

January 7, 1969

REPORT OF THE TASK FORCE ON URBAN AFFAIRS

HARVARD UNIVERSITY
FACULTY OF ARTS AND SCIENCES

DEPARTMENT OF GOVERNMENT

LITTAUER CENTER M-22
CAMBRIDGE, MASSACHUSETTS 02138

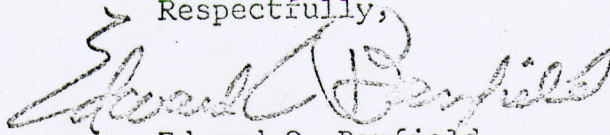
January 7, 1969

Dear Mr. Nixon,

The Report of the Task Force on Urban Affairs is submitted herewith.

I believe that the members of the Task Force are in general agreement with the Report. Some, however, disagree on particular points; their memoranda appear in the Appendix.

Respectfully,

A handwritten signature in dark ink, appearing to read "Edward C. Banfield". The signature is fluid and cursive, with a large initial "E" and a stylized "B".

Edward C. Banfield
Chairman
Task Force on Urban Affairs

Honorable Richard M. Nixon
The Hotel Pierre
New York, New York

URBAN AFFAIRS

LIST OF TASK FORCE MEMBERS

ALAN ALTSHULER	Associate Professor of Political Science Massachusetts Institute of Technology Cambridge, Massachusetts
EDWARD C. BANFIELD	Professor of Government Harvard University Cambridge, Massachusetts
JAMES M. BUCHANAN	Visiting Professor of Economics University of California Los Angeles, California
JAMES S. COLEMAN	Professor of Sociology Johns Hopkins University Baltimore, Maryland
LAURENCE COX	Executive Director Redevelopment & Housing Authority Norfolk, Virginia
ALLISON DUNHAM	Professor of Law University of Chicago, The Law School Chicago, Illinois
JAMES FARMER	New York, New York
BERNARD FRIEDEN	Professor of City Planning Massachusetts Institute of Technology Cambridge, Massachusetts
NATHAN GLAZER	Visiting Professor of Education and Social Structure Harvard University Cambridge, Massachusetts
WILLIAM GORHAM	President The Urban Institute Washington, D.C.
MORTON HILBERT	Chairman, Department of Environmental Health School of Public Health University of Michigan Ann Arbor, Michigan

SAMUEL C. JACKSON	Vice President American Arbitration Association Washington, D.C.
JOHN KAIN	Associate Professor of Economics Harvard University Cambridge, Massachusetts
IRVING KRISTOL	Vice President Basic Books, Incorporated New York, New York
GARTH L. MANGUM	Professor of Economics University of Utah Salt Lake City, Utah
MARTIN MEYERSON	President State University of New York at Buffalo Buffalo, New York
ARJAY MILLER	Vice Chairman of The Board of Directors Ford Motor Company Dearborn, Michigan
ROBERT E. PATRICELLI	Minority Counsel Senate Committee on Education and Labor Washington, D.C.
ROGER STARR	Executive Director Citizens' Housing and Planning Council of New York New York, New York
RAYMOND VERNON	Professor of International Trade and Investment Harvard Business School Boston, Massachusetts
JAMES Q. WILSON	Professor of Government Harvard University Cambridge, Massachusetts

INTRODUCTORY - TOWARD A NEW STYLE

The "urban problem" is many different problems requiring many different solutions. We shall concentrate here upon one set of them-- those arising from the need to give the poor and the black greater confidence in the fairness of the society, greater awareness of the opportunities that it holds for them, and greater sense of control over the institutions that touch their lives most closely. Compared to these problems, those relating to the management of the physical environment are simple.

It may seem strange that these problems should exist at a time when public policy is more responsive to the needs of the disadvantaged than ever before. Dissatisfaction and frustration are the central fact of life in the city today, however.

