Despite widespread press accounts of deepening fissures in the Carter Administration at both the cabinet and departmental level over its so-called urban policy, thus far, there is a consensus that an "urban policy" will not mean real economic growth and the development of high-technology jobs in vital industries. It is Vice President Walter Mondale's top collaborator in the White House, Domestic Council head Stuart Eizenstat, who plays the role of mediator in the ongoing inter-departmental battles, to ensure that no side takes a position in favor of national economic development.

After weeks of preparation, Eizenstat finally presented a White House policy statement on the stalled urban program. After rejection of a call for massive funding for "distressed cities" drafted by Pat Harris, urban and Regional Planning head and HUD Secretary — twice rejected by the "fiscally conservative" President — Eizenstat presented a statement that stands as a masterpiece in semantics. Even the New York Times declared that the wording was so vague as to satisfy all warring factions. Thereafter, the Domestic Council chairman was credited with arriving at a "compromise."

The said compromise consisted of changes from the language of previous drafts, excluding suburbs from its definition of "distressed" areas. It also eliminated language which would have directed all government aid to cities; according to the new statement, federal monies will go to "cities and urban areas."

The manipulated character of the debate — the policy-sameness of the debaters — can be confirmed by the following summary description of departmental "factions" and what they propose that Mr. Carter submit to Congress this March as policy on housing and labor.

Department of Housing and Urban Development

The Department of Housing and Urban Development is staffed, from its highest executive echelons on down, by personnel trained in the counterinsurgency methods which gained John F. Kennedy's "New Frontier" poverty-sharing programs notoriety for costliness and gross inefficiency. Top HUD personnel, including Assistant Secretaries Jay Janis and Geno Baroni and Neighborhoods Commission chairman Gale Cincotta, are either current or former executive members of leading "self-help" housing and urban organizations explicitly opposed to actual urban or national development. Hence, the Community Development Act of 1977, signed into law last April, literally deleted all reference to the concept of growth, while, at least on paper, committing the nation to "conservation" as the alternative.

While Harris has been forced to keep a lower profile after widespread reports of her falling out with both the White House and the Office of Management and Budget over HUD's original astronomical fiscal 1979 budget request, Janis and Deputy Secretary Bob Embry and Baroni have become HUD's front men, making demands that Harris herself cannot now risk politically.

Baroni heads the task force assigned to create the shock troops — the "community organizers" — capable of controlling increasing dissatisfaction over housing conditions in both inner cities and suburbs. Baroni's tactics are similar to those of Health, Education and Welfare Secretary Joe Califano, one of the prime technicians behind JFK's "New Frontier." Despite sensationalist press accounts of a split between Harris and Califano over where to allocate urban money (Califano says "to the people," Harris "to the cities"), this breakdown of HUD shows the debate to be a phony. While power-hungry Califano would certainly like Pat Harris's job under a new superagency incorporating both HUD and HEW, their policies are nearly identical.

HUD's Priorities

High on HUD's list of priorities is a mammoth "rehabilitation" program, through direct subsidies to...
tenants, otherwise known as “sweat equity.” In this arrangement, tenants slave, literally without pay, to rebuild the devastated ghetto buildings that they live in. One deliberate side effect of the plan is to cut out the Building Trades unions. Harris’s insistence on this program, with a $37.5 billion price tag, is undoubtedly linked to the 70 percent default rate on HUD mortgages in New York City, as recently reported by real estate industry sources. Similar situations exist in every older U.S. city. Ghetto tenants tied to their apartments like feudal serfs will presumably not risk defaulting.

A planned major focus of HUD policy is a plan designed to control the mortgage industry, forcing it to prop up the real estate and budget deficit bubble now plaguing the economy. Under the guise of fighting racial discrimination and “redlining,” savings and loan banks are targeted for heavy regulation and scrutiny, as well as numerous requirements forcing them to undertake a certain percentage of bad-risk mortgages. The basic workplans for this operation are being developed by the National Training and Information Center of Chicago, the Center for Community Change, the National Coalition Against Discrimination in Housing, and the Potomac Institute, as well as Ralph Nader’s Public Interest Research Group.

A final and formally integral feature of HUD’s proposed program is an “urban bank,” or Urbank, to finance this calculated devastation of the cities. Opposition from all sides, however, has already forced HUD to at least temporarily drop the plan, while HUD allies in the Senate begin discussions on letting the cities — first New York — go “officially” bankrupt.

Department of Labor

As Congress continues to debate the Humphrey-Hawkins jobs bill (which passed the House Subcommittee on Labor and is scheduled for floor debate Feb. 22), the Department of Labor is moving to refine its labor-intensive jobs policy. Among its main components is a strong emphasis on “solving” youth and black unemployment. Backed up by a series of doctored reports by the Congressional Budget Office, the late Hubert Humphrey’s Joint Economic Committee, and the Bureau of Labor Statistics, the Department of Labor recently stated that it would do more to “specifically target” government employment programs to youth and minorities.

