

THE URBAN CRISIS: CHALLENGE AND RESPONSE

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CONSIDERING your facility with, indeed, appetite for, statistics, I am somewhat embarrassed to admit that I can claim among my close friends a grand total of only one actuary. He happens to be the godfather of one of my sons, and I am afraid that neither my son nor I had understood until now how select is the group to which my friend belongs. According to one of my colleagues, you actuaries are a very successful group of Americans. There are only 1,400 of you in this nation of 200 million assorted risks. More dental students entered this year's Freshman class than there are actuaries in the United States. (My colleague is *not* an actuary, so I can only hope his figures are not shaky.)

But certainly you are part of an industry which is not blind to some of the problems—and potentials—of America's cities. The Prudential Company is headquartered in a city which is now 60 per cent black. Equitable and Metropolitan operate from a city which, as of this moment, seems to epitomize the complex problems and volatile conflicts which alternately threaten either to paralyze or to atomize our cities. Our country is full of people too busy or too confused to read dead Irish poets, but there must be more than a few Americans who feel that Yeats is describing what they see going on around them when he says, "Things fall apart: the centre cannot hold / Mere anarchy is loosed upon the world / . . . The best lack all conviction, while the worst / Are full of passionate intensity." And almost every group has its own nominee for "the worst."

You no longer have to be a social scientist to recite the familiar litany of fiercely embattled adversaries within our society: the young vs. the old, parents vs. teachers, city vs. suburb, those who want rapid transit vs. those who want more freeways, those who feel their homes and annuities threatened vs. those who feel themselves blocked out of homes or annuities, the police vs. the community, rich vs. poor, white vs. black. When John O. Killens says, "My fight is not to be a white man in a black skin, but to inject some black blood, some black intelligence into the mainstream of American life . . .," he is likely to be applauded by some and regarded by others as preaching a dangerous doctrine. This would be hardly less true for a Puerto Rican, a Mexican-American, an American Indian, or an impoverished white mother unable to escape the not-yet-

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totally-all-black inner city in Cleveland. The anguish, the fear, the anger are for the most part quite real. And the models provided by relatively recent history do not leave us fully confident that we can go to bed one night and wake up to find that all our problems have quietly gone away.

Everyone knows by now that some of our urban problems are connected with poverty and race, though some have misread this to mean that there would be no urban problem if people of low or no income and certain skin colors would somehow evaporate. Between 1950 and 1966 the black population in America grew by $6\frac{1}{2}$ million and the white population by over 35 million. Most of the black growth has been in the central city and its periphery, while most of the white growth has been in the suburbs. Almost one-third of all the poor live in central cities, and four out of ten of the black poor live there. A majority of the black poor in the cities are under 21, while almost a fourth of the white poor are aged. Now add to this all-too-familiar picture a dwindling tax base, outmoded patterns of raising and dispensing revenue, polluted air and water, antiquated service-delivery systems, poorly supported and managed and often duplicative governing structures (there are 90,000 separate and autonomous local governmental units in the United States)—add it all up, and you have a composite horror story which makes one wonder why any sane man runs for the office of mayor of a modern city. There are, of course, still some advantages which cities uniquely have over the countryside; some programs—such as model cities—which, less fragmented and on a different scale, could make a considerable difference; some evidence that small, positive reversals have begun to take place in mobility patterns and in the public apathy from which urban schools have so long suffered. But the overriding fact remains that we have over many decades allowed our cities to become enmeshed in problems of an order with which no single individual or agency in the society can be expected to cope.

Scapegoat them as we may, Messrs. Lindsay, Stokes, Washington, Alioto, Hatcher, and their associates have inherited grave urban dilemmas which differ mainly in degree—and we will go on prescribing palliatives at only the greatest risk to ourselves and our posterity.

It is to the credit of the insurance industry that it has made a start toward dispelling the fiction that the problems our cities and this nation are caught up in can be dealt with simply by finding the nearest culprit and turning him over to the proper authorities.

