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GOVERNMENT

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HEARING
BEFORE THE
COMMITTEE ON BANKING AND CURRENCY
UNITED STATES SENATE
NINETY-FIRST CONGRESS

FIRST SESSION

ON

THE NOMINATIONS OF RICHARD C. VAN DUSEN TO BE UNDER SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; FLOYD H. HYDE, SAMUEL C. JACKSON, AND SAMUEL J. SIMMONS, TO BE ASSISTANT SECRETARIES; AND SHERMAN UNGER TO BE GENERAL COUNSEL

FEBRUARY 3, 1969

Printed for the use of the Committee on Banking and Currency

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WASHINGTON : 1969

HEARING

BEFORE THE

COMMITTEE ON BANKING AND CURRENCY

COMMITTEE ON BANKING AND CURRENCY

JOHN SPARKMAN, Alabama, *Chairman*

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(II)



NOMINATIONS OF RICHARD C. VAN DUSEN, FLOYD H. HYDE, SAMUEL C. JACKSON, SAMUEL J. SIMMONS, AND SHERMAN UNGER

MONDAY, FEBRUARY 3, 1969

U.S. SENATE,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C.

The committee met at 10:35 a.m., in room 5302, New Senate Office Building, Senator John Sparkman (chairman of the committee) presiding.

Present: Senators Sparkman, Proxmire, McIntyre, Hughes, Cranston, Bennett, Brooke, and Packwood.

Also present: Senator Dole.

The CHAIRMAN. Let the committee come to order, please.

The purpose of the meeting this morning is to consider the nominations of five appointees to the Department of Housing and Urban Development.

We have Mr. Richard C. Van Dusen, of Detroit, Mich., as the Under Secretary.

We have Mr. Samuel C. Jackson, of Washington, D.C., as Assistant Secretary for Metropolitan Development.

We have Mr. Sherman Unger, of Cincinnati, Ohio, as General Counsel.

We have Mr. Floyd H. Hyde, mayor of Fresno, Calif., as Assistant Secretary for Model Cities and Governmental Relations.

We have Mr. Samuel J. Simmons, of Michigan, as Assistant Secretary for Equal Opportunity.

We are very glad to have these gentlemen with us. I believe we have three other places to fill in the Department with appointees that will have to be considered by this committee and confirmed by the Senate. Is that not right?

Mr. VAN DUSEN. That is correct, Senator.

The CHAIRMAN. Assistant Secretary for Mortgage Credit and Federal Housing. Assistant Secretary for Renewal and Housing Assistance. And then one Assistant Secretary in the field of technology and research.

Could you give us any idea as to when we may expect those?

Mr. VAN DUSEN. Senator—

The CHAIRMAN. The committee schedule is beginning to fill up and we would like to know when would be a good time to schedule hearings for the other appointees.

Mr. VAN DUSEN. Well, Senator, the Secretary is proceeding as rapidly as he can to fill these important spots. I would say the two

particularly key positions which remain unfilled at this point are Assistant Secretary of Mortgage Credit, who is also the FHA Commissioner, and the Assistant Secretary for Urban Renewal and Housing Assistance.

Then there is a third Assistant Secretary, newly created by the 1968 act, whose portfolio is undetermined by the statute, but he is likely to function in the area of technology and research.

The Secretary is actively interviewing men for all of these positions, and I can't tell you at this point just how soon we're going to be able to fill them. But he is giving it—

The CHAIRMAN. Would you pull that microphone up to you a little closer?

Mr. VAN DUSEN. Yes, sir. The Secretary is giving priority attention to these matters.

Now, the Assistant Secretary for Administration is currently Mr. Ink, and, as you know, that position is in a different category than the others. Mr. Ink is staying on for the time being, though the ultimate occupant of the position has not been determined.

The CHAIRMAN. What about the one for FNMA and GNMA?

Mr. VAN DUSEN. The President of FNMA, Mr. Chairman, is chosen by the FNMA Board. Mr. Lapin is the President of the FNMA, and while there is—

The CHAIRMAN. Does he still have to be confirmed? Maybe that is something that is not settled yet.