No matter what is done, it will not be easy to change this mood. Certainly dissatisfaction and frustration will not be dispelled by raising somewhat higher the objective level of living of those who are least well off, necessary as it is to do this, or even by displaying a will to maintain a steady rate of increase in material welfare, necessary as this also is. To a certain extent, the causes of the dissatisfaction are political and moral rather than economic. What is wanted is not bread and circuses but a sense of belonging in a national life that is admirable.

Even with respect to the most tangible and material wants, however, it may not be possible to end the dissatisfaction. Some wants cannot be met except by sacrificing values, such as individual freedom, that most people are not willing to sacrifice. Others cannot be met for lack of knowledge: it is hard to exaggerate how little we know about what will work in the solution of city problems. Most of what the government does to improve the cities it does blindly; frequently the effect is to make matters worse rather than better.

What is needed is action that will give the poor and the black a sense of increasing hope and opportunity and of greater control over their lives. It must, however, be action of a kind that will not engender still more dissatisfaction, either by making matters seem worse than they really are or by holding out promises that cannot be fulfilled.

It is of great importance also that the Administration give the American public a new and more balanced view of urban affairs. Not everything about the city is wrong. Furthermore, not everything that is wrong about it can be set right by government. It is a task for Presidential leadership to stress the city's successes as well as its failures, to distinguish its more important problems from its less important ones, and to say what government can and cannot reasonably be expected to accomplish. Where it is right to hope for short-run solutions, the office of the President should take the lead in promoting them. Where solutions must necessarily be long in coming, the office of the President

Reproduced at the Richard Nixon Presidential Library and Museum

We congratulate the Administration on having created, in the Council on Urban Affairs, a long-needed instrument for making Presidential leadership more effective. We hope that it will perform three tasks:

- A. Subject the 400-odd existing urban programs to cold, hard scrutiny, eliminating all that can be spared and consolidating those that should be saved.
- B. Enforce a rule of restraint upon the bureaucracies, whose natural tendency is to magnify their collings by promising wonders if this bill is passed and that appropriation increased.
- C. Press for adoption of the policies and programs that are recommended here.

The Federal government should endeavor to achieve its objectives in the most decentralized way possible. This is desirable in order to allow the widest possible freedom of choice. It is desirable also because government programs are now so numerous and so vast that the method of direct bureaucratic control is cumbersome and often unworkable.

We favor using the market, price incentives, and the principle of consumer's choice to the largest extent possible. The burden of proof rests upon those who assert that the individual is not the best judge of what is good for him or that "social values" should take priority over the tastes of individuals as they themselves define them.

Where choice must be made through political institutions, we favor giving autonomy to the smallest (i.e., most local) unit of government whose jurisdiction suffices for the management of the matter in question. Obviously, this principle is not susceptible of unambiguous application in all circumstances. We urge, however, that a determined effort be made to leave as much discretionary authority as possible to states, cities, and sub-units (wards or districts) within cities.

The use of the market implies a responsibility to make it competitive and to see that income is not unfairly distributed. Similarly, the use of state and local governments implies a responsibility to assure free elections. Many of the recommendations that follow have these objects in view.

RECOMMENDATIONS

Equal Access

The administration should commit itself to vigorous enforcement of all laws designed to ensure equal access to markets, ballot boxes, and courts of law.

A. The Federal presence in states and cities should be used to assure all citizens an opportunity to vote in fair (one man, one vote) state and local, as well as national elections. Except as this is done, the recommendations that we make below with regard to state and

B. Efforts to improve the enforcement of civil rights laws should concentrate upon the performance of operating agencies rather than upon that of civil rights agencies as such.

C. The Federal government's support of civil rights activities by state and local governments should be increased.

D. Federal civil rights contract compliance should be more stringently enforced and should be made more consistent as among agencies.

E. Black economic development should be encouraged. This is not the same as encouraging blacks to set up in business in ghetto areas; from an economic standpoint the ghetto market may be a declining one in which the new businessman and his backers will encounter insoluble problems. The Task Force doubts the ability of the government to teach anyone how to be an entrepreneur; it can, however, assure the black businessman access to training, credit, insurance, and other needs--in short, opportunity to do business wherever business is to be done. The Task Force is confident that if opportunities are good, black entrepreneurs will emerge.

