this anachronism is that both "urban"

subcommittees are overloaded with rural members. In the

Senate, of the nine Democrats and seven Republicans on

the Subcommittee, in the Ninetieth Congress, only four

can be considered to come from urban states (Magnuson

(D-Wash.), Pastore (D-R.I.), Case (R-N.J.), and Javits

(R-N.Y.).

Subcommittee Chairman Magnuson is, according to

respondents, a strong chairman and is very favorable to

Administration appeals. Ranking minority member Allot is

the most important Republican and can be persuaded to sup-

port the Administration--he voted in Subcommittee for the

rent supplement appropriation in 1967, for example. Sena-

tor Pastore (D-R.I.) is likely to be the most persistent

and effective at arguing the Administration's case. Per-

haps the crucial Subcommittee member is Senator Ellender

(D-La.). Ellender, who was one of the original sponsors
of public housing, stands as the swing vote on a Sub-
committee in which five of the nine Democrats are Southern-
ers. In 1967, for example, he cast the deciding vote in
favor of rent supplements. However, he did so only after
insisting that language be written into the Appropria-
tion bill's report ensuring that non-profit sponsors
who make use of FNMA special assistance funds must put
up an equity investment of at least five per cent. This
provision was heatedly debated on the floor and several
Senators, including Senator Sparkman, Chairman of the
Banking and Currency Committee, urged that HUD ignore
the provision since a committee report has no formal
legal standing. However, Senator Magnuson, although
announcing he had personally opposed the recommendation,
emphasized he had to accept it in the report in order to
obtain sufficient votes to gain approval for the rent
supplement funds. He advocated that the report be heed-
ed or future HUD appropriations might be greatly en-
dangered.[16]

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[16]U. S., Congressional Record, 89th Cong., 1st
Sess., 1967, Sept. 20, 1967, S13342-44.

Partly because of the Subcommittee makeup,
there is not nearly as much partisanship on the Senate
Appropriations Subcommittee on Independent Offices as
in the corresponding House Subcommittee. Three of the
seven G.O.P. Subcommittee members (Javits, Case, and
Smith (Me.)) are from the "moderate-liberal" wing of the
Republican Party and either quite favorable or not pre-
disposed against Administration requests on housing. The Senate
Subcommittee is also more autonomous than the House Sub-
committee, since Senate Appropriations Chairman Carl
Hayden does not take an active interest in its affairs
as Mahon does in the House.

The Senate floor, at least during the 1960's,
was much more friendly to HUD appropriations than was the
House floor. In 1967, for example, the Senate defeated an
amendment to reduce rent supplement funds from $40 million
to $20 million by a vote of 56-33. The House had previ-
ously knocked out all rent supplement funds by a vote of
232-17.

The Conference committees are apparently dominated
by Mahon and Magnuson, with Ellender playing a very im-
portant role as a swing vote.

The Administration relies mostly on HUD itself to push appropriations measures through Congress. The Budget Bureau stays away from Congressional appropriation politics and the President or his legislative liaison personnel become active only when an important Administration backed program—usually a redistributive one such as rent supplements--is in danger. If he does become active, the President is likely to concentrate on rounding up floor votes, leaving the more delicate negotiations with Committee members to HUD. Inside HUD, the Congressional liaison office spearheads the appropriations lobbying effort. The Congressional liaison office, headed by Sidney Spector from 1965-1967 and Edward Lashman thereafter, plays a more effective role in appropriations than it does in substantive legislation, since simply money rather than the incredible complexities of housing legislation is involved.

HUD is not without effective resources to influence Congressional consideration of its appropriations. It can utilize output from the operational subsystem to threaten reward or punishment of Congressmen, as it did with Model Cities funds in 1967, for example. The list of cities to be chosen for the grants was not issued until November 16,

1967, a delay of about four and a half months from when it was originally scheduled to be announced. The Model Cities appropriations had finally been approved by the House on October 26, a short three weeks previous to the announcement. Although it is possible that HUD delayed the announcement more out of fear of losing the votes of representatives from unsuccessful applicant cities than from any intention to positively award those Congressmen who voted favorably, it is nonetheless interesting to look at the distribution of the grants. Overall 63 cities received grants out of approximately 200 applicants. About half of the Congressmen whose districts were in applicant cities saw their cities awarded money. Yet, six of the seven members of the House Independent Offices Subcommittee whose districts included or were encompassed in applicant cities received the grants. These were:

> Smithville, Tenn.--represented by Subcommittee
> Chairman Joseph Evins, a supporter of Model
> Cities.
> Texarkana, Ark.--represented by Rep. Pryor,
> a key vote for Model Cities in the Subcom-
> mittee where efforts to cut it had failed
> by a 6-6 vote.
> Manchester, N.H.--represented by Rep. Wyman,
> a Republican who was the lone Republican
> supporter of the appropriations.
> Charlotte, N.C.--represented by Rep. Jonas,
> ranking minority member who opposed the
> appropriations.

New Haven, Conn.--represented by Rep. Giamo, a sup-
porter of Model Cities.
Springfield, Mass.--represented by Rep. Boland, a
supporter of Model Cities.

It seems fair to speculate that HUD was attempt-

ing to build support for future Model Cities appropriations

attempts which at the same time involved rewarding some

key members for their support in anticipation of receiving

a grant. An Administration spokesman observed that the

main immediate goal so far as Model Cities was concerned was

to develop a constituency for it in order to assure favor-

able Congressional consideration for appropriations. The

first list of Model Cities winners seemed well structured

to accomplish that. In early 1968 another smaller list of

grants was announced well before the 1968 appropriations

fight.

Other output from the operational subsystem may

prove less happy for HUD. A set of guidelines issued a

month before the vote on rent supplements in 1965 announced

in the first paragraph: "Important criteria with regard

to approval of a rent supplement project will include full

consideration of its contribution to assisting in inte-

grating income groups and furthering the legal requirements

and objectives of equal opportunity in housing."[17]

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[17]"Rent Supplement Program," Federal Housing Admin-
istration MF Letter No. 63, Sept. 28, 1965.

The resulting Congressional uproar made the appropria-
tions outlook very dim indeed, and the guidelines were
promptly withdrawn. The new guidelines, however, were
vigorously attacked on the floor by Representative James
Harvey (R-Mich.), a member of the Housing Subcommittee of
Banking and Currency. Harvey claimed that under the
guidelines families with assets of up to $25,000 would
be eligible for rent supplements and he urged that the ap-
propriation for the program be defeated. Administration
supporters were unable to show that Harvey was incorrect
and the appropriation was defeated 185-162. The guidelines
were changed to meet Harvey's objections by 1966.

Redistributive politics sometimes enters the ap-
propriations process through substantive riders to Appro-
priations bills. The case of the local veto in rent sup-
plements was perhaps the most important. Originally the
rent supplement program was to operate simply through the
private market in the same way as any rental development.
This provided obvious opportunities for integrating the
suburbs through private non-profit developers building
rent supplement apartments in those areas. However, in
1966 House Subcommittee Chairman Joseph Evins offered a rider
to the HUD appropriations which limited rent supplement

projects either to those cities with workable programs or
to cities in which the projects were specifically approved
by the highest elected official. Evins explained that he
offered the rider to pick up Southern votes necessary if
the appropriation was to pass at all, "to make the impos-
sible possible . . . to get the program approved."[18] The
rider was opposed by Representative William Fitts Ryan
(D-N.Y.) on the House floor during debate. Ryan complained
that the limitation

> clearly . . . has been written into the bill to block
> the possible exodus of low-income families into com-
> munities outside the central core of our cities.
> Local officials in these lily white bedroom suburbs
> can be expected to exercise this veto power to pre-
> vent the have-nots from coming into the community
> with the haves.[19]

F. Output and Feedback

The output from the Appropriations subsystem is
easily measured in terms of dollars. As is the case with
nearly all agencies, the HUD budget is usually less than
what the Administration requests, but not drastically so.
(See Table 3.)

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[18]"Restricted Rent Supplements Funded by Bare
Margin," Congressional Quarterly Almanac, 1966, p. 245.

[19]U.S., Congressional Record, 88th Cong., 2nd
Sess., March 29, 1966, p H7116.

TABLE 3

HUD APPROPRIATIONS

(in millions)

Fiscal Year	Requests	Final
1966	$2,683	$2,651
1967	1,611	1,499
1968	2,561	1,948

However, in important redistributive issues such as rent supplements and Model Cities, appropriations outputs are not nearly so predictable, and cuts may be much less incremental. (See Table 4.)

TABLE 4

RENT SUPPLEMENT MODEL CITIES APPROPRIATIONS

(in millions)

Fiscal Year	Rent Supplement		Model Cities	
	Request	Final	Request	Final
1966-1st supplemental	$ 30	$ 0	$	$
1966-2nd supplemental	30	12		
1967	35	20	12	11
1968	40	10	662	312
1969	65		1,000	

CHAPTER VIII

OPERATIONS AND GUIDELINES

A. <u>Why Are Guidelines and Regulations Important?</u>

The processes by which Administrative agencies de-
vise guidelines and criteria for the operation of programs
passed and funded by Congress have been almost totally ig-
nored by political scientists. This is so despite the fact
that important decisions, including some that are manifestly
redistributive, may occur at this stage in the policy pro-
cess. Thus, on June 2, 1967, HUD issued guidelines which
specified that first priority should be given to those ur-
ban renewal projects which would directly aid large num-
bers of low-income people to obtain decent jobs and housing.
The trend in urban renewal previously had been to clear
slums and replace them with more profitable middle- and
upper-income housing. Similarly, on August 2, 1967, FHA
changed its guidelines so that loans could now be granted
if they were found to be of "acceptable risks" rather than
"economically sound" as the previous criterion had speci-
fied. The "economic soundness" criteria had assured that

most FHA mortgages were granted to moderate-income people and above rather than low-income people.