Mr. VAN DUSEN. I simply cannot give you a categorical answer on that. The President of GNMA—

The CHAIRMAN. Maybe your General Counsel can tell us.

Mr. VAN DUSEN. Mr. Unger may perhaps know. The President of GNMA does not as I understand require Senate confirmation.

Mr. UNGER. As I understand it, the President of FNMA was confirmed for a specific period of years, through 1970, and I believe that he proposes to stay in that position.

The CHAIRMAN. Fine. That is Mr. Lapin?

Mr. UNGER. That is right, sir. The President of GNMA as I understand it is not a Presidential appointee but is an appointee of the Secretary.

The CHAIRMAN. Thank you very much.

Now, we are very glad to have you gentlemen. If there is not any general statement by anyone, we can proceed with the questioning.

Senator BENNETT. Mr. Chairman, I would like to make a couple of statements. Senator Percy expressed his disappointment at not being here. He is weather-bound in Chicago, a thing that probably never has happened before. [Laughter.]

The CHAIRMAN. I have been grounded there also.

Senator BENNETT. So have I.

Mr. Chairman, these five gentlemen have given to me, each of them, an envelope containing a statement of their financial affairs, which in accordance with the rule of the committee is submitted for your handling.

The CHAIRMAN. You understand that these statements are available for members of the committee to examine here in the committee room. I would like the staff to understand that. They are not to be taken away

from here to be examined, but any member of this committee who wants to examine any one of them can do it here in the room.

Then they will be sealed and placed in our confidential files and kept confidential.

Go ahead.

Senator BENNETT. When you are through.

The CHAIRMAN. No, I was going to start asking some questions.

Senator BENNETT. I was going to say I also have had delivered to me a telegram from Senator Pearson who said he would have liked to have been here to introduce Mr. Sam Jackson of Topeka, Kans., who has his strongest endorsement, but unfortunately he too is away from Washington. And I ask that this telegram be included in the record at this point.

The CHAIRMAN. Without objection, so ordered.

(The telegram of Senator Pearson follows:)

FEBRUARY 1, 1969.

Hon. WALLACE F. BENNETT,
U.S. Senate,
Washington, D.C.:

Only the fact that I will be out of the country prevents me from introducing my friend, Mr. Sam Jackson, of Topeka, Kans., to the members of the Banking and Currency Committee when you consider his nomination as assistant secretary for Metropolitan Development.

This nomination has my strongest endorsement. I have known and respected Mr. Jackson for many years. I know he will execute the duties of his office with distinction and will be a credit to the administration and to the Nation.

JAMES B. PEARSON,
U.S. Senator.

Senator BENNETT. Senator Tower has also asked me to express his regret that he cannot be present. He is out of the country and made the arrangements to leave the country before he knew that the hearings would be held.

The CHAIRMAN. Before we continue I would like, without objection, to include in the record at this point a letter from Senator Saxbe.

(The letter follows:)

U.S. SENATE,
COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES,
Washington, D.C., February 3, 1969.

Hon. JOHN SPARKMAN,
U.S. Senator,
New Senate Office Building, Suite 3203,
Washington, D.C.

DEAR JOHN: This letter is to introduce Sherman Unger of Cincinnati, Ohio, whose appointment as General Counsel for Housing and Urban Development must be considered by your Committee.

I have known Mr. Unger for some time. Since 1963 he has been a partner in a prominent Cincinnati law firm of Frost and Jacobs. He originally joined that firm, in 1956. Mr. Unger is a member of the Cincinnati, Ohio and American Bar Associations and has been involved in many civic organizations in Cincinnati and Ohio.

I hope that Mr. Unger will receive favorable consideration from the Banking and Currency Committee.

Very truly yours,

WILLIAM B. SAXBE,
U.S. Senator.

The CHAIRMAN. Gentlemen, I think any questions propounded may be propounded to the panel as a whole without taking them up one at a time.

Mr. Van Dusen, we will regard you as the moderator. But if at any time any question is asked and someone else wants to comment on it, just let your wishes be known, because we will be glad to hear from all of you.

But when you do speak, be sure that the microphone is near you and up close so that those in the back of the room may be able to hear.

