

Summary

Report of the Task Force on Urban Affairs

Chairman: Edward C. Banfield

The report concentrates on the problem of giving the poor and the black a sense of increasing hope and opportunity and of greater control over their lives. It stresses the importance of avoiding promises which cannot be fulfilled. The report suggests that the new Administration give the public a more balanced view of the city by stressing the city's successes as well as its failures.

In general the report recommends using the market, price incentives, and the principle of consumers' choice to the largest extent possible; and, when choices are made through political institutions, giving autonomy to the smallest possible unit of government.

Equal Access: The Administration should commit itself to vigorous enforcement of all laws designed to ensure equal access to market, ballot boxes, and courts of law; as part of this, it should encourage black economic development, not necessarily in the ghetto but wherever opportunities are, by providing access to training, credit, insurance, and other needs.

Income Distribution: The incomes of the very poor should be raised in a manner that will leave them free to choose

how and where to live. The report comments on inequality of opportunity between urban and rural areas, and recommends enactment of legislation to equalize bloc grants to the states along the lines of the Heller-Pechman proposals as one helpful tool. Giving the Secretary of Agriculture a seat on the Council on Urban Affairs and transferring the Farmers Home Administration from Agriculture to HUD are also recommended.

The effect of certain Federal programs (e.g., agricultural price supports) on the living costs of the poor should be examined.

The task force favors moving towards a negative income tax as a substitute for other forms of welfare, but not before wider testing is done of its effect on incentives. It should be instituted at once for those groups where incentive is not relevant, such as the aged and disabled.

For those poor people incapable of functioning as consumers, special arrangements should be made.

Meanwhile, the Federal government should assume responsibility for financing welfare programs; the AFDC freeze should be repealed; and children of an unemployed parent should be treated as are those without fathers.

Manpower and Employment: The report recommends removing impediments to the proper functioning of the labor market as

an effective means for improving employment among low-skilled urban workers. Specifically, racial discrimination should be eliminated; better information about jobs should be provided; the minimum wage laws should be repealed or limited to those 21 and over; and restrictive practices by labor unions should be ended.

The report also urges the establishment of a small group to review the problem of employment of Vietnam veterans.

Payments to employers for training should be proportioned to the increase in the trainee's earnings in the year or two subsequent to training.

The task force opposes incentives for locating plants in ghetto areas on the grounds that workers should be encouraged to move out of these areas.

Housing: The task force believes that once minimum standards are met, government should not attempt to establish consumption levels but rather seek to eliminate restrictive practices, ensure a stable supply of mortgage credit, and eliminate imperfections in the mortgage market. In the absence of a national income maintenance program, the task force favors income supplements to be used for housing purposes.

Transportation: The task force favors liquidation of the Highway Trust Fund or some other arrangement to give states

freedom to allocate Federal funds among various transportation modes, steps to improve competition among different modes and reduce the preferential treatment given to private automobiles; emphasis on traffic flow rather than new highway construction in urban areas.

Schools: The goal should be incentives for consumer expenditure on education and a larger variety of educational products, so that parents, teachers and other groups do not struggle for control of the public monopoly. The report recommends considering:

- A tuition rebate plan.
- A rebate supplement plan for educational activity outside the public schools.

Safety in Public Places: The report recommends that the Federal Government make clear to black citizens its commitment to law and order, including equal and vigorous enforcement of laws for their protection. Saturation foot patrols in high-crime urban areas are recommended. The Federal Government should help cities recruit and pay police officers involved in safety in public places. The task force recommends a "civilian service corps", in which service would substitute for military duty.

Organization: The report supports the Federal grant-in-aid program but favors consolidation of categories; the

Federal Government's policy should be to favor ward or precinct-based election systems to ensure representation for the poor and minorities; support should not be quickly withdrawn from community action programs, even though there is little long-run future in them. Eventually these groups should be absorbed into a representative local government structure.

Evaluation and Testing: Evaluation programs, with staffs in their own departments, are encouraged.