Despite the lack of attention this process has received from political scientists, it is a relatively open subsystem. Many organized groups recognize the importance of these guidelines and strive to shape the regulations so that they are as favorable as possible to their own interests. At the same time, efforts to gain control of the various programs may precipitate vigorous fights both within and without the agency in question. Thus, the Public Housing Administration of HHFA tried without success to gain administrative control of the rent supplement program--a program which it saw as potentially dangerous to the whole concept of public housing. It was aided in its efforts by NAHRO, the professional organization of local public housing administrators. However, unlike Congressional activity and, to some extent, policy formulation which occur at relatively discreet points in time, the operations process is a continual one. Perhaps it is for that reason that this part of the policy process has been ignored so unjustifiably.

B. Environment

The environment provides the operations subsystem

with strict constraints--the provisions of the legislation

passed by Congress. As a participant in the drawing up of

the Model Cities guidelines observed, "We took our basic

cues from what Congress had specified in the bill. That

was the rock on which the temple was built." Moreover,

the members of the subsystem must consider future relations

with both the substantive legislative committees and the

relevant Appropriations subcommittees. Any breeches of

Congressional intent which are detected[1] could easily re-

sult in future action detrimental to the agency. Thus, in

1965, Representative James Harvey (R-Mich.) argued that

the rent supplement guidelines clearly flouted Congres-

sional intent to limit the program to low-income families

since it permitted some families with assets up to $25,000

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[1]Most such breeches are of the spirit, not the let-
ter of the law. And not all are detected. Thus, a provi-
sion in the 1965 Housing bill--the Widnall Leased Housing
Plan--specified that existing private housing could be
rented as public housing by public housing authorities. An
alert member of HUD's Office of the General Counsel argued
successfully within HUD that newly constructed houses could
be eligible for this program because, once a house was built,
it was existing. The ruse, according to a member of the Gen-
eral Counsel's office, has been completely successful.

to be eligible participants. Citing the guidelines, Harvey led a successful fight to deny the program its initial appropriations.

External events may also set the tone if not determine the results of the operations process. The riots in 1967 precipitated a series of major changes in HUD guidelines on citizen participation, relocation policy, and FHA loans to low-income areas. Included in these were FHA's change to an "acceptable risk policy" and their announcement of a free housing counseling service for prospective home-seekers. A HUD official described a series of meetings to change the guidelines as "a direct result of the riots." He contended, however, that the riots merely accelerated the change of pace which would ultimately have occurred anyhow.

The more sophisticated organized groups expend major efforts to influence the guidelines. The financial groups, because of their close relationship to FHA, are particularly effective at this point, as is NAHRO with public housing, and the mayors' organizations with urban renewal. Thus, as a representative of the Mortgage Bankers Association observed, "I spend the bulk of my time on FHA and VA, day to day ongoing programs as well as on legislation." And, as a NAHRO representative commented, "Our

people represent local experience. HUD sees us to some extent as part of its constituency. We have a role both in developing administrative criteria and in program development." On the other hand, a few organizations, particularly NAREB, are notably ineffective at this stage. Because of their staunch opposition to open housing, NAREB was reputedly persona non grata with Secretary Weaver for several years. A NAREB official himself lamented, "The lobbying we do is exclusively with Congress; there is nothing we can do with the agency."

Members of Congress can at times also exert a direct influence. Thus, during the latter half of 1967 Senator Edward Brooke (R-Mass.) directed a series of attacks at FHA for its lack of social concern. Brooke suggested that programs affecting low-income people be transferred out of FHA and into a new office for low-income housing. The Senator's attack was cited by HUD respondents as a major cause of FHA Commissioner Brownstein's shape-up-or-else speech to field office directors in October, 1967. Brownstein outlined the social problems facing cities and then warned his underlings:

If FHA fails to respond effectively and affirma-
tively to this challenge, if FHA fails to produce
the results needed, then no longer will FHA be looked
upon as our nation's housing agency.[2]

The attack on the 1965 rent supplement preliminary

guidelines is an outstanding example of the way in which

Congress can exert influence in this area. Immediately

after passage of the program, but prior to the attempt to

achieve a small beginning supplemental appropriation, HHFA

produced a series of preliminary guidelines. The second

sentence of these guidelines reads, "Important criteria

with regard to approval of a rent supplement project

will include full consideration of its contribution to

assisting in integrating income groups and furthering the

legal requirements and objectives of equal opportunity

in housing."[3]

Immediately, Representative Fino (R-N.Y.) renewed

the attack he had made earlier, claiming that the guide-

lines proved HHFA was more interested in social engineer-

ing than in housing poor people.[4] Southern Democrats,

many of whom had voted for the original program, now began

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[2]"Riots, Rebuke Forcing FHA to Fill Needs of Poor, Slums," HUD Clip Sheet, Nov. 13, 1967, p. 8.

[3]Federal Housing Administration, MF Letter No. 63, Sept. 28, 1965.

[4]U.S., Congressional Record, 89th Cong., 1st Sess., 1965, CXI, Part 19, p. 26020.

backing off. Forty-one of 92 Southern Democrats had voted for the original authorization; only 19 of 81 voted for the appropriations.

The appropriations were defeated by 23 votes, and, according to several close observers and participants, the integration spectre, although not clearly articulated publicly, was the major weapon used against the funding. The revised rent supplement guidelines omitted all mention of the integration criteria. But just to make sure, the Appropriations Committee in 1966 added the requirement that only communities with workable programs could be eligible for rent supplement funds, thus ensuring that communities that did not wish Negroes in their midst could prevent that result simply by refusing to draw up a workable program.

Because they review housing programs annually, the Appropriations Subcommittees are likely to provide much greater input into the Operations subsystem than do the substantive committees. The Government Operations Committee may also become involved when its curiosity is piqued. Such involvement is viewed with much trepidation by HUD employees since the Committee has never been very sympathetic towards social programs.[5]

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[5]An exception was the Ribicoff Committee's hearings on cities which dramatized the fact that government was not doing enough to solve urban problems. The Ribicoff Committee was a subcommittee (on Executive Reorganization) of the Government Operations Committee.

C. Conversion Process: The Administration of HUD

The reorganization of HHFA into HUD produced major changes in the influence pattern within the organization. Prior to the advent of the Department, the housing agency had consisted of several semi-independent agencies, loosely coordinated and under the authority of an administrator. During the period in which he was Administrator, Weaver was challenged with some impunity by several of the semi-independent agencies. A particularly important policy difference arose with William Slayton, the strong-minded Commissioner of the Urban Renewal Administration. Weaver, according to a HUD official involved, wanted urban renewal to be directed toward housing low- and moderate-income people, whereas Slayton thought this was economically unfeasible because it did not provide sufficient profit incentive to private enterprise. Slayton triumphed and, as a result, urban renewal for several years was primarily a program which tore down slums and erected in their place middle- and upper-income housing.

FHA at the same time remained the most independent of the autonomous agencies. Its powerful clientele groups (the homebuilders and the mortgage bankers) and independent statutory existence allowed the agency

flout the Administrator regularly. Because of the nature

of these clientele groups, FHA tended to pursue a more

conservative course than the rest of HHFA. It had a

built-in conflict with the urban renewal people, since

FHA loans were granted on the criterion of economic sound-

ness and urban renewal operated in "bad neighborhoods,"

where loans might not be considered economically sound.

As a result, developers were often unable to secure FHA

loans for urban renewal areas.

The Public Housing Agency depended on NAHRO as

its main clientele group. However, during the last years

of HHFA, PHA was administering a debilitated program.

Finding it impossible to acquire sites for public housing,

PHA tried unsuccessfully to convince the Urban Renewal

Agency to build public housing in renewal areas. The

Public Housing people also vigorously opposed the rent

supplement program which they perceived as a threat to

their entire existence.

Although this kind of conflict has not totally disap-

peared, the reorganization changed this situation by cen-

tralizing all the agencies under the authority of the Secre-

tary.[6] Urban Renewal and Public Housing were combined into

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[6]FHA retained its existence as an independent en-
tity because of the insistence of powerful clientele groups
in the financial community who transmitted their concern to
the Hill.

a single unit , under an Assistant Secretary for Housing

and Renewal Assistance. Slayton left and the new Assis-

tant Secretary, Donald Hummel, was not a man of strong

independent views. It was clear that urban renewal had

been downgraded in favor of the new Model Cities Admin-

istration. As a bitter adherent of urban renewal observed:

> A large part of the reorganization was aimed at tear-
> ing the urban renewal agency apart. It had developed
> a reputation of trying for autonomy like FHA and of
> operating independently. The reorganization was
> partly vindictive. Model Cities is now the Admin-
> istration's great hope.

At the same time Weaver successfully downgraded

the General Counsel's office which, as has been noted,

maintained a strong voice on all major policy questions.

Semer left and Weaver did not appoint a new General Coun-

sel for nearly a year. Finally, the Secretary appointed

Thomas McGrath, a defeated New Jersey Congressman, as Gen-

eral Counsel. McGrath, according to all respondents, was

merely a figurehead who, because of his lack of expertise,

was not able to play a major role. Ashley Foard, a career

civil servant loyal to Weaver who had been Acting General

Counsel during the interregnum, continued to perform as

de facto General Counsel.