I will ask each one of you this. And you have filed your statement. Do you in your opinion have any holdings or any interests that may be a conflict of interest in the position to which you are being appointed?

STATEMENTS OF RICHARD C. VAN DUSEN, FLOYD H. HYDE, SAMUEL C. JACKSON, SAMUEL J. SIMMONS, AND SHERMAN UNGER, NOMINEES

Mr. VAN DUSEN. My answer to that, Mr. Chairman and members of the committee, is no. I am still a member of my law firm but, as I have indicated in the financial statement, I intend to resign if confirmed by this committee. And I have also made the same arrangements with respect to any boards of directors on which I served which might have any possible conflict. So the answer is no.

The CHAIRMAN. Mr. Van Dusen, I may say that when I came to the Congress the first of January 1937, I resigned from my law firm, and I haven't had any other job since that time.

All right.

Mr. JACKSON. Senator, I have filed a financial statement. I have indicated in there the arrangements that I have made to dispose of a few shares of stock that I held in a mortgage company, and that will have been disposed of—

The CHAIRMAN. Wait. I couldn't quite hear. Disposed of a few shares of stock?

Mr. JACKSON. That I hold in a mortgage company. And the sale of the stock will have been completed within a matter of a few days.

The CHAIRMAN. Very good.

Mr. HYDE. Mr. Senator, fellow Senators and members of the committee, I have no conflict of interest in anything other than the possible indication that Mr. Van Dusen also—I started the process of terminating my law partnership January 15, and that will be carried out in just a—it's a matter of accounting now and handling the details of that.

The CHAIRMAN. Very well.

Now, for the benefit of the record, I identified Mr. Van Dusen. Next is Mr. Jackson. Next is Mr. Hyde

And now we go over to Mr. Simmons.

Mr. SIMMONS. That is correct.

The CHAIRMAN. Very well.

Mr. SIMMONS. I have no financial investments which would conflict with the performance of my duties.

The CHAIRMAN. And any interest in any—

Mr. SIMMONS. And no interest.

The CHAIRMAN. Very well.

Mr. UNGER. Senator, members—

The CHAIRMAN. Mr. Unger.

Mr. UNGER. Senator, members of the committee, I have no financial interests or investments that are in any way a conflict. I have submitted my resignation to my law firm and from all boards of directors upon which I serve, contingent upon confirmation.

The CHAIRMAN. Now, let me ask the group this: Have you gone over your financial statements with counsel either in HUD or with the administration? I understand they have an arrangement at the White House whereby clearance can be given. Have you cleared with the counsel?

Mr. VAN DUSEN. Mr. Chairman, my financial statement was submitted to Mr. Ehrlichman, counsel to the President, about 2 weeks ago. While I have had no advice from him since, I have simply assumed that that constituted clearance, because my nomination was sent up a week thereafter.

The CHAIRMAN. What about you, Mr. Jackson?

Mr. JACKSON. I have submitted my financial statement to Mr. Ehrlichman at the White House, also. I have not had any discussion with him in regard to it, but I would imagine that since I have not been contacted in regard to it they did not see any problem with it.

I indicated to them, to Mr. Ehrlichman, that I would be disposing of the few shares of stock I own in the mortgage company.

The CHAIRMAN. The one you referred to is the White House counsel?

Mr. JACKSON. Yes; White House counsel.

Mr. HYDE. I will be submitting my statement to the White House counsel as of today. It will be hand delivered today, Mr. Chairman.

The CHAIRMAN. All right, Mr. Hyde.

Mr. Simmons?

Mr. SIMMONS. I have submitted my financial statement to the White House as well, but the extent of my involvement in financial matters or interests in the housing field would be restricted to two mortgages that I have, so it wouldn't be that significant.

The CHAIRMAN. Mr. Unger?

Mr. UNGER. I have discussed in detail my financial arrangements with Mr. Ehrlichman's office.

The CHAIRMAN. You what?

Mr. UNGER. I have discussed in detail with them.

The CHAIRMAN. Very well. Thank you, gentlemen.

We have your respective biographical sketches, and they will be placed in the record at this point.