Mr. Orville Beal, president of Prudential, speaking for some one hundred and sixty-eight life insurance companies, representing 90.6 per cent of life insurance assets in the United States, reported earlier this month on the operation of the program co-ordinated by the American Life

Convention and the Life Insurance Association of America. He stated that just over \$700 million of the \$1 billion pledged by individual companies had been committed or disbursed during the past twelve months. Of that amount \$535 million had been provided for housing low- and moderate-income families in some 48,600 dwelling units; \$167 million had been earmarked for jobs and service facilities in urban core areas, creating or retaining some 19,000 jobs for low-skilled or unskilled workers. Gilbert W. Fitzhugh of Metropolitan; Blake Newton, Jr., president of the Institute of Life Insurance; Kenneth Wright of the Life Insurance Association of America; and other industry leaders have stressed the profound importance of enlisting private resources in improving the future of the nation's urban centers.

I would call attention to at least two important by-products of this initial involvement by the insurance industry. According to Mr. Beal, the FHA has worked very closely with the insurance companies. Although he reported some problems in processing paper work at the field-office level, he stated that FHA has been helpful at the national level in expediting and referring loans and identifying loan opportunities. If anything is badly needed at this moment in our history, it is pragmatic demonstration that public agencies and private enterprise can readjust their traditional ways of doing business in response to acute social needs.

A second important by-product of the insurance program has been the involvement of black businessmen—including the designation by one major company of five of the six FHA-approved mortgage firms as correspondents. Andrew Brimmer, governor of the Federal Reserve Board, pointed out earlier this year that, to be effective, the liberalization of internal company policies and FHA insurance practices should be linked up “with businessmen actually working in the ghetto.” The money that does manage to get into core city communities somehow has a way of passing in and out without generating very much in the way of job opportunities or further economic strength.

As you know better than I, the present insurance company program is but a beginning, considering the magnitude of the need and the potential of the as yet untapped resources of American business. There is a clear need for broader and more intensive involvement of the business community, and Mr. Beal suggests that government should provide further incentives to induce private builders and developers—now concentrating on the suburbs—to rebuild in core city areas. Decent housing, both within and beyond the city limits, is often the key to better jobs and better schools. One of the major concerns of the National Urban Coalition is that the maximum possible number of low- and moderate-income housing be

provided under the 1968 Housing and Urban Development Act and the National Corporation for Housing Partnerships, headed by Mr. Edgar Kaiser, a member of the National Urban Coalition.

The Coalition will be releasing shortly an action report on "State Programs in Housing and Community Development," prepared by our housing staff, in consultation with our National Housing Task Force, headed by Mr. David Rockefeller. This report provides an action agenda for private groups and public officials on such problems as increasing the supply of low- and inadequate-income housing, broadening housing choice, improving relocation assistance, and equalizing landlord-tenant relations. The Housing Task Force has endorsed the National Housing Partnerships, and the staff is at work on plans for assisting the corporation as it sets out to build more than 6 million units over the next ten years.

Perhaps at this point I should explain what the Urban Coalition is and what it is trying to do. After the urban disorders in the summer of 1967, a group of outstanding leaders in American life came together to form the Coalition. In March, 1968, John Gardner became chairman of the Coalition. The members of the Steering Committee include such business leaders as Henry Ford and David Rockefeller, such labor leaders as George Meany and Walter Reuther, such mayors as Jerome Cavanaugh of Detroit and John Lindsay of New York, and such Negro leaders as Whitney Young and Bayard Rustin—from your own industry, James Oates and Asa Spaulding. In fact, no other organization in American life can equal the Coalition for the distinction and variety of its leadership.

I would like to emphasize the importance of the Coalition principle. The Coalition's distinction is that both at the national and local levels it brings together leadership elements that do not normally collaborate in the solution of public problems. In fact, we bring together segments of American life that have often been utterly out of touch with one another—and, in too many cities, are still out of touch.