Weaver further consolidated control in the Secretary's office by utilizing Undersecretary Robert Wood for many administrative tasks that had previously devolved upon the autonomous agencies. Decisions were funneled to the Secretary through Wood and Deputy Undersecretary William Ross. Despite his rather clouded public image as a "weak" Administrator, there was unanimous agreement of those interviewed within HUD that it was Weaver who made the major decisions within the Department and made them stick. This control was as firm in issuing guidelines as on other policy matters. As a participant observed, "Weaver has the effective last say on guidelines. Nobody would think to issue something without his approval."

Weaver was able to exert control largely because the expertise he possessed enabled him to keep on top of the Department's programs. Respondents were in nearly unanimous agreement that although the Secretary's preferred style was more one of cautious conciliation than of leadership, he was clearly the top decision-maker in HUD.

D. Conversion Process: Guideline
   Preparation

The drafts of regulations are generally the re-

sponsibility of program administrators in each office,

but they are likely to receive general direction from the

General Counsel's office. A participant responded:

> Who will be involved in writing these things?
> Lawyers for sure, even though the actual writing
> may fall to people in program administration. But
> they are dependent on material from the General
> Counsel's office which was responsible for the wording
> in the legislative proposals plus all the backup
> work for the Budget Bureau, the substantive commit-
> tee, and the Appropriations Committee.

The General Counsel's office, in short, has the

greatest acquaintance with both the language and intent

of the legislation. In some cases it may even have writ-

ten the report. Not only does it provide the material, but

it reviews and approves drafts of guidelines. Foard, Hil-

bert Fefferman, and Irving Margulies were the major forces at

work within the General Counsel's office on this.

In FHA, Carter McFarland, Brownstein's idea man,

was most responsible for coming up with the initial pro-

posals for new or changed guidelines and regulations.

McFarland was primarily responsible for producing the rent

supplement rules. Most Public Housing guidelines have been

written by Joseph Burstein, who is responsible for devising

the turnkey concept in public housing and implementing it

administratively. Robert McCabe played the major role in

writing urban renewal guidelines, including the 1967 edict

to reorder priorities.

In certain cases, the program administrators may

be bypassed in favor of greater control by the Secretary's

office. The 1967-68 changes came out of a rather routine

internal task force on urban summer problems which was

translated into a policy-making body when the Detroit riot

erupted during the weekend of its final meeting. Weaver

asked the task force, nominally run by Ralph Taylor, to

come up with some ideas for immediate HUD implementation

to be presented to the President at the end of the day.

The Secretary took four proposals directly to the President

and threw his weight behind a number of others which he

asked to be staffed out.

One of these was increased citizens participation

in the urban renewal program which Weaver requested the

new Office of Community Development under James Banks,

former Director of the District of Columbia's Poverty Pro-

gram, to draw up. The Office of Community Development

wrote a proposal to create Project Area Committees (PAC)

consisting of residents of the project area in all re-
newal projects. The PAC would have "clear and direct
access to decision-making in all stages of the urban
renewal process."[7] The urban renewal program people fought
this vigorously and emerged with a compromise in which
only renewal areas where 20 per cent or more of the proj-
ect consisted of rehabilitation would be required to
utilize PAC's. Weaver, however, objected to the compro-
mise formula and, according to one observer, "literally
forced the PAC's down the throat of RAA." The final
language required citizens committees "for all urban re-
newal projects which involve residential rehabilitation
and which are not yet in execution."[8]

As this example suggests, in cases where an im-
portant redistributive change of guidelines already in
existence is required, the impetus is likely to come
from the Secretary's office. Therefore,it bypassses normal means
rule-writing, since those who administer the programs
directly have a vested interest in maintaining the pres-
ent highly routinized manner of doing so. This explains
why the changes in urban renewal relocation, public

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[7]Department of Housing and Urban Development,
"Local Public Agency Letter No. 458," July 15, 1968, p. 1.

[8]Department of Housing and Urban Development, loc.
cit.

housing, and FHA guidelines which burst out of HUD during the last half of 1967 and first half of 1968 all emanated from the Secretary's office and involved, in most cases, substantial opposition from the lower level bureaucracies.

Indeed, in important decisions, regardless of whether they are new guidelines or changes in existing ones, the Secretary's office may be involved from the very start. In drawing up the Model Cities guidelines, for example, Wood was a frequent participant. The process involves not only clearance through the General Counsel's and Secretary's office (with important decisions being made by the Secretary himself), but also a more informal, but nonetheless real form of clearance with several outside groups. In Model Cities, drafts of the guidelines were sent around for comments at every stage. A participant observed that the three most important critics in order of importance were: (1) Congress, particularly the House Appropriations Subcommittee; (2) the Mayors through their organizations, the United States Conference of Mayors and the National League of Cities;[9] (3) other concerned federal agencies, particularly the Bureau of the Budget. He

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[9]The organizations vary according to the topic. Thus, in drawing up guidelines for the new open-housing law, organizations such as the Urban League and NAACP were consulted.

then added, "Several people could have said no to the guidelines and made that 'no' stick: the President, Secretary Weaver, Budget Director Schultze, the head of House Appropriations, or the Conference of Mayors."

Depending on the budget examiners involved, the Bureau of the Budget may play a significant role in devising guidelines and regulations. Any new forms must be cleared by the Budget Bureau before they are issued, and new program operating procedures require new forms. Thus, in some cases the Bureau holds up issuance of forms until the examiner is satisfied by the agency. However, as a Budget Bureau respondent concluded:

> The examiner's influence here is more in terms of his own interest and of his _implied_ authority. In housing, Budget has had some input on operating procedures, but frankly, 90 per cent of the regulations go by the boards, simply because we don't have enough time to follow up on it. There is also some sense of self-restraint on the part of the Budget Bureau. We try to stimulate a sense of responsibility on the part of agencies by questioning them to ensure that they consult and come to agreement with one another. Thus, one of our particular interests was to ensure that FHA and the public housing people set forth regulations consistent with one another.

Because of the possible importance of both the Budget Bureau and the Appropriations Committees, HUD's own Budget Office, which has intimate contacts with both,

is often drawn into the guidelines process, particularly

if trouble is discerned. Thus, in 1965 when the Appropri-

ations were refused for rent supplements because of the

outcry over the preliminary guidelines, revision of the

guidelines was put in the hands of John Frantz, the Budget

Officer, ... Margulies of the General Counsel's Office

(which also has close liaison with Congress), and Henry

Schecter of the Secretary's office.

Other agencies such as HEW, OEO, and Labor also

have an interest in HUD's programs. In 1967, the President

announced that HUD would chair a committee composed of

representatives of agencies engaged in disputes which dealt

with urban affairs. The committee has not been notably pro-

ductive.

E. Carrying Out Guidelines

The issuance of edicts does not always mean that they

will be carried out immediately and conscientiously. Oppo-

sition in the lower bureaucracy may effectively thwart the

very intention of the guidelines. Thus, although FHA's top

leadership has, according to most respondents, become much

more concerned with social programs over the course of the

decade, its regional offices who make day-to-day decisions

apparently have not. President Kennedy's Executive Order

of November, 1962, banning discrimination in any new homes

or apartments financed through government mortgages was

never really an effective FHA policy at the operating

levels. Thus, the American Friends Service Committee

which did an extensive study of the impact of the Executive

Order concluded in their May, 1967, report:

1. Executive Order 11063 is being widely and fla-
   grantly violated by builders, brokers, and
   lenders.

2. Implementation of the Order by the Federal Hous-
   ing Administration (FHA) and the Veterans Ad-
   ministration (VA) has been at best ineffective,
   and at worst subversive of the goal of equal
   opportunity in housing.[10]

The report continued:

More disturbing and more harmful than the indus-
try's disregard of the imperatives of the Executive
Order have been the inertia, obstruction, and lack
of sympathy AFSC has found in the two Federal agen-
cies charged with primary responsibility for en-
forcing the nondiscrimination and equal opportunity
requirements in federally assisted private housing.[11]

FHA has responded to this kind of criticism slowly,

but it has responded. It issued a series of guidelines

revisions in 1967 including one specifically forbidding "red-

lining" Negro neighborhoods, that is, forbidding loans in

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[10] American Friends Service Committee, op. cit., p. 1.

[11] Ibid., p. 2.

entire neighborhoods because they were Negro. Whether
these edicts have been followed on the everyday opera-
tional level, however, is not at all certain given the
close ties of local FHA personnel to the local financial
organizations.

F. Output and Feedback

The output of the operations subsystem has been
discussed in the course of the above. Feedback comes
into the subsystem from a variety of perspectives. The
first and most direct comes from the lower-level bureau-
crats of HUD itself--including those in its regional of-
fices--who must work with the guidelines. Other feedback
comes in from the plethora of interests which are affected
by HUD programs, from local builders and citizens' groups
to national organizations of architects or mayors. Despite
the high drama involved in the other three subsystems, it
is indisputable that most of the activity of the housing
policy system occurs in this final, though less spectacu-
lar, subsystem. The most persistent note in this chorus
of feedback concerns the amount of red-tape involved in
HUD programs. From time to time the Administration issues

edicts proclaiming a war on red-tape and efforts to cut

the time required for completing the process (any pro-

cess) in half. These efforts are not notably successful.

CHAPTER IX

THE DECISION-MAKING ELITE

A. Institution, Formal Position
    and Resource Base

The 68 men selected as the decision-making elite

represented a variety of perspectives within the housing

policy process. The distribution was as follows:[1]

    Congressmen--substantive committees   12
    Congressmen--Appropriations Committee   7
    Congressional assistants   7
    HUD officials   14
    Executive Office of the President   8
    State and Local Governments (or groups
       representing them)   7
    Industry representatives (homebuilders,
       mortgage bankers, etc.) .   5
    So-called Public Interest Representatives
       (labor, civil rights groups, NAHRO,
       NHC, etc.)   7
    Other   1

    The list encompasses most, but not all, of the

highest formal positions within the Executive Office

branch, HUD, and the relevant Congressional Committees.