Senator BENNETT. Mr. Chairman—

The CHAIRMAN. Yes?

Senator BENNETT. I understand Mr. Jackson has submitted a modified statement of which I have a copy, and I would suggest the modified statement be placed in the record in place of the one submitted earlier.

Mr. JACKSON. It would be correct, Senator, to refer to it as a supplement to the previous biographical sketch.

Senator BENNETT. You want both of them in the record?

Mr. JACKSON. Yes; I think both should be.

The CHAIRMAN. One supplemental to the other?

Mr. JACKSON. Yes.

The CHAIRMAN. Very well. That will be done.

(The biographical sketches of the nominees follow:)

BIOGRAPHICAL SKETCH OF RICHARD C. VAN DUSEN

Richard C. Van Dusen, 43, is a Detroit attorney and makes his home in Birmingham, Michigan.

Born in Jackson, Michigan, July 18, 1925, Van Dusen prepared for college at Deerfield Academy in Massachusetts, was graduated cum laude from the University of Minnesota in 1945 and received his degree from Harvard Law School in 1949.

Except for a year spent as legal advisor to Governor Romney, Van Dusen has been associated with the law firm of Dickinson, Wright, McKean & Cudlip since 1949. He became a partner in 1958.

He served in the Michigan House of Representatives 1954-56 and in 1956 was the Republican nominee for attorney general of Michigan.

Van Dusen's political association with HUD Secretary George Romney began in 1961, when both were elected delegates to the Michigan Constitutional Convention. Van Dusen was chairman of the Convention Rules Committee.

Active in Michigan Republican Party circles, Van Dusen has been a precinct delegate, city chairman and national convention delegate. He was vice chairman of the Michigan Nixon Volunteers in 1960.

Van Dusen is a director of the Detroit Bar Association, the Automobile Club of Michigan and Boys Republic. He also is chairman of the board of the Kingswood School Cranbrook and a trustee of the Cranbrook School.

He served in the Navy from July 1, 1943, to June 1946 and was released from active duty as an ensign.

Van Dusen is married to the former Barbara Congdon of Duluth, Minnesota. They have three daughters, Amanda, 16, Lisa, 14, and Katy, 11.

BIOGRAPHICAL SKETCH OF FLOYD H. HYDE

Mayor Floyd H. Hyde, 47 has been chief executive of Fresno, California since 1965.

Fresno was selected in 1968 as an All American City, principally because of progress made in the area of what Mayor Hyde terms "human renewal."

Hyde is vice president of the National League of Cities, a member of the national advisory board of the U.S. Conference of Mayors and a member of the national committee on local coalition of the Urban Coalition.

Prior to World War II service in the Marine Corps, Hyde attended Fresno State College. After discharge from the service he was graduated from the Law School of the University of Southern California.

Although a lawyer by profession, Hyde studied art as an undergraduate and continues an active interest in painting. Many of his works have been exhibited.

During his administration, Hyde has given emphasis to the physical redevelopment of Fresno, but his foremost goal has been to develop "this nation's greatest natural resources, its people."

Hyde is married and has three children.

BIOGRAPHICAL SKETCH OF SAMUEL C. JACKSON

Samuel C. Jackson, 39, of Washington, D.C., is vice president of the American Arbitration Association and director of its Center for Dispute Settlement.

The Center for Dispute Settlement, headquartered in Washington, was established last July for the purpose of placing dispute settlement techniques of arbitration, mediation and fact-finding in the hands of neighborhood leaders to resolve community grievances.

Prior to assuming duties with the association and its center, Jackson was a member of Equal Employment Opportunity Commission. He was one of the five original Presidential appointees to the commission in 1965.

Jackson developed conciliation procedures for the commission and has extensive experience in conflict resolution in a wide variety of forums. He recently served as a mediator of community disputes in the Bedford-Stuyvesant area of Brooklyn.

Born in Topeka, Kansas, May 8, 1929, Jackson attended Kansas public schools and was graduated in 1951 from Washburn University. He received his law degree in 1964 from Washburn School of Law.