A colloquium of corporate foundations and think-tanks, including the Rockefeller, Ford, and Field Foundations, the Manpower Research Demonstration Corporation, and the Vocational Foundation, have engaged in high level talks on these questions with Secretary Marshall and Robert Taggart, Deputy Secretary for Recruitment and Training. Out of these discussions have come the Administration’s decision to develop a policy of “public and private cooperation,” designed to attract more conservative business layers who are otherwise opposed to deficit spending and public works jobs.

In Carter’s January budget message, he announced a new $400 million allocation for “public initiative for private sector employment.” So far, even the most industrially minded national media and public spokesmen have endorsed the plan. While the Department of Labor and Stu Eizenstat publicly insist that the plan is not worked out, government sources report privately that the types of jobs being discussed are emphatically not industrial spots. Instead, jobs planned include dustrially minded national media and public spokesmen have endorsed the plan. While the Department of Labor and Stu Eizenstat publicly insist that the plan is not worked out, government sources report privately that the types of jobs being discussed are emphatically not industrial spots. Instead, jobs planned include

The Devil’s Dictionary
Being a Glossary of Current Terms on Urban Policy

In order to make it easier for our readers to decipher most press accounts of the continuing Administration “debate” on urban policy, we provide here a glossary of terms currently in use.

Urban policy — A plan to bankrupt all U.S. cities, using New York City as a model. Being debated now is precisely what methods to use to arrive at the desired goal, how best to create myriads of cheap, unskilled labor while destroying trade unions, and how to cheaply finance the whole operation.

Targeting — A term commonly used in determining which groups or areas should be the victims for experimental or “model” programs. This idea is pushed by Eli Ginzberg, labor productivity and manpower expert, and his protégé in the Administration, Labor Secretary Ray Marshall, who does not want to be accused of throwing away a lot of money for programs which don’t work, as the OEO and other Kennedy-Johnson programs are said to have done. Right now, the Department of Labor wants to “target” 16-20 year olds with slave labor programs, while HUD wants to “target” money to “distressed cities,” “neighborhoods,” and “communities” (see glossary for definitions).

Distressed cities — These are cities with every reason to be distressed, having no services, higher tax rates, and vast unemployment.

Public-private cooperation — A slightly revised term from the 1930s, meaning corporatism, i.e., fascism. Playing on the profile of conservative disdain for public works or “the dole,” this is a soft-line method of achieving labor-intensive employment goals through government-sponsored “incentives to business.”
Minimum Wage Debate

A prime concern of Marshall and the reports cited above is the ruse that the current minimum wage level decreases the likelihood that employers will hire youth. The Congressional Budget Office, headed by Brookings Institution associate Alice Rivlin, goes so far as to advocate the elimination of the minimum wage, or the establishment of a separate minimum wage for youth.

The DOL, under the guidance of manpower planner Eli Ginzburg, also plans to introduce a shorter work week, "job sharing," and the creation of more "part-time" jobs for youth and women, at the expense of older workers and men holding full-time positions. Ginzburg is also currently employed by the U.S. Congress to study modifications in the methods used by the Bureau of Labor Statistics, concentrating on dropping seekers of part-time jobs from unemployment statistics, and thereby superficially lowering the unemployment rate.

The Administration's Welfare-Workfare Package

The issues at stake in the Administration's welfare package are integrally tied to its labor policy. The Carter welfare-workfare bill, introduced by Sen. Daniel Moynihan (D-N.Y.) in the Senate and Democratic Rep. James Corman in the House, is a disaster designed not only to wipe out America's labor unions, but to formally create a labor pool of desperate welfare recipients required to accept any job at minimum wage (a feature now accepted by the House Subcommittee on Labor). Labor Secretary Marshall has undertaken the task of sucking "Sunbelt" conservatives into being the prime sponsors of this bill, which is totally alien to their, and the nation's interests.

Washington Week

"He Don't Get No Respect"

At the nomination hearing of William Webster, newly nominated director of the FBI, conservative GOP Sen. Orrin Hatch of Utah was praising Webster for his supportive comments of J. Edgar Hoover. Said Hatch, "Your support of Director Hoover was gratifying to hear. Hoover has been the target of a campaign of vilification by the soft-heads and nitpickers in our society. We have too many soft-heads and nitpickers, especially, here in Washington, and even on this committee. What do you think, Jim (Abourezk)?

Abourezk: You're not implying that there are softheads on this committee?

Hatch: I think I am.

Abourezk: You're not going to name any names, are you?!!

Hatch: I respect you too much, Jim, to mention any names.

"I Beg Your Pardon?"

A spokesman for one of the Assistant Secretaries at the Energy Department recently held forth on the following subject:

"I often feel that the soft areas have a greater application than is often thought. We are looking internally into the soft areas, because all of the external studies showed that there was nothing there."

"I Resent That Insinuendo"

At a recent White House press feeding, members of the fourth estate were clamoring to know when Attorney General Bell would resign over the Marston affair. Jody Powell replied: "I think that Bell handled himself better than other parties in this matter," (implying the press).

Press: Who do you mean, who? Who?

Powell: I'll leave that up to you.

Press: Why do you make innuendos that you can't back up?

Powell: Judging from how this story has been played in the press recently, I thought that was how things are supposed to be done.