Included are:

_____

[1]For a complete list of names of influentials,
see Appendix I.

The Special Assistant to the President
Director of the Bureau of the Budget
Assistant Director, Human Resources Program Division,
    Bureau of the Budget
Assistant Director, Housing and Urban Development
    Division of Human Resources Program Division,
    Bureau of the Budget
Secretary, Department of Housing and Urban Develop-
    ment
Undersecretary, HUD
Deputy Undersecretary, HUD
Assistant Secretary for Mortgage Finance, HUD
Assistant Secretary for Demonstrations and Inter-
    governmental Relations (Model Cities), HUD
Budget Director, HUD
Chairman, House Committee on Banking and Currency
Chairman, House Committee on Appropriations
Chairman, House Subcommittee on Independent Offices,
    Committee on Appropriations
Chairman, Senate Committee on Banking and Currency
    and Subcommittee on Housing
Chairman, Senate Subcommittee on Urban Affairs,
    Committee on Appropriations

Not included, however, are:

Assistant Secretary for Housing and Renewal Assistance
General Counsel, HUD
Chairman, House Subcommittee on Housing, Banking and
    Currency Committee
Chairman, Senate Appropriations Committee

Previous occupants of the General Counsel's office

and the chairmanship of the House Housing Subcommittee

have been among the most important of the influentials.

HUD's Assistant Secretary for Housing and Renewal Assistance

is a new position which merged the HHFA offices of Urban

Renewal Commissioner and Public Housing Commissioner (both

of which, at times, had powerful occupants). Thus far,

only one person has held the newly created office.

What this suggests is that formal position is a good resource base for power, providing some other condition is also met by the holders of these positions. In housing, it seemed quite clear that the other condition was some degree of expertise. The required level may not have been high, but housing is a complex subject and some understanding above that of the layman was necessary in order to influence policy. Thus, the occupants of all four of the non-influential formal positions were frequently cited for their lack of expertise. A not atypical comment about one of them was, "He's a very nice person, but he really is nothing but an old pol. He has no idea what's going on." The two HUD positions held by non-influentials were apparently purposefully filled by non-experts[2] in order to downgrade the excessive influence of formal holders of those positions. The Housing Subcommittee chairmanship was, of course, filled by the vagaries of the Congressional seniority system.

The offices, in short, held in them enough elements of power so that men who had an understanding and feeling for the policy they were dealing with could have an effect

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[2]See Chapter VI.

on that policy. This is not to imply that all competent holders of similar offices were equally influential, nor that the positions varied directly in influence according to the formal hierarchy of the organization chart. Clearly, with expertise held constant, the relative distribution of other personal and political variables made some holders of a particular office veritable powerhouses, and others only influential within a narrow realm. In some instances, underlings wielded significantly more influence than superiors--although generally speaking there did seem to be a relationship between place on the organization chart and degree of influence.

The conclusion that formal position is an important resource base for influence has often been rejected as "naive" or too simple by political scientists. It is suspect because it does not get "underneath formal description to analyze what is really going on." Herbert Simon writes:

> There has been some tendency in the literature of political science to regard ordinary sanctions, like money and physical force, as the bases of "effective" power; and legitimacy as the base of "formal" power. The implication of this kind of language is that "effective" power is what determines actual behavior, while "formal" power is some kind of epiphenomenal rationalization of

the power structure--window dressing, so to speak.[3]

Yet neither money nor physical force is an important resource base in this instance, whereas formal position indisputably is. Next to formal position, expertise, as has been suggested, is an important base for influence. Most of the influential HUD officials not holding high formal offices have nothing but their claim to expertise which might explain their influence. Similarly, representatives of some of the professional organizations (NAHRO, MBA) owe their influence, or at least a good part of it, to their expertise in various aspects of housing policy.

Another important resource base is the ability to mobilize political support. Labor representatives are influential, for example, not simply because they possess expertise, but because labor support and financial contribution are vitally necessary to the election of many Congressmen. The same is also true, through to a somewhat lesser extent than other groups, of such groups as the homebuilders (NAHB) and the mortgage financing organizations, which have

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[3] Herbert Simon, "Notes on the Observation and Measurement of Political Power," Introductory Readings in Political Behavior, ed. S. Sidney Ulmer (Chicago: Rand McNally, 1961), p. 370.

powerful members in almost every Congressional district. In the same vein, individual Congressmen may use their ability to mobilize support as a means of influencing policy. Representative Robert Stephens (D-Ga.), himself a Southern moderate, is influential because he has developed the reputation of being able to carry other Southern moderates along on Administration housing bills once they are modified so they are acceptable to him.

Finally, as has been noted under President Johnson, policy is formulated in such a way so that a variety of sectors of society are represented in the process of policy formulation.[4] The resource base of individuals chosen for "representative" task forces is therefore likely to be the very societal institution from which the influential comes--labor, business, homebuilding, civil rights, etc. Although this factor may account for his having any influence at all, an individual's relative influence within the considerations is likely to depend on both his expertise and his ability to articulate and argue his position.

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[4]See Chapter V.

B. <u>Role</u>

In any system of human interreactions, there will
be a number of roles which describe the behavior of differ-
ent individuals within that system. In some cases, of
course, the same individual may play more than one role,
either simultaneously or at different times. A role, once
developed, becomes an <u>expected</u> pattern of behavior, so
that it may be difficult for an influential who is per-
ceived in one role (and may perceive himself thus) to step
"out of character" and retain his influence while playing
another role.

Preliminary investigation uncovered seven basic
roles existing within the housing policy system. They
were: decision-maker, delegate, expert, broker, innovator,
overseer, and administrator. These roles differed some-
what, according to the various subsystem under considera-
tion, but essentially they can be described as follows:

1. Decision-maker--influencing decisions accord-
ing to an individual's own evaluation of what the needs
are.

2. Delegate--influencing decisions according to
explicit instructions from an organization or superior.

3. Expert--advising policy-makers on the basis of knowledge he possessed in the field of housing.

4. Broker--attempting to bring together divergent views to arrive at a policy which is acceptable to all.

5. Innovator--acting as a generator of new ideas and proposals.

6. Overseer--either providing resources for the carrying out of housing programs or the review of the performance of those who are carrying them out.

7. Administrator--carrying out decisions made by others.

Influentials were asked which roles they perceived themselves as playing.[5] Although seven roles seemed identifiable, only six roles emerged. No influential saw himself primarily as an administrator carrying out decisions made by others. As could be expected among a group of highly influential decision-makers, the largest number thought of themselves primarily as decision-makers (see Table 5).

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[5]They were given descriptions of each role, not the names above.

TABLE 5

TOP ROLE PERCEPTIONS OF INFLUENTIALS

Role Perception	First Choice of Influentials
Decision-maker	16
Delegate	3
Expert	12
Broker	5
Innovator	5
Overseer	3
All or some combination equally	11
Other	2
No answer	11

The influentials were not only asked to identify the role they most often found themselves playing, but roles they played with some frequency. Thus, at one time or another, 40 decision-makers—nearly 70 per cent of those who answered the question—perceived of themselves as decision-makers.

TABLE 6

ALL ROLE PERCEPTIONS OF INFLUENTIALS

Role Perception	Number Who Played Role	Per cent of Those Answering
Decision-maker	40	69%
Delegate	17	29%
Expert	24	41%
Broker	21	36%
Innovator	28	48%
Overseer	7	12%

The manner in which roles are distributed has an important impact on the operations of a system which deals with complex problems. If all influentials were decision-makers and none ever played the role of brokers, it would be difficult to see how the system could produce much output. Similarly, lack of innovators would suggest a stagnant system with little possibility of adapting to external changes. However, the above data suggest (if people do, indeed, actually approximate in performance the roles they perceive themselves playing) that functionally necessary roles are widely enough distributed among decision-makers so that the system can produce output which, although open to dispute in normative terms, nonetheless is sufficient to ensure survival of the system.

C. Socio-economic Background and A Representative Decision-making Elite

Some recent research has dealt with the representativeness of decision-makers by comparing the distribution of a

variety of socio-economic variables among decision-makers

with the distribution of these same variables among the

population. Most of this research has been concerned with

the problem of a representative bureaucracy, inspired by

the realization of political scientists that bureaucrats

may be deeply involved in policy as well as administration.

Norton Long sets forth the problem normatively-oriented

political scientists have faced with this discovery.

> The amoral concept of administrative neutrality
> is the natural complement of the concept of bureau-
> cracy as instrument; for according to this view the
> seat of reason and conscience reside in the legis-
> lature . . . and a major, if not the major, task of
> constitutionalism is the maintenance of the supremacy
> of the legislature over the bureaucracy.

> [However] the most ardent advocate of legisla-
> tive supremacy can no longer blink at the fact of
> administrative discretion and even administrative
> legislation. . . . The bureaucracy is in policy, and
> major policy, to stay . . .

> Growth in the power of the bureaucracy is looked
> upon as a menace to constitutionalism. By some it is
> seen as a dangerous enhancement of the power of the
> President, by others as an alarming accretion of power
> to a non-elective part of the government. The logic
> of either-or sees a cumulative process in which the
> supremacy of the elected legislature is replaced by
> the supremacy of an appointed bureaucracy.[6]

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[6]Norton Long, "Bureaucracy and Constitutionalism,"
The Politics of the Federal Bureaucracy, ed. Alan Altshuler
(New York: Dodd, Mead & Co., 1968), pp. 17-19.