Prior to appointment to the Equal Opportunity Commission in 1965, Jackson served in a variety of positions with the National Association for the Advancement of Colored People. He was president of the Topeka NAACP branch, is a former national NAACP director and was a member of the NAACP national legal committee.

He also has practiced law in Topeka and is a former deputy general counsel of the Kansas Department of Welfare. He has lectured at several colleges. Jackson is married and has two children.

SUPPLEMENTAL BIOGRAPHICAL INFORMATION—SAMUEL C. JACKSON

As Director of the Center for Dispute Settlement, Mr. Jackson has participated as mediator, arbitrator or conciliator in disputes involving Model Cities programs, high school and college student confrontations, landlord-tenant conflicts and efforts of Government contractors to meet their obligations to extend equal housing opportunities to its employees pursuant to Federal Executive Orders. He has designed a neighborhood mediation service to be located in Model Cities neighborhoods in Baltimore, Philadelphia and Springfield, Massachusetts, and has proposals pending in Washington, D.C., Detroit and Cleveland. The purpose of these Centers is to provide machinery for the resolution of conflicts that arise as a result of the operation of Model Cities and those disputes that have an impact upon the implementation of Model Cities plans. He has consulted with the Assistant Secretary for Model Cities in regard to resolution of Model Cities conflicts.

Mr. Jackson has also served with the National Committee Against Discrimination in Housing. He directed the Housing and Urban Renewal Committees for the NAACP's Topeka Branch in Kansas and the NAACP Kansas State Conference of Branches for a ten-state region in the Midwest. He assisted in the drafting of housing legislation for several cities in the state of Kansas and in the ten-state Midwest region of the NAACP.

He participated in the establishment of relocation programs for the Topeka Urban Renewal Administration and the Topeka Public Housing Administration. He has represented communities seeking water and sewer loans under the Public Facility Loan Program operated by the Department of Housing and Urban Development.

He has lectured at several colleges and before trade associations regarding fair housing and the relationship of housing to employment opportunities.

BIOGRAPHICAL SKETCH OF SAMUEL J. SIMMONS

Samuel J. Simmons, 41, director of the Field Services Division of the U.S. Commission on Civil Rights, came to Washington six years ago from his native Michigan where he had broad experience in labor and social relations.

From February 1962 to February 1964 he was a member of the Board of Appeals and Review for the U.S. Post Office Department. For the past four years Simmons has held his present post with the U.S. Commission on Civil Rights.

Simmons was born April 13, 1927 in Flint, Michigan. He attended rural schools in Genessee county and high school in Otisville and Millington. He was graduated from Western Michigan University in 1949.

He attended the University of Michigan's Detroit School of Social Work for a year, and has completed all requirements except a thesis for a master's degree in public administration from Wayne State University.

Simmons, a former field representative and regional director for the Fair Employment Practices Commission in Detroit, was executive secretary to the Michigan Labor Mediation Board for three years prior to coming to Washington.

From 1959 to 1960 he was secretary-treasurer of the Association of State Labor Relations Agencies and from 1960 to 1961 was chairman of the Committee on Uniform Activity Reporting for the Association of State Mediation Agencies.

Long active in work of the NAACP, he served nine years as a board member of the Detroit branch and twice was vice president of the Michigan State Conference of NAACP Branches.

Community affiliations in Washington have included membership in Neighbors, Incorporated.

Simmons is married to the former Barbara Lett of Battle Creek. They have two sons and reside at 7244 15th Place, N.W., Washington, D.C.

BIOGRAPHICAL SKETCH OF SHERMAN UNGER

Sherman Unger, 41, of Cincinnati, is a long-time political associate of President Nixon and was the key coordinator in briefing the Republican Presidential and Vice Presidential candidates during the 1968 campaign.

An attorney, Unger has been a partner since 1963 in the Cincinnati law firm of Frost & Jacobs. He joined the firm in 1956 and has specialized in corporate trial law.

Unger was born October 21, 1927 and was educated in Harrison, Ohio public schools. He received an A.B. degree in public administration from Miami University at Oxford, Ohio in 1950, and received a juris doctor degree from Cincinnati College of Law in 1953.