Income Distribution

It is of great importance to raise the incomes of the very poor and to do so by means that will leave them free to choose where and how they will live.

A. To a large extent, the "urban problem" originated in rural areas, not in the cities. For many decades the nation's farm program has done next to nothing to improve the education, housing, and health of the rural and farm people who are likely to migrate to the cities in search of opportunity. The time is long over-due to change this. We should move rapidly in the direction of improving schools and other community facilities as well as job opportunities in rural areas, the object being to deal with future urban problems in their incipient stages. The establishment of equality of opportunity as between rural and urban areas will take decades at best, but that is all the more reason for making a beginning at once.

1. Much progress toward the goal of rural-urban equality would be achieved by the enactment of legislation to equalize bloc grants to the states, along the lines of the Heller-Pechman proposals.

2. We believe the Secretary of Agriculture should have a place on the Council on Urban Affairs.

3. The Farmers Home Administration should be transferred from Agriculture to HUD and made a principal instrument of a Federal urban policy.

B. The effect on the living costs of the urban poor of such Federal programs as agricultural price supports and oil and textile import restrictions should be examined. In the event of further inflation, steps should be taken to protect the position of the poor.

C. We favor moving in the direction of a negative income tax as a substitute for other forms of welfare. More understanding of the probable incentive effects of such a system is needed, however, before its exact form can be decided upon. Large-scale testing of various plans should be undertaken at once. The test being made in Trenton, N.J., should be supplemented by others in two or three different environments.

D. There will always be some poor people who are for one reason or another incapable of performing competently as consumers. A special task force should

people under a negative income tax system.

E. With respect to those groups of the poor--i.e., the aged and the disabled--on whom no significant disincentive effects would occur, a negative income tax should be instituted at once. There are other groups whose needs are more urgent, but these afford a practicable starting place.

F. Pending establishment of a negative income tax system changes are urgently needed in the present welfare system.

1. The Federal government should assume full responsibility for the financing and policing of welfare programs. Social services, however, should remain the responsibility of states and cities.

2. Children in families whose income is low because of the unemployment of a parent should be eligible under federal standards along with those whose fathers are dead, disabled, or separated from their mothers. Anomalies in eligibility under present law weaken rather than strengthen the family as a unit.

3. The freeze on public aid to families with dependent children made in the Social Security

Act Amendments of 1967 should be lifted.

Pending federal assumption of full responsibility for financing welfare programs, the Federal government should pay the first \$15 per month for a child, sharing with the states additional amounts in accordance with the matching provisions now authorized.

Manpower and Employment

It is essential that there be sufficient employment opportunities for the low-skilled who live in the central cities. Any increase of unemployment will surely intensify many problems in the ghetto areas. Desirable though it is, an extremely high general employment rate will not of itself guarantee a strong demand for these low-skilled city workers.

A. In improving the employment situation for the low-skilled living in the cities the emphasis should be upon removing impediments to the proper functioning of the labor market.

1. Racial discrimination, as well as discrimination on grounds of age, sex, or lack of schooling, should be eliminated. Illegal discriminatory acts should be prosecuted.

2. The inter- and intra-regional mobility of low-skilled labor should be increased by provision

of adequate information about job, housing, and other conditions. To this end, a) the U.S. Employment Service should be over-hauled, and b) a special task force should be created to evaluate what has been accomplished in computer-aided job matching and counseling and to make recommendations for speeding developments in this field.

3. There is some reason to believe that the minimum wage laws eliminate low-wage jobs that people want. Repeal of these laws would prevent this. If this is impossible, persons under the age of 21 should be exempted from them.