Long, however, feels the problem is a false one,

for the bureaucracy actually is representative.

Accustomed as we are to the identification of
election with both representation and democracy, it
seems strange at first to consider that the non-
elected civil service may be both more representa-
tive of the country and more democratic in its com-
position than the Congress.

As it operates in the civil service, the recruit-
ment process brings into Federal employment and posi-
tions of national power, persons whose previous af-
filiation, training, and background cause them to
conceive of themselves as representing constituencies
that are relatively uninfluential in Congress. . . .

The bureaucracy now has a very real claim to be
considered much more representative of the American
people in its composition than the Congress. This is
not merely the case with respect to the class struc-
ture of the country but, equally significant with
respect to the learned groups, skills, economic in-
terests, races, nationalities, and religions. The
rich diversity that markes up the United States is
better represented in its civil service than any-
where else.[7]

Several recent books have provided tests for Long's
theory.[8] All have had difficulties selecting whom to study.

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[7]Ibid., pp. 21-22.

[8]See W. Lloyd Warner, Paul P. Van Riper, Norman H.
Martin, and Orvis F. Collins, The American Federal Execu-
tive (New Haven, Conn.: Yale University Press, 1963); also
David T. Stanley, Dean E. Mann, and Jameson W. Doig, Men Who
Govern (Washington, D.C.: The Brookings Institute, 1967) and
Dean E. Mann and Jameson W. Doig, The Assistant Secretaries
(Washington, D.C.: The Brookings Institute, 1965).

Long himself, for example, claims that the civil service

is democratic and representative, yet it is clear that most

policy initiatives reside high up in the bureaucracy and

are concentrated in the hands of political executives who

are not appointed through traditional civil service pro-

cedures at all. Warner studied 13,000 high civil servants

and political appointees; Stanley, Mann, and Doig studied

the political executives; while Mann and Doig studied the

second-level political executives. None selected their

sample on the basis of who actually made policy decisions

in the bureaucracy unless they assumed that influence was

coterminous with high formal position. Stanley, Mann, and

Doig, who studied the highest political executives, seem-

ingly contradict Long's hypotheses.   They conclude:

> Federal political executives are not representa-
> tives of the general population, or even of the edu-
> cated, financially stable population. They are repre-
> sentative of persons who have an affinity for public
> service and demonstrated ability to run large enter-
> prises or to give specialized aid to those who run
> them. . . . These executives were hired to run the
> government and the recruitment process, generally
> speaking, has been an effort to get the best people
> for that purpose, even if their unrepresentativeness
> of the general population may result in occasional
> strains.[9]

Donald Matthews has extended this kind of analysis

to political decision-makers in general, although he too

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[9]Stanley, Mann, and Doig, op. cit., pp. 79-80.

chooses solely by formal position. Reviewing data from

Presidents and Vice Presidents, U.S. Senators and Repre-

sentatives, Cabinet members, high-level civil servants,

State Governors, and State legislators, he concludes that

"our political decision-makers, taken as a whole, are very

far from being a cross section of the electorate. Rather,

there seems to be a sort of class ranking of public offices

in the United States—the more important the office, the

higher the social status of its normal incumbent."[10]

This study has encompassed those decision-makers

deemed to be most powerful within a particular policy system.

Although there seems to be no compelling reason to consider

socio-economic variables as a particularly good index of

representation,[11] it may be interesting to describe the

decision-makers in this light, simply to add a comparative

element to previous studies which have utilized this frame-

work.

An analysis of the social background of the 68 hous-

ing decision-markers reveals some interesting, if hardly

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[10]Donald Matthews, The Social Background of Political Decisionmakers (New York: Random House, 1954), p. 32.

[11]Except as socio-economic variables might also ac-count for attitudes of decision-makers. But that in itself is in need of empirical investigation. At any rate, if atti-tudes are what one is interested in, then it is surely bet-ter to study attitudes directly. See Chapter IX.

startling facts. The housing decision-makers grew up

largely in urban areas.

TABLE 7.

CLASSIFICATION OF DECISION-MAKERS BY PLACE RAISED

Where Raised	% of Total
City	57
Suburb	7
Small Town	28
Farm	6
Not able to determine	1

A clear majority of the decision-makers were raised

in city environments at a time in which only about one-third

of the population resided in cities. Since median age of

the decision-makers is between 46-50 years of age, the 1930

census provides the best indication of what the United

States was like during their formative years. In 1930,

34.9 per cent of the population resided in urban areas of

50,000 or more. Whether the over-representation of city-

dwellers in the decision-making elite is due to a relative

lack of interest non-city-dwellers might have in housing--

which is widely perceived as an urban problem--or whether

it is due to intervening variables associated with city

life, is impossible to determine from the data.

The decision-makers also were mostly Eastern; only

23 per cent of them grew up in states west of the Missis-

sippi River.

TABLE 8

CLASSIFICATION OF DECISION-MAKERS BY

SECTION OF COUNTRY RAISED

Section of Country	% of Decision-makers	% [12] Population 1930	% [12] Population 1960
New England	19%	6.6%	5.9%
Middle Atlantic	16%	21.3%	19.1%
East North Central	24%	20.5%	20.2%
West North Central	10%	10.8%	8.6%
Sputh Atlantic	9%	12.8%	14.5%
East South Central	6%	8.0%	6.7%
West South Central	7%	9.9%	9.5%
Mountain & Pacific	6%	10.0%	15.6%
No answer	3%	-	-

Thus, the Western segment of the country --and, par-
ticularly, the Mountain and Pacific states whose boundaries
contain several large cities with major housing problems
(Los Angeles, San Francisco, Oakland, Denver, Seattle, etc.)--
was substantially underrepresented both in terms of the
1930 and 1960 population. New England, on the other hand,
whose cities, because of their physical construction, have

[12]United States Department of Commerce, Bureau of
the Census, United States Census of Population 1960, United
States Summary, Number of Inhabitants (Washington, D.C.:
United States Government Printing Office, 1961), p. 1-19.

housing problems somewhat distinctive from those of other

regions, was overrepresented by a factor of more than

three.   All of this tends to reinforce the findings of

Stanley, Mann, and Doig who concluded that federal political

executives were preponderantly "big city boys from the

East."[13]

The sex, racial, and ethnic characteristics of

housing decision-makers are also quite unrepresentative

of the American population.   There are no women among the

decision-makers, undoubtedly reflecting somewhat more in-

tensively than would be expected the social norms of Amer-

ican life.   However, it is doubtful whether women would

have any significantly different policy views on housing

than men.   More importantly, there are only two Negroes

among the 68 decision-makers, despite the fact that most

recent efforts in the policy area have been directed at

improving housing for Negroes.   On the other hand, nearly

20 per cent of the decision-makers are Jewish, despite the

fact that only three per cent of the American population

share that religion.   This mammoth overrepresentation

undoubtedly reflects both the easy access of Jews to the

bureaucracy and the traditional Jewish involvement in social welfare

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[13] Stanley, Mann, and Doig, op. cit., p. 14.

concerns.

The characteristics which most distinguishes housing decision-makers from the rest of the American population is education.

TABLE 9

DECISION-MAKERS CLASSIFIED BY LEVEL OF EDUCATION

Educational Level	% of Decision-makers
High School or Less	1
Attended College	6
College Degree	9
Attended Graduate School	9
Graduate Inte\ediate Degree (M.A., M.P...., etc.)	15
Doctoral Degree	15
Law Degree	44
No Answer	1

In 1966, approximately 10 per cent of the American people 25 years of age and over had completed four years of college or more, while 92 per cent of the housing decision-makers had done so.[14] Matthews' data suggests that political decision-makers in general are more highly educated than the public. He reports: "There is a good deal of variation in educational level within the group, but it is true that the vast majority of them have been

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[14]U.S. Bureau of the Census, Statistical Abstract of the United States: 1967 (88th Edition), Washington, D.C., 1967, p. 116.

selected in recent years from the 10% or so of the adult
population who have attended college."[15] The fact that
this is so disturbs Matthews.

> But while the American educational system
> is one of the most equalitarian in the world,
> substantial differences in educational oppor-
> tunity do exist between social classes. . . .
> Therefore without alterations in the present
> American educational system, the higher the
> informal educational requirements are set for
> political decisionmakers, the more unequal be-
> come the political life chances of Americans.[16]

Economics and law were the subjects most fre-
quently pursued by decision-makers. Nearly 50 per cent of
those who had some graduate work did so in law, while
slightly over 20 per cent had graduate training in econom-
ics. Economics was the leading undergraduate major (30
per cent of those whose college major was ascertainable)
while history (24 per cent) and political science (20 per
cent) followed. Close knowledge of both economics and law
are subjects which, while not absolutely mandatory, cer-
tainly are extremely useful for those who work with housing
policy. Those who have training in these areas are there-
fore much more likely to dominate in the housing area.

To emphasize further the non-representative char-
acter of the decision-making elite, 82 per cent of the 68
decision-makers considered themselves Democrats while an
additional four per cent considered themselves independent

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[15]Matthews, op. cit., p. 78.

[16]Ibid.

leaning Democrats. This statistic clearly reflects the
fact that the study was conducted entirely during the per-
iod of a Democratic administration. Stanley, Mann, and
Doig show that over 80 per cent of political appointments
to the Federal Executive made during Democratic Admin-
istrations since Roosevelt have been Democratic; 76 per cent
of Eisenhower's appointments, however, were Republican.[17]
Although Presidential appointments do not account for all of
the non-Congressional decision-makers, they do account for
many of them. This obviously brings forth the question of
whether the housing decision-making elite would have been
significantly different in other salient characteristics
had the study been conducted during the time in which a
Republican Administration was in office. Since there were
only seven of 68 respondents who called themselves Repub-
lican (and five of those were associated with Congress),
the data do not allow for any reliable projections.