He is a member of the Cincinnati, Ohio and American Bar Associations and the World Peace Through Law Foundation. Unger also is a member of the American Bar Association Section on Antitrust Law.

Unger is a director of the Queen City Association, the Planning Committee of the World Peace Through Law Center, Cincinnati Packaging Service, Inc., Cincinnati Premium Packaging, Inc., chairman of Modern Media, Inc., and chairman of Modern Talking Picture Service, Inc. Since 1965 Unger has been the public representative on the Ohio State Water and Sewer Rotary Commission.

A precinct captain in Ohio 1957-65, Unger is a former president of the Hamilton County Young Republican Club and has been a member of the Hamilton County Republican executive committee since 1959.

In 1960 Unger was an advance man for then Vice President Nixon's Presidential campaign and in 1961 he accompanied him on a nationwide speaking tour. He was a special assistant to the Republican national chairman in the 1964 Presidential campaign.

Unger served in the Army as an enlisted man 1946-47 and in the Air Force as a first lieutenant 1953-56.

He is married to the former Polly Van Buren Taylor. The Ungers have two children, Cathleen Estelle, 13, and Peter, 11.

Senator DOLE. Mr. Chairman, I would like to say I am proud to know that Sam Jackson is a Kansan and would like to add my endorsement here, and I will do that for the record.

The CHAIRMAN. Sorry, I didn't know you had come in. We are very glad to have you here and very glad to have your recommendation.

(The statement of Senator Dole follows:)

STATEMENT OF ROBERT DOLE, U.S. SENATOR FROM THE STATE OF KANSAS

Mr. Chairman, I am pleased to be present as members of this distinguished committee review the qualifications of nominees for positions of importance in the Department of Housing and Urban Development. I am well acquainted with two of the five men before the committee this morning, Sherman Unger of Cincinnati, Ohio and Samuel C. Jackson, a fellow Kansan.

I can certainly recommend these two men without qualification. As Mr. Jackson's biographical sketch indicates, he has been active in governmental and community affairs for many years. His experience in Kansas and his most recent experience as a member of the Equal Employment Opportunity Commission will be helpful in his new position as Assistant Secretary for Metropolitan Development. Mr. Jackson recognizes the burdens and responsibilities of this position, but I am convinced as are other Kansans that he has the energy and the capability needed to cope with them.

In brief, I support his confirmation by this committee.

The CHAIRMAN. Now I shall ask a very few questions. I have had the pleasure of talking with these gentlemen, all except Mr. Hyde and Mr. Unger, I believe. At least I have talked to a majority of them.

Mr. UNGER. Senator, I believe I was in the group.

The CHAIRMAN. What is that?

Mr. UNGER. I believe I was there. I was in the group that met with you last week.

Mr. JACKSON. I'm the other one.

The CHAIRMAN. Oh, I'm sorry. Mr. Unger was with the group. Mr. Jackson was not. We are very glad to have all of you. I am pleased to see these places filled, because, as I have said to those who did come by, I regard the great task of the Housing and Urban Development Department this year to be the implementation, including funding, of the tremendous programs that we put on the statute books last year. I think that is a big job, and, of course, you can't do it unless you have the people who will head up the divisions and furnish the leadership.

So I am delighted to see these places filled.

I will put this question to all of you: Do you subscribe to the philosophy of the housing policy which was written into the law in 1949 and has since been reaffirmed in subsequent laws? Have you read that? Have all of you read it?

Mr. VAN DUSEN. Yes.

Mr. JACKSON. Yes.

Mr. HYDE. Yes.

Mr. SIMMONS. Yes.

Mr. UNGER. Yes.

The CHAIRMAN. 1949. And it's still the law. Do you subscribe to it?

Mr. VAN DUSEN. Yes, Senator. I assume you are referring to the statement of the objective of the housing policy of the United States being a decent home and suitable living environment for every American family.

The CHAIRMAN. I think that is the climax, but there is a whole lot more in that statement of policy.

Mr. VAN DUSEN. Yes.

