

STATEMENT OF VICTOR FISCHER
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 ON
 REGIONAL PLANNING TO SOLVE ECONOMIC AND SOCIAL PROBLEMS
 BEFORE THE
 SUBCOMMITTEE ON URBAN AFFAIRS
 JOINT ECONOMIC COMMITTEE
 CONGRESS OF THE UNITED STATES
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Mr. Chairman and Members of the Committee:

When we talk about problems of poverty, ignorance, disease and despair in this country, we are talking about grave national problems. We accomplish very little - in fact, we may lose something - when we gather these problems up, verbally sanitize them, and speak somewhat abstractly of the "urban" problem, "metropolitan" problem, or "regional social and economic" problems. That our major domestic problems are concentrated in areas where most people tend to live, that is, in our great metropolitan areas, seems self evident enough. But these are by no means exclusively urban or metropolitan problems. They are found everywhere, and they are lived with daily by perhaps as many as a third of our total population with an especially cruel intensity. So I have become somewhat weary of the "metropolitan" problem game, a game that all too often in the past has diverted us from the hard, real issues.

The game has gone something like this. First we recognize that massive social and economic problems do exist in our country and that the most critical of them, those affecting the health, livelihood and equality

of opportunity of our poorest citizens, are concentrated in our central cities. We then find that jobs, housing, health services, and good schools are dispersing outward in the suburban areas. Further, we find that the city cannot pull itself up by its own bootstraps and meet these problems with its own totally inadequate resources. Next, we see that the suburbs have legally and politically insulated themselves from the central city, often hiding behind the barriers we call municipal boundaries. We see, further, a multitude of special purpose jurisdictions, federal and state authorities, and private organizations, pulling in many directions with no apparent rhyme or reason. In short, there appears to be organizational chaos. Then, finally, instead of attempting to deal directly with the problems that first stimulated our concern, we unduly divert our attention to the virtually intractable problem of metropolitan structural reform in its several varieties: will-of-the-wisp metropolitan government, ineffective metropolitan planning, hamstrung voluntary councils of governments, inter-agency agreements, inter-local "cooperation", and so on. Meanwhile, the problems of people remain and they get worse.

I, of course, recognize that objective strategies, institutional rearrangements, and planning and coordinative mechanisms will be necessary to implement any serious efforts to resolve critical social and economic problems in America today. However, my plea is that we put first things first, recognize that we are talking about massive, deep-seated national problems, and face squarely the fact that solving any one or more of them will require unprecedented commitments of will and money. Having taken this indispensable first step, we may then find that metropolitan and

regional structural problems are much less important than we first thought, if they are relevant at all, or they will at least be placed in proper perspective.

I come before the committee with the conviction that this nation can effectively deal with critical economic and social problems, whether or not these require actions cutting across the boundaries of local political jurisdictions. Urban problems and urban goals are well enough known and understood to require no further studies or definitions, your own efforts in this direction during 1967 having made a major contribution. We know enough about workable strategies to attack many of the critical problems of urban regions. What has been missing is an all-out federal commitment and appropriation of massive federal funds that will make possible the solving of these social and economic problems. That such a commitment could be made, and that funds could be provided has been demonstrated by the federal government, even in non-military and non-space efforts.

While your basic purpose is to analyze how planned solutions can be facilitated, I would like to emphasize that we need to think both in terms of immediate actions as well as longer term planning programs. There is much that can be done without institutional restructuring or development of new programs. I will, therefore, first deal with strategies for dealing with current critical economic and social problems and then proceed to discuss briefly the problems entailed in bringing about effective regional planning.

Federal, state and local governments have proved themselves quite incapable of satisfactorily meeting the general physical requirements of

multi-jurisdictional urban regions. Application of conventional techniques to solution of economic and social problems is bound to result in even greater failure. I doubt that anything will work short of the approach used in major disasters - all-out commitment, strategies and programs appropriate to the needs, and massive infusion of money. This type of approach is required to tackle current needs and to start on the longer road to facilitating planned solutions to basic problems.

I would like to use the experience of the federal response to the 1964 Alaska earthquake as an illustration of the spirit and approach that should be applied to the urban crisis. It would take too much time to describe the enormous effort and the total response of federal departments and agencies, state and local governments in Alaska, non-governmental organizations and the people themselves, so I will just briefly mention a few relevant aspects.