The data do show rather conclusively, however,
that, at least in socio-economic and demographic terms,
housing decision-makers are not very representative of the
American population. They are more urban, more Eastern,
more white, much better educated, and much more Democratic
than the rest of the population. Some of this is undoubt-
edly due to self-selection, but it also suggests that the

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[17]Stanley, Mann, and Doig, op. cit., p. 24.

housing decision-making elite may not be easily open to certain strata of the population and that social mobility in America is somewhat less than perfect, particularly for non-white groups and groups which do not have easy access to educational opportunities.

D. Decisionmakers' Attitudes and Values

As Agger, Goldrich, and Swanson have suggested, a political system cannot be adequately described without reference to the attitudes of its decision-makers on substantive questions of policy. Therefore, influentials were asked to respond to a variety of questions concerning their attitudes towards housing-related questions as well as their views on the need for social change and the speed with which it should come. Answers to the same questions were obtained from representatives of various organizations concerned in one way or another with housing policy.[18]

Respondents were asked two open-ended questions concerning priorities. The first asked what ought to be the top priority in Federal Government policy towards urban areas. In virtually every case, the top priority was directed towards aiding low-income people in one way or another. Similar answers prevailed to the question of top

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[18]See Chapter IV.

priorities in Federal Government housing policy. The
answers to both of these questions undoubtedly reflect the
very recent emphasis on poverty and race as major problem
areas in American life. It is exceedingly doubtful that,
even 10 years ago, nearly as many answers would have
focused on poverty. Rather, it is suspected, more answers
would have emphasized problems of urban sprawl, the de-
cline of the central business district, or the need for
more professional planning.

Respondents were also asked to name a top priority
in a functional area. Interestingly, housing ranked well
behind employment as a priority among housing influentials.
(See Table 10.)

TABLE 10

TOP PRIORITY IN FUNCTIONAL AREA BY
INFLUENTIALS AND ORGANIZED GROUPS

Top Priority	Influentials	Groups
Employment	21	5
Not able to select between functional areas	16	2
Housing	15	4
Welfare	2	1
Education	2	
Other or No Answer	12	5

The groups split in approximately the same manner
as the influentials did. However, there were two groups
pressing priorities which were pressed by nobody within the

decision-making elite. SNCC felt top priority ought to go
to a huge influx of federal money directly to black com-
munities with no string attached. If there might be dif-
ficulty in determining to whom in black communities the
money ought to be given, SNCC would solve this problem
easily enough: "We would tell them." Another group, the
American Institute of Planners, felt that top priority
should be given to reorganizing Federal Government struc-
tures so that planning would play a more prominent role in
policy formulation.

The respondents were asked to suggest the changes
in direction they would like to see policy take. Answers
to this open-ended question varied greatly, but several
distinct categories emerged clearly from the analysis.
Each influential was assigned to only one category on the
basis of the change in direction he mentioned first, despite
the fact that he might have mentioned several changes of
directions. The most frequent answer was that more fund-
ing for present programs--and thus greater volume--was
needed. Second most frequently cited was the need for more
incentives to involve private enterprise. (See Table 11.)

Several groups answered in terms of policy direc-
tions that were not represented within the decision-making
elite. Three of the four non-represented were Negro or
civil rights groups. SNCC again suggested government pro-
grams were irrelevant since "white folk aren't going to do

anything for black folk anyway." They advocated money payments directly to the black community. CORE argued that the greatest need was to understand the psychology of black people and that the way to accomplish this was to allow blacks to speak for themselves and express their own needs. The NAACP called for a rejection of the approach of local initiative and its plan to "permit the Federal Government to directly acquire, clean up, and rebuild slum areas." The A.I.P. felt a need for more federal research into housing.

TABLE 11

DIRECTION OF HOUSING POLICY BY
INFLUENTIALS AND ORGANIZED GROUPS

Direction of housing policy	Influentials	Groups
a) More funding and production	16	6
b) Incentives to involve private industry	12	2
c) Subsidy to consumer	11	2
d) Attacking environmental constraints (codes, lands, etc.) inhibiting supply	8	1
e) Improvemnt of administration of management	7	0
f) Community building	3	0
g) Other and no answer	10	6

Finally, the respondent influentials were asked
a series of shorter questions about various issues of
housing policy. The first asked whether it was "proper
for the Federal Government to intervene in the housing
market in order to aid low-income families obtain hous-
ing." It was largely in terms of the proper role of the
Federal Government in American society that the debate
over housing policies during the 1930's was carried on.
Yet, the results give credence to those who have argued
that the New Deal has been accepted and the issues are now
differently defined. All 63 respondents who answered the
question felt that such intervention into the private
economy was a proper function of the Federal Government.
The groups were also unanimous in their approval.

Another question about federal role evoked some-
what more disagreement, but not nearly as much, it is
suspected, as it would have even five or ten years ago.
The respondents were asked whether it was proper for the
Federal Government "to devise policies to achieve social
and racial integration at the neighborhood level." Fifty
of the decision-makers replied that it was proper, while
12 objected that it was not. Of the 12 opposed, 8 were
Congressmen (8 Congressmen were also in favor) which un-
doubtedly reflects the intensity of this issue in the
mass public as well as an overrepresentation of Southerners
among the Congressional decision-makers. The groups di-

vided in about the same proportion. Ten said they
thought such action was within the proper sphere of gov-
ernmental activity, two opposed it outright, and three
groups replied that opinion in their organization would
be divided on the question and that the organization
would be divided on the question and that the organiza-
tion had taken no position on it. The five groups in
the last two categories were all housing industry organ-
izations.

While there appeared to be little disagreement
that it was proper for the Federal Government to involve
itself in an effort to solve social problems, there was
great disagreement over the exact direction programs
to solve these problems should take and over who should
control those programs. Thus, respondents were asked
whether "public policy should be directed more towards:
(a) improving housing conditions within the ghetto;
(b) dispersing the ghetto; or (c) both in about equal
proportions." The answer to this question several years
previously would have been a good test for separating
racial liberals from racial conservatives, the liberals
favoring dispersal while the conservatives opting for
the "segregating" response of maintaining the ghetto
albeit in an improved condition. The Negro Revolution,
however, has changed all this. (See Table 12.)

TABLE 12

PUBLIC POLICY TOWARDS GHETTOES BY
INFLUENTIALS AND GROUPS

Public Policy	Influentials	Groups
Improving the ghetto	19	2
Dispersing	8	2
Both in about equal proportions	31	8
Other	3	0
No answer	10	5

The 31 who favored both probably reflect the
basic ambivalence which afflicts many "liberals" on this
question. Indeed, the 19 advocating improving the ghetto
represented a curious coalition of racial conservatives
and social activists. Included in the 19 were 6 of the
12 who had opposed federal action to achieve integration.
Alongside of these were many who agreed with groups such
as CORE that the major effort had to go into improving
life in the ghetto which is where most poor Negroes (they
argued) realistically will be for years to come.

A question dealing with what kinds of programs
would most effectively end the slums uncovered more dis-
agreement. Respondents were asked to designate which
alternatives they favored and to rank them in order of
importance. Impressive support was shown for a guaran-
teed employment and minimum income program which received
nearly twice as many first-place rankings as any of the

other three approaches. However, at the same time, sig-
nificant opposition was apparent since 18 respondents of
the 61 who answered refused to rank such a program at
all. (See Table 13.)

TABLE 13

BEST WAY OF ENDING GHETTO BY
INFLUENTIAL AND GROUP

Program	Influential		Group	
	First Place Rank	No Rank	First Place Rank	No Rank
Guaranteed employment and income	27	18	6	2
Standard housing for all	14	10	3	
Improved government social services	7	16	0	2
Mobilize slum residents for political action	3	26	1	2
Other (all equally or more than one unranked)	10		2	
No answer	7		5	

Eleven of the 18 opposed to guaranteed employment
and income were Congressmen, suggesting that such a pro-
gram, despite the obvious momentum it has generated with-
in a relatively short time, will still have hard sailing
when it comes before Congress. That it has gained momentum
is suggested by the fact that four of the eight White
House officials ranked guaranteed employment first (only
one was unalterably opposed).

In some ways it appears that the New Deal debate

over the role of the Federal Government has evolved into

a dispute over control. The influentials were split

fairly evenly in their responses to the question: "Should

low-income housing policy be devised to give more control

over policy decisions than is presently the case to (a)

the Federal Government or (b) local governments? (See

Table 25.)

TABLE 14

CONTROL OF PROGRAMS BY INFLUENTIALS

AND GROUPS

More Control To	Influentials	Groups
Federal	23	7
Local	28	6
About Right Now	5	0
No Answer	12	4

The line-up of forces again proved interesting.

Eleven of 15 of the Congressmen who answered joined five

of the six local officials who answered in favoring more

control at the local level, despite the fact that many of

the Congressmen involved would be considered "conservative,"

while most of the local officials "liberal." On the

other hand five of the six White House officials answer-

ing found themselves on the same side as all four repre-

sentatives of housing industry organization answering

in favor of a stronger Federal role. The housing indus-

try, despite a reputation for conservatism, has long com-

plained that they are at the mercy of arbitrary, archaic, and

costly local building codes and zoning laws.