4. Vigorous measures should be taken to end restrictive practices by labor unions.

B. When the Vietnam War ends, the employment of returning veterans, particularly Negro ones, may need expediting. If at that time the urban labor market is somewhat slack, this problem may be of great urgency. We urge the Administration to establish a small group to review the planning that has been done on this in the Department of Defense and to develop supplementary

- C. Workers who need retraining, help in job search, or relocation should be assisted.
- D. If employers are paid to train disadvantaged workers, the amount of the payment should be proportioned to the increase in the trainee's earnings in the year or two subsequent to the training.
- E. We do not favor giving tax savings or other subsidies to employers who locate plants in so-called ghetto areas except where doing so may be justified under the "infant industries" principle. In general, there is more reason to encourage the movement of workers out of these areas than (the probable effect of such subsidies) to encourage their movement in.

Housing

The Task Force sees no reason to single out housing from among other commodities as one the consumption of which should be encouraged by public action. No one should be allowed--much less obliged--to live in housing that is a clear and present danger to health and safety. Assuming that this minimum is met, the government should not attempt to establish consumption levels. It should however strive to eliminate restrictive practices and, given the imperfections of the mortgage market, should assure a stable supply of mortgage credit.

A. Most local building and housing codes vastly exaggerate what is required for health and safety. In doing so, they in effect reduce the supply of housing available to low-income people and exclude them from the more desirable residential neighborhoods. It would be a good thing if the Federal government could induce localities to set more reasonable (as well as more uniform) standards in codes; failing this, it should not support enforcement of unreasonable ones.

B. Most Federal housing programs (public housing and rent supplements are exceptions), as well as that provision of the Internal Revenue Code that exempts interest paid on home mortgages from taxation, give a disproportionate subsidy to the well-off as compared to the poor in order to induce them (the well-off) to consume more housing or to consume it in the status of owner rather than of tenant. We see no justification for these programs. Commitments that the government has entered into prevent their immediate liquidation, of course, but a start should be taken in that direction.

C. Pending the liquidation of these programs, the following changes should be made:

1. The present array of subsidized housing programs is too complex for builders, sponsors,

and local authorities to cope with and it spreads funds and administrative skills too thin. Programs should be combined and low-return ones curtailed.

2. Too much reliance is presently placed upon non-profit or limited-profit enterprise. Investors in housing must be allowed profit levels commensurate with those available to investors elsewhere in the economy.

3. In allocating urban renewal and model cities funds among cities major consideration should be given to the number of low-income residents.

D. The housing problem with which the government should concern itself exists mainly because of low incomes and racial discrimination. We know of no faster way of dealing with this problem than to put money in the hands of consumers and to give them access to a competitive market. Slum dwellers, if they have the money, are usually capable of "blockbusting" their way out of the ghettos. When this happens through the free housing market as an impersonal process, it does not evoke political dissatisfaction. However, fair housing regulations should cover sales and rental housing in the price range of the low-income consumer and these regulations should be vigorously enforced.

E. In the absence of a national system of income maintenance, we favor income supplements to be used for housing purposes for low-income families.

F. With an adequate program of income supplements for housing purposes, there should be no need to subsidize mortgage credit. In the absence of such a program, however, credit should be made available to consumers rather than to developers for both purchase and renovation. The FHA section 235, 236, and 237 programs enacted in 1968 need close review to see that they are adequately funded and that they reach low income (and only low income) families.

Transportation

In the field of transportation, the following objectives deserve much more emphasis.

A. Reducing the great and growing mobility gap between those who can and those who cannot (because of poverty, age, or physical disability) move about freely in our metropolitan areas by driving their own cars.

B. Perfecting competition--for state and local public favor as well as for consumer dollars--between the private

- C. Increasing the safety of, and reducing the amount of environmental pollution attributable to, urban travel.
- D. Having urban transportation public works contribute to general community development objectives.
- E. Minimizing the dislocation of people and businesses resulting from urban transportation improvements, and compensating those who must be displaced for their inconvenience as well as their loss of tangible property.
- F. Emphasizing better use of existing highway investments as opposed to new investments either in highways or in something else. In particular, we favor:

- 1. In densely settled urban areas, a dramatic shift from new construction to devices for facilitating traffic flows.
- 2. Traffic flow should be conceived of in terms of people rather than vehicles; multi-person vehicles should receive priority in congested traffic streams wherever feasible.