1. After a 36 hour onsite investigation of earthquake results by key federal officials, the President by executive order established the Federal Reconstruction and Development Planning Commission for Alaska, composed of cabinet members and agency heads, and chaired by Senator Clinton T. Anderson. Under direct presidential mandate to do everything appropriate, the commission and its staff spear-headed and coordinated the all-out rehabilitation effort.
2. The Congress enacted a special legislative program to provide additional federal aid not possible under existing laws, including special compensation to state and local government to cover the serious loss of tax revenues, increased federal share of several

grant-in-aid program, authority for a number of agencies to adjust the indebtedness of some of their borrowers to compensate for earthquake losses, extension of loan periods, liberalization and expansion of the urban renewal program, purchase of state bonds, provision of special assistance of housing, etc.

3. Each federal agency participated directly in the relief and reconstruction effort: manpower was assigned as required, regulations were changed as necessary to get the job done, funds were found or diverted from other areas, red tape was cut, and innovative solutions were found for previously insurmountable problems. (Just one example - urban renewal application and planning procedures preceding land acquisition that normally took a minimum of about two years were telescoped into three or four months to meet urgent community needs).
4. The reconstruction program was essentially carried out through utilization of existing federal programs. While most of these were not designed to deal with disaster situations, through adaption and ingenuity, and with a number of quickly enacted statutory revisions, they proved capable of tackling the alien task.
5. The massive federal effort was carried out hand-in-hand with state and local governments. Local officials made or participated in all decisions pertaining to their communities, the federal government assisting and not preempting local prerogatives.
6. Private organizations, both national and local, participated actively in the relief effort.

7. Urgently needed help was given directly to businesses and private individuals affected by the earthquake.

The intensive federal effort was largely accomplished over the six month period during which the Federal Reconstruction Commission was active. This brief period was characterized by a miraculous degree of cooperation among all federal agencies and by their determination to accomplish the assigned task, which they did. Assistance to the state and local governments and to private individuals and businesses amounted to several hundred million dollars, exclusive of funds allocated for reconstruction of federal facilities. The important lesson here is that the federal government in its entirety can act decisively and can successfully carry out a comprehensive effort to meet the special needs of a given locale and situation.

It is the spirit of this response that is needed in solving the Nation's urban problems. Though lacking the drama of an earthquake, flood or hurricane, the seriousness of the urban condition and the number of people involved are certainly great enough to justify the expenditure of billions in an effort to rectify the disaster that is each of our major cities.

I believe that with sufficient commitment and adequate money, and both of these would have to be great in magnitude, the now critical economic and social problems are not really unmanageable. Though totally pessimistic that these will be forthcoming in the foreseeable future, I will, for the purpose of discussing some of the basic ingredients that would bring us closer to dealing more effectively with social and economic problems, assume that they can be obtained. In looking at these, we must recognize, as I am sure you

do, that there are no single or simple answers to the complex situation we face. The problems are many, and the public and private institutions are quite incapable of dealing with them on a comprehensive basis. Likewise, no single federal agency or set of loosely coordinated federal programs will be up to the total urban task.

First of all, then, we need a federal organizational capability to deal constructively with urban problems. We need something akin to Senator Clinton Anderson's Federal Reconstruction Commission for Alaska to provide the required drive at the Washington level. In addition, a field structure is required to assure a full and effective utilization of agency and program capabilities and their appropriate interaction with local institutions. A key element here must be adaptability of federal programs to different urban situations and a great operational flexibility.

Second, we must have realistic awareness of the current incapability of metropolitan areas to carry out any kind of general problem solving schemes. I assume that patterns of regional governmental institutions have been thoroughly discussed at the Tuesday hearings, for the three panelists are eminently versed in this topic. In any case, the best we can expect from these institutions at this time is provision of a forum for communication and a broad base for governmental interaction, and, for this the regional councils of local governments and planning agencies can be well suited.

Third, while I have always been committed to a major state role in dealing with metropolitan problems, it is evident that states are no more capable of solving these problems than the federal government or the urban

areas acting alone. State capability is quite limited, and willingness to face tough urban issues is often lacking. Federal objectives need to be directed toward strengthening state capability, enticing or coercing states to act in those areas (such as allocation of zoning powers) where only the state can perform, and bringing the state into an effective partnership situation. The state's role could then become quite akin to that of the federal government with respect to the urban scene, both governments acting in concert.

Fourth, while discussing problems that are regional in nature, one must, of course, not overlook the basic function of established cities. It is, after all, the central city in particular that is faced with the immediate problems and results of poverty, ghettoization, fiscal inability to provide adequate services, etc. It is the city that cannot solve problems within its own borders and has no means for going without its boundaries when this might otherwise help relieve the situation. Thus, the city is a basic building block and direct participant in just about any effort.

Lastly and most importantly, in view of the extremely limited ability of political institutions to deal with regional social and economic problems, a major part of our answer lies in provision of assistance directly to individuals and to private and quasi-public instrumentalities designed to overcome the limitations of governmental jurisdictions and agencies. The federal government has started moving in this direction, but much more remains to be done.