The CHAIRMAN. I want you to read it in its entirety. I frankly don't believe it can be improved upon. That was written into the law in 1949, and I consider it the basic law for an adequate housing program. Certainly I think that the high point is the one that you have reference to that there ought to be an opportunity for every American family to have decent, safe, and sanitary housing in good surroundings, and I think that is the heart of the national housing policy.

Is there any part of the program enacted into law in the 1968 Housing Act to which any one of you do not subscribe?

Mr. VAN DUSEN. Well, Senator, you are posing a mighty big question, as you well know, because that piece of legislation is formidable, indeed.

I can tell you that on the basis of several weeks of intensive effort to familiarize myself with it I have not yet found anything of a basic character to which I would not subscribe, but I certainly would not want to say at this point that I was as familiar with that statute as I expect to be or should be.

The CHAIRMAN. I can understand that. I remember the printed bill when it went to the President for signature into an act was 317 pages long. So it is a formidable piece of legislation.

You know, of course, generally what it seeks to do?

Mr. VAN DUSEN. Yes.

The CHAIRMAN. And I do hope that you gentlemen will be in a position to push for appropriations starting with the supplemental and going right through whenever it is needed in order to implement the program.

We included in that legislation a provision that, for each year, there should be set housing goals. Do you think that is a good provision?

Mr. VAN DUSEN. Yes, I think it is, Senator; and perhaps some of my colleagues might want to comment on it also. But certainly unless you set a target you don't have as clear an idea of where you're headed, and I think it's important that that be reviewed regularly and that the progress of the activity be measured against the goals which the agency has set.

The CHAIRMAN. Well, I believe the act calls for goals to be reviewed and reported each year, doesn't it?

Mr. VAN DUSEN. That is correct.

The CHAIRMAN. Now, we have goals that were set last year for this year and then for each year thereafter over a period of 10 years. I realize those goals are going to be hard to reach. But I think they ought to be retained as goals and we ought to do our best to reach them. And I must say I have been a little disappointed when a couple of times I have heard statements from the Department in interviews to the effect that the goals were unrealistic.

We have threshed it out here in Congress, and, of course, we know some of the difficulties that we are going to have in meeting those goals. I believe that we ought to aim at the goals and do our best to meet them and not downgrade them. Because what are goals for?

Mr. VAN DUSEN. Certainly, Senator, it's going to require a major effort to achieve these goals.

The CHAIRMAN. Certainly it is; but let's make the effort.

Mr. VAN DUSEN. The present level of production would bring us out far short of them, and, therefore, the level has to be rather dramatically increased. But certainly that is the basic objective of the incoming administration.

The CHAIRMAN. I believe it was Browning that said a man's reach should exceed his grasp, and what is a heaven for?

Mr. VAN DUSEN. Yes, sir.

The CHAIRMAN. I think that will apply to our work generally, don't you?

Mr. VAN DUSEN. That is an effective challenge to this Department.

The CHAIRMAN. I hope you keep it so.

Now, I want to ask a question here. I guess I ought to address it to the General Counsel. I wrote a letter the other day to the Department. I suppose that letter was to Phil Brownstein. I wrote a letter, and I think I addressed it to Phil Brownstein. It had to do with a project in Gadsden, Ala. The sponsor is the Holy Comforter Church, an Episcopal church. The project was approved but now a legal interpretation has been placed upon it that I think is contrary to the intent of Congress, and I cannot see how the interpretation was put on it.

Mr. Unger, will you look into that as soon as you are on the job?

Mr. UNGER. I certainly will. At the moment I haven't seen anything.

The CHAIRMAN. What is that?

Mr. UNGER. I certainly will, Senator. At the moment I don't have the advantage of having seen the opinion or the letter.

The CHAIRMAN. Well, I am not sure, but I believe the letter was addressed to Mr. Brownstein. I will check it and let you know. I think we ought to be careful about—no; they tell me I addressed it to the Secretary.

Mr. UNGER. I will be pleased to look into that.

The CHAIRMAN. Very well.

And while I say this concerns a project in Gadsden, it affects the program all across the country. It had already been approved ready to go when this legal interpretation came out which I think is absolutely contrary to the intent of Congress.

Senator Proxmire.

Senator PROXMIRE. Mr. Van Dusen, can you describe briefly the duties of the present five nominees?