With the advent of the Poverty Program another

question of control has been brought to the level of public

debate. Respondents were asked: "On decisions concerning

low-income housing which must be made at the local level,

should control reside (a) in the duly elected public offi-

cials and established public agencies, or (b) in community

residents who are most affected by the decisions?" An

overwhelming number of influentials replied that control

must rest with the public officials, but a large number

also volunteered that this must go hand in hand with a good

deal of consultation of and participation by community

residents. (See Table 15.)

TABLE 15

WHO SHOULD CONTROL, BY INFLUENTIALS AND GROUPS

Who should control	Influentials	Groups
Duly elected public officials	30	7
Public officials (but some form of community participation volunteered)	21	3
Community residents	7	5
No answer	10	2

For the first time there seems to be a markedly different distribution of opinion among groups than among decision-makers. Three of the four black or civil rights organizations--SNCC, CORE, and the NAACP--all favored control by community residents as did another group which has attempted to forge working relationship with the black community, the Urban Coalition. These groups have concentrated much of their attack against established institutions and programs on the basis of the lack of citizen participation in community decisions. It would appear that the attack has had some effect, although perhaps not enough to satisfy the groups making the demands. Nine of the 14 HUD officials volunteered that some form of community participation was necessary (one favored community control), undoubtedly reflecting rather new concern in the Department

born of the constant attacks they underwent from 1964 to this writing.[19] Five of the six local officials answering the question predictably favored control by themselves

E.   What Does It Mean?

As was suggested in Chapter I, political scientists ought to be particularly interested in the degree of convergence (or divergence) of decision-makers' attitudes on questions involving policy. Convergence, however, is a relative concept; its degree can only be determined by comparison with the range of attitudes held by those who are outside the policy system. If the range of attitudes within the system is significantly less wide than the range outside the system, then the system is convergent. If the range of attitudes within the system approaches that outside the system, then the system is divergent.[20] In the housing policy system it appeared that,

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[19]See Chapter VIII.

[20]Ideally, one would like to be able to use attitudes within the general population to compare to attitudes of decision-makers within the housing policy system. However, no such data were available and obtaining it would have been far beyond the scope of the study. Instead attitudes of spokesmen of groups concerned with housing policy were used for the comparison. (See Chapter IV for a description of these groups and how they were selected.) It might be objected, of course, that the use of organized groups is inadequate since significant bodies of opinion within the mass public may not be translated into organized group representation. (See Chapter I, p. 16.) However, the groups were selected carefully in order to include all ranges of opinion that were organized. Furthermore, since SNCC and

at least on questions dealing with the direction of policy,
elite opinion was relatively divergent with respect to the
organized groups.

If, however, attitudes are compared not with
outside groups, but with logically possible alternatives,
a different picture emerges.

Thus, no decision-maker and only one group (the
NAACP) suggested moving in the direction of a "federal
approach," certainly a logically possible alternative.
Indeed, such an approach is the normal way of doing busi-
ness for many European countries.[21] However, within the
decision-making elite in this country there seems to be an
unstated consensus that, whatever changes might be made,
they will be within the framework of local initiative,
local site selection, and building by private concerns.
Since only one outside group volunteered this alternative,
it seems fair to conclude that its lack of consideration
is probably due more to cultural predisposition than to any
real lack of representativeness of the decision-making
elite.

The above analysis would seem to suggest that
the housing policy elite is representative (divergent),
but within a fairly strict framework defining what is per-

CORE were included (even though these groups do
not play a major role in decision-making), the large body
of opinion most often pointed to as unrepresented, that of
the Negro poor, is included here.

[21]D. V. Donnison, The Government of Housing, (Balti-
more: Penguin Books, 1967), ch. 3.

missible policy in the United States. Thus the possibility that the Federal Government might take the initiative, select sites and build housing itself is simply outside the realm of discussion in the United States at the present time. Likewise beyond the realm is any arrangement which would provide visible government subsidies to those who are capable of purchasing suitable housing on the private market.

CHAPTER X

CONCLUSION

Modern political science has, for the most part,
shied away from the study of public policy. This is no
doubt due to the prescriptive and normative approach which
characterized earlier policy studies and which fell into
great disfavor with the advent of objective and empirical
political science. Policy studies survived primarily in
the form of case studies, justified more in terms of useful
teaching devices than in terms of adding to the sum of
research on the American political system. That this is not
a healthy situation has apparently been recognized by a
growing number of political scientists who feel that policy
--the output of the political system--is surely worthy of
study by political scientists.[1]

There also appears to be no inherent reason why
policy should not be readily susceptible to study by em-
pirical scientists. Political Science has developed, over
the past two decades, a rich variety of conceptual frame-
works which have served to order and organize political
research. The concept of the political system has proven

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[1] See, for example, Raymond A. Bauer and Kenneth J.
Gergen (ed.), The Study of Policy Formulation (Toronto: The
Free Press, 1968); also Austin Ranney (ed.), Political Science
and Public Policy (Chicago: Markham Publishing Co., 1968).

particularly rewarding for this purpose. Surely there is
no reason why a policy area cannot be viewed in this light.
Political scientists would then engage in the study of
political behavior within a political system defined
analytically by the interaction of individuals involved in
the making of policy decisions in a particular policy
area.[2]

The present study of the housing political sys-
tem has thus been an attempt to describe and analyze a
policy area in the above terms. It is not claimed that
this is the only way to study public policy, but rather
that it is a particularly useful way for a political sci-
entist to do so. It is firmly grounded in the framework
of recent political research. Indeed, such an approach
closely parallels some of the work which has been done in
the area of power studies of community political systems,
since the first step in analyzing the policy system was to
identify the main actors whose interaction defined that
system.

Despite the enormous contributions the power
studies have made, however, they have recently come under
some searching criticism.[3] Preoccupation with terming an
entire community political system pluralist or elitist by
students of community power has, according to critics,

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[2]Or areas, since this easily lends itself to a com-
parative approach.

[3]See pp. 31-34.

ignored variations in types of political decisions which a political system handles. Political scientists have generally concentrated on distributive rather than redistributive types of political decisions; thus their conclusions about the nature of the political system may very well be biased. Because redistributive decisions are likely, at any rate, to be more important for the political system, this study concentrated on redistributive decisions in the housing political system. The focus on redistributive decisions yielded interesting results particularly in the area of appropriations where many of Richard Fenno's conclusions about the Congressional appropriations process were found to be of dubious value when redistributive rather than distributive decisions were under scrutiny.

Many of the community power studies were also found lacking in their conception of the policy process. At the Federal level, four relatively distinct stages of the policy process were identified. These could be considered subsystems of the more general policy system under consideration. These stages were: (1) policy formulation, (2) substantive legislative, (3) appropriations, and (4) operations. Each of these stages was necessary to successfully carry out a positive policy decision; each of them could, in effect, exercise a veto power over taking a particular positive action.

The most striking fact about the housing political

system was the degree to which the system's environment constrained the range of decisions open to the system. The broader economic and political situation, in particular the Viet Nam War and consequent high interest rates throughout the economy, not only largely defined the nature of the problem to be dealt with, but also largely proscribed the manner with which it would be dealt.

Input from organized interest groups--which often formed the basis of traditional case studies of public policy--was found to be relatively unimportant in influencing major redistributive housing decisions, although quite important in more incremental distributive decisions. Particularly in the subsystem of policy formulation, organized interest groups seemed to lack major impact; instead White House task forces provided the main input in this subsystem. Sectors of society rather than specific organized interests were represented within these task forces.

In the conversion process itself, the subsystems were found to be somewhat autonomous. There was some overlapping of membership among members of the various subsystems but it was not extensive.[4] The Appropriations subsystem, in particular, was found to be quite autonomous. Different institutions dominated different subsystems. The institutionalized Presidency played the major role in the

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[4]See Appendix 2.

process of policy formulation, while Congress appeared
to be the locus of redistributive decision-making in the
substantive legislative and appropriations subsystems of
housing. The Department itself dominated in the least
visible but not unimportant subsystem, that of operations.

A persistent finding throughout the study concern-
ing the conversion process was that specific individuals
could and did make a significant contribution to the nature
of policy through force of their own personality or through
the chance occurrence of finding themselves in the right
place at the right time. As has been noted, broad social,
economic and political forces set the limits on what was
or was not possible, but the exact shape of policy (and in
some cases, whether or not there was any positive policy
output at all) was determined by individual participants
and dependent greatly on the nature of these individuals.

The individuals who comprised the housing deci-
sion-making elite appeared to utilize formal position and
expertise, particularly in law and economics as their most
important resource bases. These resource bases are not
widely distributed among the general public and the in-
fluentials were therefore hardly representative of the
American population in any socio-economic sense. They were
overwhelmingly white, male, and Democratic, they were also
disproportionately from urban areas and from the East. In
addition, they were highly educated when compared to the

general public. Yet, despite this, their attitudes varied widely and the range of attitudes seemed to approach the range of attitudes held by organized groups concerned with housing policy.

The attitudes held by the elite included a consensus that poverty and the problems of low-income citizens were the major problems facing urban areas and that housing low-income people was the major priority so far as housing policy was concerned. Traditional disputes emanating from the New Deal concerning the propriety of the Federal Government intervening in the housing market appeared to have disappeared; the new disagreement centered upon what kind of government policy would be appropriate and who should administer it. In general terms, members of the institutionalized Presidency in particular, and HUD to a lesser extent proposed major changes such as guaranteed employment and income programs, while Congressmen remained significantly more cautious.