The most basic step, I believe, is provision of money directly to individuals who are in need. Until each person has sufficient money to meet his basic requirements, by whatever income maintenance scheme this is

accomplished, other social and economic programs are bound to fail or result in only partial solutions. I believe this issue is so basic that it requires top priority action by the Congress.

Beyond general income maintenance comes categorical assistance; such admittedly inadequate programs as Medicare and Medicaid are ready examples of methods by which the individual is assisted within the context of existing governmental and private institutions. A few preliminary, miniscule steps in this direction have been taken in the area of housing. This approach has tremendous advantages over direct government programs, not only because it reduces program rigidities and bureaucratic proliferation, but also because it provides the means for individual choice in a private marketplace still closed to too many.

What I have been talking about here in a cursory fashion are the means by which the built-in deficiencies of existing political structures and private institutions can be overcome and the productive capacity of the private enterprise system can be tapped. Here I want to emphasize again that the main ingredients for any effective solution are will and money, and I will emphasize money for without it you will not make a dent in the "urban crisis".

Money is needed for three reasons. First, it will take a tremendous infusion of outside resources to meet the basic social, economic and physical necessities of the people and their institutions. Second, food, clothing, shelter, and health care are products primarily of private industry, and we know that private industry can and does serve those who

pay. And third is the leverage that money can provide for establishing the institutional machinery and processes required to deal with those problems that cut across political jurisdictions and for affecting state and local priorities. This is particularly important for effecting long-term and lasting change.

I could give many examples of the type of leverage that committed administration of federal programs can exert to pursue objectives that are not only recognized at the Washington level, but which are also recognized by those at the local level who are desperately trying to deal with critical urban needs. In most instances you will find that such use of federal incentives will be welcomed. While adherents of the devil theory may look askance at such federal incursions into local affairs, the principle and practice are no different than those rationalized in all federal grant programs on the grounds that the requirements that accompany them are both in the national and state or local interest.

In the discussion so far, I have said nothing about planning, even though the committee's objective is to analyze the facilitating of "planned solutions to regional social and economic problems". I have done this deliberately because planning generally becomes a drawn-out, long-range process, while the existing critical problems need to be and can be dealt with now. But we know enough to act without delay, without further research or conventional planning. The situation, again, is akin to responding to disaster situations: one acts immediately to take care of immediate problems

and needs, and concurrently one plans for the next and future steps to be taken. Quite pertinently, my own experience following the 1964 earthquake in working as a member of the federal reconstruction team, both in Washington and Alaska, demonstrated that planning decisions made on a crash basis in a thoroughly purposeful context were as good as, and often better than, those emanating from of the usual, non-action related, context. Furthermore, we then saw whole community and urban renewal plans prepared in a matter of weeks that would usually have taken years to develop. Thus, it is my strong conviction that the best approach to planning is to let it be a part of the problem solving effort itself.

Much the same can be said about regional institutions to deal with social and economic problems. Close familiarity with metropolitan planning agencies and councils of governments during the sixties makes me most skeptical about their ability to be effective instruments of public social and economic policy, and it is most doubtful whether other, more effective regional organizations will emerge to perform the task. The only potential for institutional development is, again, in the context of a real-life action program. Any regional social and economic planning carried out by existing agencies or specially created institutions would under present circumstances amount to little more than an esoteric exercise. There is, thus, no value gained in pursuing the building of supra- or cross-jurisdictional instrumentalities until the necessary preconditions for effectiveness have been created.

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In conclusion, I would like to return to the proposition that we are dealing with national and not local problems, even if solutions have to be applied within our major cities and metropolitan areas. The trouble today is that the "urban" problem is not accepted as a national problem. National policies are still geared to dealing with small portions and superficial manifestations. Thus, we enact unrealistically inadequate housing programs, while it is clear that most major metropolitan areas will evolve with virtually all-black central cities surrounded by white suburbs. And this trend will continue if we can take at face value such headlines as "Mistake to force integration in suburb says HUD chief". Nor will the problems of urban crime disappear if all we do is issue more guns to more policemen. If we continue to pursue our present course of rhetoric, negative policies and minimal response, the problem will not go away, deterioration will continue, and we will move further toward total urban segregation. The final result could be a breakdown of our social and political system, for by postponing the real effort, we find ourselves facing an ever more insidious problem - growing mistrust, loss of faith, actions born of desperation.

This need not be. We should, as an intelligent nation, be able to respond without priming by dramatic disaster or explosive crisis. Amazing things will happen once the federal government effectively commits itself to solving our most pressing human problems. In the absence of this commitment, most else is academic; organizational and political barriers will stand as always, planning will go on, reports will be written, and the problems and troubles will grow.