Our national program staff, working with broadly representative national task forces and knowledgeable persons outside the Coalition, tries to identify models, priorities, and strategies for dealing with problems in such areas as urban housing, education, employment, and youth activities. We are in the process of forming an economic development task force and are examining black entrepreneurship programs in several cities in order to share with our locals usable experiences in dealing with problems of financing, marketing, and management. Through staff members and consultants we provide technical assistance to local coalitions. The Coalition aims not at supplanting or duplicating existing organizations but at doing what it can to support and collaborate in order that they

may be more effective. In the employment field, for example, we have worked co-operatively with the National Alliance of Businessmen. The two groups will soon be releasing jointly sponsored case studies of programs for training the hard-core unemployed. We have a somewhat similar working relationship with the Lawyer's Committee for Civil Rights under Law, which is setting up staff operations in some nineteen cities.

Today, no one leadership segment can solve the problem alone. City hall can't go it alone. The business community, with all its wealth and influence, cannot solve the city's problems alone. Leaders at the community and neighborhood levels seldom have sufficient leverage to produce, unaided, the changes they so urgently want. Collaboration among all significant elements that hold power or veto power within the community is increasingly seen as a prerequisite to meaningful change. Because of this need at the local level, our national organization set out immediately to form local coalitions. We now have thirty-nine and we are planning twenty-five more for the immediate future. As is true in the case of the national organization, each local organization includes representatives from a variety of leadership segments in the community—the mayor, business, labor, minority groups, and religion. We encourage the participation of other relevant elements—the universities, the schools, the press, and the professions.

In addition to Messrs. Oates and Spaulding at the national level, a good many members of your industry are active on local coalitions. Insurance executives head local coalitions in Boston and Newark. They are members of coalition steering committees and task forces in Hartford, Harrisburg, Los Angeles, New York, Minneapolis, Saint Paul, and Washington, D.C. Some of them are finding that it is not easy to help work out new approaches to private-sector and public-sector co-operation on the too-long-ignored problems of our cities. On occasion the give and take may be bruising, for it is no easy task to breach the old walls of suspicion, indifference, and inertia. For many, the effort required to develop a sense of common purpose among people of diverse racial, ethnic, and socioeconomic backgrounds may be the hardest work they have ever done. But the alternatives are even less attractive and the occasional victories encouraging.

It is certainly fitting that some of the Billion-Dollar Fund has gone into building or rehabilitating health and medical facilities. The ability of our children to learn and of our adults to work—indeed, the quality of our lives—depends in significant measure on our physical and mental health. Despite our affluence as a nation and our impressive technological

advances, the United States ranks eleventh among the countries of the world in combating infant mortality (a drop from sixth in 1950). Of women who have babies, 45 per cent have had no prenatal care. We stand thirteenth in life expectancy for men and seventh for women—and the black man's life expectancy is 10 per cent lower than a white man's in this country. Fifty years ago we had one doctor for every 568 persons; today we have only one for every 709—and this ratio is made possible only because a considerable number of foreign doctors have become essential to our understaffed hospitals.

About 75 per cent of Americans are covered by some form of health insurance, but these policies pay only 25–30 per cent of the total bill. Medicare has helped lighten the burden of health care for the aged, but we are still failing to adequately provide health information and health services, even to many of our middle-class citizens. The poor, needless to say, are much worse off. You are perhaps familiar with the study of Job Corps trainees which revealed that 50 per cent had never been seen by a physician, 70 per cent lived in substandard housing, 30 per cent came from homes in which at least one person had a physical or mental defect.

Many Americans find it hard to believe that in a country which produces enough food for everybody—which actually pays farmers not to grow crops—millions of Americans are actually going hungry. Competent medical scientists have warned that serious protein deficiencies in the very young child can have permanently damaging effects. Some improvements, far from adequate, have been made in the school-lunch program and the food-stamp and commodities program, but teachers in the rural and urban ghettos of the nation still see children every day who do not perform in school as well as they might because they cannot afford to buy sufficient food and their schools do not qualify for the free-lunch program.