G. States should be free to allocate Federal grants among various transportation uses as they think best.

We favor liquidation of the Highway Trust Fund. If that is impossible, it should be reorganized so that it will no longer preclude states from investing in

H. Urban expressways should be equipped and managed for use as both general purpose highways and rights-of-way for rapid express buses. Such buses can perform better than any rail system and at a fraction of the cost. We propose that the Federal government underwrite the cost of a large-scale demonstration of this plan in one medium-sized metropolitan area.

I. Developing transportation corridors, including adjacent sites and air rights, for residential, business, and other uses.

J. We favor giving Federal support to the development and implementation of the following transit concepts:

1. Demand-actuated road transit, which can provide door-to-door service in response to phoned requests.
2. The job jitney for carrying workers from core cities to suburban employment centers.
3. Freely available taxi medallions.
4. Inexpensive means of levying zoned fares.
5. Improving transit management, with special emphasis upon careful cost accounting to spotlight those services responsible for the greatest losses.

Schools

In the matter of education the general goal should be to put a larger variety of educational products on the market and to give consumers (i.e., parents) incentives to invest larger sums in education. We do not want to see organizations of parents, teachers, or others struggling for control over the public monopoly.

There are various ways by which this general goal might be approached. Those that we consider particularly promising include:

- A. A tuition-rebate plan that would create a system of private (profit and non-profit) schools. Vouchers could be used only for approved institutions; approval would not be given to those that break the law by refusing to accept qualified applicants on racial grounds.
- B. A rebate supplement plan that would give a family an allowance that it could spend on any approved educational activity outside the public school and after school hours.

We call attention to the fact that there is a long history of Federal aid to non-public education. The educational features of the G.I. Bill of Rights are an excellent precedent.

- C. Consistent with our recommendation above, we favor a strenuous effort to reduce the relative disadvantage of rural areas with regard to schools.

Reproduced at the Richard Nixon Presidential Library and Museum
D. There is a particular need for research and large-

scale experimentation in this field. Too little is known, for instance, of what will work in the training of the disadvantaged child.

Safety in Public Places

The Federal government should heavily reinforce local programs to increase safety in public places. (This does not imply support for the many activities unrelated to safety in public places carried on by police departments). Most of the emphasis of the Federal effort should be on increasing manpower and improving its deployment.

A. The Federal government should make it unmistakably clear to black citizens that the commitment to "law and order" includes equal and vigorous enforcement of laws for their protection. We know that there have been rumors that a Republican administration will establish concentration camps for blacks. The absurdity of such notions should not prevent the Administration from dealing forthrightly with them.

B. We favor stressing saturation foot police patrol in high crime areas of big cities. (Note that "saturation" patrol does not imply "aggressive" patrol--i.e., the frequent stopping of persons on suspicion). It is

important that there be large numbers of police officers

Reproduced at the Richard Nixon Presidential Library and Museum

in high crime areas: it is also important that the

officers be in close contact with the neighborhoods that they patrol: hence foot or perhaps scooter patrol rather than automobile patrol.

C. The Federal government should help the cities to recruit and pay police officers who will be assigned to increase safety in public places. Not all such officers need be oriented toward police careers. A "civilian service corps" in which the individual may serve for two years in lieu of military service should be instituted. A strenuous effort should be made to recruit Negroes to such a corps as well as to the career police.

1. The Federal government should support "model" police precincts for the concentrated testing of prevention ideas.
2. Rehabilitation programs designed to help narcotics addicts should be supported.
3. Make it clear in advance that those who incite to riot will be prosecuted.

Organization

The urban problem will not be solved simply by organizational changes. Nevertheless, improvements in organization are necessary. Two general goals should guide Federal efforts: first, to strengthen the city and state executive (i.e., mayors and governors)

and, second, to bring all state and local government within the effective reach of the whole electorate.