In sum, it appears that the housing political system belongs in the box occupied by pluralist democracy in the typology on page 35. Data compiled in Chapter IV suggest that the housing decision-making elite, although by no means completely closed, is certainly not equally open to groups of widely varying viewpoints. Data in Chapter IX support the conclusion that the ideology of the leadership, although not perfectly divergent, is fairly representative of the range of opinion in outside groups

concerned with housing policy. In short, a relatively small number of groups have effective access to the decision-making elite, but those in the elite themselves hold a range of attitudes which approximates fairly well those views held outside the elite.

This finding coincides generally with the way in which most political scientists have traditionally described the American political system. What many elite critics (C. Wright Mills in particular) of the American political system have often missed is the manner in which the divergent ideologies are differentially distributed at different stages and within different institutions in the decision process. Thus the American political system is one in which power is dispersed throughout various institutions and groups with no one in most cases able to independently exert its will without at least the acquiescence of some others. In housing it appears that several institutions held what in effect was a veto power over public policy. In most cases, neither the institutional Presidency, Congress, nor HUD could unilaterally declare what form policy would take, but each (and particularly the first two) could determine what it would not be. Thus, those such as C. Wright Mills, who ignore Congress' importance by consigning it to the middle levels of power[5] miss a vital point. In redistribution decisions concerning

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[5]Mills, The Power Elite, op. cit., p. 244.

very major and important (not simply middle-level) issues Congress can--and often does--effectively exercise a veto power.

Thus, although the ideology of the entire decision-making elite may indeed be divergent, the ideology of important and relatively autonomous groups within it may be convergent. This seems to be the case with the Congressional decision-makers as the data in Chapter IX demonstrate. And since Congressional decision-makers dominate two of the four stages in the housing policy process, their relatively conservative position on certain issues of housing policy becomes a relevant factor in explaining why housing output has apparently lagged behind the more "liberal" outlook of the entire housing decision-making elite.

APPENDIX 1

LIST OF INFLUENTIALS

Congressmen

Sen. Gordon Allot (R-Col.), Ranking Minority Member, Independent Offices Subcommittee Senate Appropriations

Rep. Thomas Ashley (D-O.), Housing Subcommittee House Banking and Currency Committee

Sen. Allen Ellender (D-La.), Independent Offices Subcommittee, Senate Appropriations Committee

Rep. Joe Evins (D-Tenn.), Chairman, Independent Offices Subcommittee, House Appropriations Committee

Rep. James Harvey (R-Mich.), Former Member, Housing Subcommittee, House Banking and Currency Committee

Rep. Charles Jonas (R-N.C.), Ranking Minority Member, Independent Offices Subcommittee, House Appropriations Committee

Sen. Robert Kennedy (D-N.Y.)

Sen. Warren Magnuson (D-Wash.), Chairman, Independent Offices Subcommittee, Senate Appropriations Committee

Rep. George Mahon (D-Tex.), Chairman, House Appropriations Committee

Sen. Walter Mondale (D-Minn.), Housing Subcommittee, Senate Banking and Currency Committee

Sen. John Pastore (D-R.I.), Independent Offices Subcommittee, Senate Appropriations Committee

Rep. Wright Patman (D-Tex.), Chairman, House Banking and Currency Committee

Sen. Charles Percy (R-Ill.), Housing Subcommittee, Senate Banking and Currency Committee

Sen. Abraham Ribicoff (D-Conn.), Chairman, Subcommittee on Executive Reorganization, Government Operations Committee

Sen. John Sparkman (D-Ala.), Chairman of both Subcommittee on Housing and full committee, Senate Banking and Currency Committee

Rep. Robert Stephens (D-Ga.), Housing Subcommittee, House Banking and Currency Committee

Rep. Leonor Sullivan (D-Mo.), Subcommittee on Housing, House Banking and Currency Committee

Rep. William Widnall (R-N.J.), Ranking Minority Member, Housing Subcommittee, House Banking and Currency Committee

Congressional Assistants

John Barriere, Former Director Housing Subcommittee, House
Banking and Currency, presently attached to staff of
Speaker McCormack
Carl Coan, Sr., Staff Director, Housing Subcommittee, Senate
Banking and Currency Committee
Harley Dirks, Staff Director, Independent Offices Subcom-
mittee, Senate Appropriations Committee
Casey Ireland, Minority Staff Director, Housing Subcommit-
tee, House Banking and Currency Committee
Jon MacGuire, Assistant to Sen. Walter Mondale
James McEwen, Staff Director, Housing Subcommittee, House
Banking and Currency Committee
Donald Nicoll, Assistant to Sen. Edmund Muskie

HUD Officials

Phillip Brownstein, Assistant Secretary for Mortgage Credit
and Federal Housing Commissioner
Joseph Burstein, formerly General Counsel, Public Housing
Administration, currently in General Counsel's Office,
Office of the Secretary
Ashley Foard, General Counsel's Office, Office of the
Secretary
John Frantz, Director, Office of Budget
Charles Haar, Assistant Secretary for Metropolitan Develop-
ment
Jay Janis, Executive Assistant to the Secretary
Edward Lashman, Assistant to the Secretary for Congres-
sional Services
Carter McFarland, Assistant Commissioner, Federal Housing
Administration
Robert McCabe, Deputy Assistant Secretary for Renewal
Assistance
William Ross, Deputy Undersecretary
Henry Schecter, Director, Office of Economics and Market
Analysis
Ralph Taylor, Assistant Secretary for Demonstrations
and Intergovernmental Relations
Robert Weaver, Secretary
Robert Wood, Undersecretary

Executive Office of the President and Other Government Officials

Fred Bohen, Assistant to the President
Joseph Califano, Special Assistant to the President
William Carey, Assistant Director, Bureau of the Budget
James Deusenberry, Member, Council of Economic Advisers
Phil Hanna, Assistant Director, Housing and Urban Develop-
    ment, Human Resources Program, Bureau of the Budget
Howard Moscof, Staff Director, Kaiser Committee
Charles Schultze, Former Director, Bureau of the Budget
Sherman Maisel, Governor, Federal Reserve Board

Mayors

Mayor Jerome Cavanagh, Detroit
Mayor Richard Daley, Chicago
Mayor John Lindsay, New York

Others

Andrew Biemiller, Director, Legislative Department, AFL-CIO
Larry Blackmon, Past President, National Association of Home
    Builders
Jack Conway, Executive Director, Industrial Union Division,
    AFL-CIO
John Gunther, Executive Director, U.S. Conference of Mayors
Pat Healy, Executive Director, National League of Cities
Ben Heineman, Chairman, Chicago & Northwestern Railroad
Edgar Kaiser, Chairman, Kaiser Committee (President's Com-
    mission on Urban Housing)
Joseph Keenan, International Secretary of the Brotherhood
    of Electrical Workers, member of Kaiser Committee
Saul Klaman, Executive Vice-President, National Association
    of Mutual Savings Banks
David Krooth, Chairman of Legislative Committee and Resolu-
    tions Committee, National Housing Conference
Raymond Nasher, President, Nasher Industries, member of
    Kaiser Committee
William Rafsky, President, National Association of Housing
    and Redevelopment Officials
William Slayton, Former Commissioner of Urban Renewal, pres-
    ently Executive Vice-President, Urban America
Leon Weiner, President, National Association of Home Builders,
    Member of Kaiser Committee

William Wheaton, Professor, University of California (Berkeley)
Paul Ylvisaker, Community Relations Director, New Jersey Department of Community Affairs
Whitney Young, Executive Director, Urban League

APPENDIX 2

COMMUNICATIONS PATTERN

Floyd Hunter's community power study of Atlanta at times seems to suggest that policy in Atlanta derived from a small group of men all of whom were friendly with one another and who met to make major decisions as they were needed. Critics have called this the conspiracy theory of American politics. They have accused researchers such as Hunter of not specifying the scope[1] of their inquiry when they go about their research. In this study, the scope was clearly specified as low-income housing decisions and the decision-making process was subdivided into four stages. Each of the stages is important in redistributive decision-making. The stages were investigated separately, so if a person was influential in more than one stage it could be easily determined.

Of the 68 decision-makers, 35 were involved in the policy formulation stage, 32 in the legislative stage, 20 in the Appropriations stage, and only 16 in the operations stage. Table 11 lists the number of decision-makers in each stage and the total number of stages each decision-maker was in.

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[1]See Chapter I, p. 21.

TABLE 11

TOTAL NUMBER OF STAGES PER EACH DECISION-MAKER

Number in Each Stage	One Stage	Two Stages	Three Stages	All Stages	Total
Policy Formulation	19	11	0	5	35
Legislative	13	13	1	5	32
Appropriations	8	6	1	5	20
Operations	4	6	1	5	16
Total[2]	44	18	1	5	

Forty-four of the decision-makers were influential only in one stage; on the other hand, five of the decision-makers were influential in all stages. The five influential in all stages were Special Assistant to the President Joe Califano, Secretary Weaver, Undersecretary Wood, Phil Hanna of the Bureau of the Budget housing division, and John Gunther, Executive Director of the Conference of Mayors. Although these five are major influentials, taken together they hardly constitute evidence of a conspiracy which can determine the nature of the country's housing policy. They are active and influential in each stage because of the nature of the positions they hold, but they do not and

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[2]To get the total number of decision-makers involved in two stages, it was necessary to divide the total in the second column by two because of double counting (a person influential both in the policy formulation and legislative stages was listed in both the policy formulation--two stage cell--and the legislative--two stage cell). Similarly the total in the three stage column was divided by three and the four stage column by four.

cannot dominate each stage. In short, although they are perhaps the most active influentials, there is no reason to believe they are the most powerful. Senator Sparkman, who is influential in only one stage, is surely more powerful in that stage than any of the five, as is Representative Mahon in the Appropriations stage. There seems to be relatively little overlap of influentials between various stages of the policy process.

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