The Urban Coalition is deeply concerned about health problems in our cities and the connection between such urban problems and the interlocking problems of rural poverty, jobs, schools, and housing. Because of this concern the Coalition is in the process of establishing a national health task force. In health, as in other fields, the Coalition recognizes that, while the federal responsibility is and will remain substantial, institutions and individuals in the private sector must play a larger and more innovative role. We will not produce more doctors and health professionals, or provide health services or health information where they are most desperately needed, without effort of a kind and scale that cannot be limited to the energies and resources of medical schools and health officials alone.

Many of the large corporations in this country have begun to see that

they must revise their accustomed ways of doing business if they are to respond effectively to the pressing manpower and economic-development needs of our cities. It seems equally clear that we cannot and should not expect educators alone to supply the level of planning and funding, of experimentation, and, in some cases, of negotiation, which must be managed if our children are to be provided with schooling of the quality and variety which can satisfy our need in the next few decades.

Lisle Carter, former assistant secretary of HEW, was pointing out the other day that studies of what economists call transfers, that is, the provision of money, goods, and services for other than productive activities, show that the nonpoor majority get the bulk of such transfers—by a ratio of 61 per cent to 39 per cent. The studies also show that half of the poor get no transfer payments of any kind and that in the area of housing the top one-fifth of the population by income get twice as much subsidization as the bottom one-fifth. In visits to ghettos in city after city, the staff of the United States Commission on Civil Rights found among the poor an almost universal distaste for welfare. Other countries have found non-demeaning, nondebilitating ways to deal with the needs which our present system clearly does not meet to anyone's satisfaction. Many knowledgeable people in this country, including the poor themselves, are advocating solutions and in some cases attempting small-scale experiments aimed at breaking the welfare-dependency cycle. But this profoundly important problem can no more be looked on as the exclusive province of HEW or the various state and county welfare professionals than can the explosive issue of order and justice be left solely to the man on the beat.

I referred earlier to my friend, the actuary. In addition to having been unusually proficient at math since childhood, he is a very early riser who has long had the bothersome habit of getting his friends out of bed to listen to his newest imperative as to what must be done before breakfast to save the city, his race, or the nation. He, along with Whitney Young and some of the rest of us who then lived in the same city, set out some years ago to put together what might be regarded as a Kitty Hawk version of a local coalition. Thanks to the courage, intelligence, and persistence of two unusual young people, backed by my friend's gadflying and such foot-slogging as a couple of lawyers and some of us nonlawyers were able to provide, a certain southern state university found itself desegregated. I must report that my friend has not yet saved his community, his city, or his race—much less the nation or the world. He is not even universally regarded as having always been right in his choice of targets or tactics. But he has made a real and positive difference in his community

because he has tried to be a citizen in the most vital sense in which that word may be used.

John Gardner has been known to complain ruefully that people will agree readily enough that local governments, local communities, must bear more responsibility. But, he goes on to say, very few people are willing to attend the meetings, ask the right questions, help work out the answers, fight for the funds or physical resources, reach across those boundaries of profession or class, or race—in short, to get down to the nitty-gritty of doing the small, tough, unglamorous things which must be done if our communities, our cities, our state, our society are to be regenerated.

Last summer Mr. Gardner appeared before the platform committees of both major parties. I would like to close by sharing with you something he said on one of those occasions:

Ladies and Gentlemen: This is a moment in our national life when the temptation to face backward is almost overpowering. This is a time when it would be wonderfully easy to build national policy out of our fear and anger, out of our indignation and resentment, out of our impatience and weariness. But this nation cannot build a great future on fear and resentment. . . .

A number of steps are necessary if we are to diminish the malaise of the modern American. We must provide increased opportunities for participation; we must restore a sense of community; and we must foster a sense of responsibility. The three aims are intimately related.

. . . We must continually design new means for the individual to render service to the community, the nation and mankind. The experience of recent years suggests that the *service idea* taps a rich vein of motivation in the American people. When people are serving, life is no longer meaningless. They no longer feel rootless. They no longer feel unconnected. They feel responsible.

Some of your colleagues have already demonstrated an awakening to that kind of responsibility. I hope for this country's sake that there will be many more in the communities from which you come. For, in the most fundamental sense, the future of our society depends upon it.