A. The federal grant-in-aid system should remain the major means by which funds are distributed to the cities. The many small categories of aid should be consolidated into about a dozen large ones, however, in order that states and cities may have much wider latitude in the use of federal funds. For example, federal aid should be for general transportation, leaving it to the states and cities to select whatever particular measures (e.g., whether rapid transit, new highways, or something else) suit them best. A city should not be put in the position, as San Francisco recently was, of losing tens of millions in federal money because it could not find a satisfactory route for an inter-state highway.

B. The Federal government must necessarily look to governors and to mayors of large cities to get assent for programs and to secure coordination. To make these executives more effective, Federal assistance should be provided for training systems analysts and other planning personnel and for employment of strong staffs. In addition, mayors and governors must be given wide discre-

encourage district (ward) -based electoral systems within the city as a means of insuring representation to the poor and to minority groups.

D. We see no long-run future for community action programs, but we are against precipitate withdrawal of support from them. In most cities moderate neighborhood leaders are working with mayors on mutually satisfactory terms. The neighborhood institutions that have been created in the last few years should eventually be absorbed into a more representative local government structure in which: i) local areas would have a measure of "home rule," ii) city legislators would be elected from local areas, and iii) local areas would have power to tax themselves.

Evaluation and Testing

There is need for systematic evaluation of all urban programs and for the large-scale testing of some new ideas.

A. Evaluation of programs should be carried on as a matter of course by all bureaus and departments; their in-house evaluations should be supplemented by others, however.

B. We do not favor putting the staff units that eval-

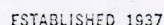
where the programs cut across departmental lines.

C. We favor a high level of support for the Urban Institute.

D. The ability of independent, and especially of university-based, researchers to secure support for evaluative studies should be increased. The contract procedures employed by HUD have tended to make its projects unattractive to university-based people.

E. Experimentation should be built systematically into urban programs. These are mostly trial and error anyway; the trials, however, rarely allow of systematic evaluation and the errors are seldom admitted and almost never analyzed.

F. The Federal government should assume leadership in the development of a new technology in fields like transportation, housing, and air and water pollution control. Large payoffs may be at least several years away, but the Federal government should share the risk of research and development, of assembling markets, and of bringing together groups to specify objectives and standards.



January 8, 1969

Mr. Henry Loomis
Office of the President-Elect,
Delmonico Hotel, Room 806
59th Street & Park Avenue
New York, New York 10022

Dear Mr. Loomis:

I am writing as a member of the Task Force on Urban Affairs. Although I will sign the report, I wish to make it quite clear that I disagree in several respects with the report, not only with specific recommendations which it makes, but also with its omission of other matters on which I believe it should take a position.

It seems to me that the paragraphs on housing are based on a faulty assumption, which is that housing is a commodity like other commodities, and that therefore the provision of decent housing can by and large be left to the marketplace.

I suggest that housing is a distinguishable commodity. First of all, the public interest in housing standards is very great. The problems of fire and contagion require expensive components for social reasons which are not part of the subjective preferences of people who live in the housing. Meeting the cost of these standards is not, as the task force report seems to suggest, entirely the result of arbitrary and excessive standards. The public has a definite interest in the avoidance of conflagration and disease. Low income families cannot meet these cost increments out of their inadequate earnings. It seems to me entirely appropriate that the body politic as a whole should meet these costs for low income families in much the same way that the government picks up the cost of those elements in American

Mr. Henry Loomis —2

flagship building which are allegedly significant from the point of view of the national defense.

Secondly, the entire structure of local government finance depends upon real property taxation. In effect, real property taxation imposes a sales tax in excess of ten percent per annum on housing accommodations. This is an entirely regressive sales tax. Low income families cannot possibly meet it. It has discouraged improvements as well as new construction for low income families. Waiving this tax for low income families incurs local fiscal and political difficulty; I feel very strongly that the federal government must step in to make good the indirect subsidy provided by local government in all forms of real estate tax abatement or exemption for the benefit of low income families.

Thirdly, housing is unlike other commodities because of its long life, making the provision of long term financing essential. The cost of financing itself therefore becomes a formidable cost in the case of this commodity, whereas in the case of other commodities long term financing is an element of capital cost not directly for the consumer's account. Even those countries which have avoided the wide disparity between high and low income, such, for example, as the Scandinavian countries, special forms of low interest long term mortgage loans are essential for decent homes for those of relatively low income. A fortiori, the distinction holds here.

Finally, housing is distinguishable from other commodities because of its geographic immobility. The effects of this include the monopoly power exerted by local building trade unions. The immobility is very important in reducing the applicability of factory mass production to housing as a commodity.

I do believe in government programs directed towards reducing the impact of these special economic factors affecting housing. Nevertheless, over the medium and short term we must recognize that decent housing in the cities requires government subsidization on a very large scale for a very large part of the population, much of which is self-supporting with respect to other commodities. This involves also the entrepreneurial problem that arises from the need to keep housing for low income families especially in good condition over a long period of years. To the extent that the report of the Urban Affairs Task Force belittles the significance of government ownership of low income housing and all programs subsidizing private ownership of multi family

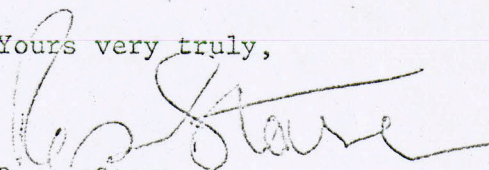
Mr. Henry Loomis --3

or single family housing, it seems to me that the report is destructive.

Specifically with regard to Paragraph E at the top of page 14, I consider the phrase "income supplements" an unfortunate substitute for rental subsidies. The size of the income supplements which would be required in order to make low income families fully competitive in the housing market staggers the imagination, unless these supplements are earmarked specifically for housing purposes. I think, on the basis of the information I have already described, there is adequate economic justification for making income supplements applicable to housing only.

I consider the grossest defect of this report is its inattention to the fiscal problems of local government.

Yours very truly,



Roger Starr
Executive Director

RS:b

c.c. Mr. E. C. Banfield

Addendum to the Report of the Task Force on Urban Affairs

Individual Views of Garth L. Mangum

While I endorse the general philosophy of free choice, the sense of restrained skepticism and most of the recommendations of the task force report, I have a number of reservations of sufficient strength to merit noting.

1. Lack of economic opportunity is a major source of political powerlessness and moral malaise. The comment on "bread and circuses" should not cloud the facts that few things contribute more to a sense of belonging than a meaningful, remunerative job while most choices in our society are made or influenced by dollars.

2. It is not at all clear that the so-called Heller-Pechman plan for relatively unrestricted tax rebates to the states would contribute to rural-urban equality.

3. The essence of the negative income tax device is that it accompanies income maintenance payments with built-in financial incentives for earning. It is irrelevant for those with no access to the labor market. What is wanted is an income maintenance scheme with minimal eligibility requirements and administrative complexities along the OASHDI model.

4. Appeals for overhaul of the United States Employment Service are ritual and useless without specific proposals. Computer-aided matching is progressing about as fast as technology allows, is under constant study and is, in fact, required by federal law under the 1968 amendments to MDTA.

5. The best evidence available suggests that minimum wage laws play a minimal role, if any, in youth unemployment. The unwillingness of youth to work for low wages in the absence of financial responsibilities is a more important obstacle. While minimum wage laws do little good, eliminating them or winning exclusions is unlikely to be worth the political costs.

6. While restrictive labor union practices do exist and should be eliminated, unions are no more guilty than numerous other special interest groups and I see no reason to single them out in this way.

7. Remedial efforts to increase the employability of the inadequately educated, trained and skilled have made a significant contribution. MDTA skill centers in the ghettos and efforts to increase by subsidy and exhortation employer willingness to hire the competitively disadvantaged have been particularly promising. While they are the subject of another task force report, they should not be passed over lightly as contributions to the solution of urban problems.