Mr. VAN DUSEN. Yes, I believe so, Senator.

I think you're familiar with the basic responsibility of the Under Secretary, which is stated very simply in the U.S. Government Manual, which is to assist the Secretary in the performance of his duties and act as Secretary in his absence.

Now, as you know, Secretary Romney has indicated in his testimony before this committee that he does not function with a so-called chief of staff, and he likes to permit direct access to him on the part of his principal associates. So that I would expect the Under Secretary would be working very closely with the Secretary in matters of policy and in the coordination of the work of the Assistant Secretaries responsible for program.

General Counsel will also work closely with the Secretary, advising him on legal matters relating to the activities of the Department.

Mr. Jackson carries a dual portfolio. He will be the Assistant Secretary for Metropolitan Development, which has had in the prior organization of the Department the basic responsibility for community and regional planning and the responsibility for implementing such physical improvements of a regional character as water and sewer projects which affect more than one community, but in addition Mr. Jackson will act as general Assistant Secretary working with the Secretary on matters of overall departmental policy and concern.

Mayor Hyde has one of the most important responsibilities within the Department, in that he will head up the model cities program which as you know is just coming to a fairly critical stage of its development.

And Mr. Simmons will be Assistant Secretary for Equal Opportunity, which charges him with the responsibility for the implementation of the fair housing provisions of the recent civil rights legislation of 1968 and also with the activities within the Department's other programs bearing on the implementation of equal opportunity to employment, housing, and so on, as they are involved in the programs of this Department.

Senator PROXMIRE. Well, now, you have told me your duties and Mr. Hyde's duties. You say that the other gentleman's duties—will you just give me a little more detail on them, technically what they are?

Mr. VAN DUSEN. Well, I think Mr. Unger's responsibilities—the role of the general counsel speaks pretty much for itself unless you would like more elaboration.

Senator PROXMIRE. I understand he is responsible for legislation as well as legal services? Is that right?

Mr. UNGER. That is right, Senator. I serve the function—

Senator PROXMIRE. You would be working and drafting legislation for the Secretary to recommend to the Congress?

Mr. UNGER. That is correct. And I would be functioning as the Department lawyer for whatever legal questions that may come up through any of the programs or, of course, from the Secretary's office.

Senator PROXMIRE. And Mr. Simmons' duties would be under the Civil Rights Act of 1964?

Mr. SIMMONS. Civil Rights Act of 1964, of 1968, as well as under the Executive orders relating to equal opportunity.

Senator PROXMIRE. Well, Mr. Van Dusen, I am sure that all of these nominees are competent and able individuals, but I am somewhat concerned over the lack of professional experience in the fields of housing and urban development indicated in the résumé.

As you know, the previous top management team in HUD consisted of Dr. Weaver, Dr. Wood, Mr. Taylor, Mr. Haar. All of them had extensive professional backgrounds in housing and urban affairs. Taken as a group, the present nominees don't seem to match in expertise or professional experience that previous background.

I wonder if this is a deliberate policy of the administration or will the remaining three secretaries be men who are chosen with more emphasis on technical background and professional experience?

Mr. VAN DUSEN. Senator, if I might respond to that in two ways, the men who have program responsibility who are before you today are men with extensive experience in their fields.

Mayor Hyde is the mayor of Fresno, Calif. His responsibility is the model cities program. And I would be delighted to have him respond on the matter of his experience in that.

Senator PROXMIRE. I certainly don't mean to imply in my questions at all that these men aren't competent and able and I hope they will do a good job. But Mayor Hyde—I would like him to respond because I understand this isn't a full-time job as mayor. There is a city manager I understand. It is a part-time job. And I would like to know about your background in model cities.

Mr. HYDE. Yes, thank you, Senator Proxmire. The charter of the city of Fresno did establish the council-manager form of government, and, in theory, the position of mayor was to be a part-time job. The city council is proposing to the voters a charter amendment to make it full time, for the simple reason that in the 4 years I have served, I have served full time in that capacity. And when I say "full time," I mean 16 hours a day, 7 days a week. It has to be a full-time job if there is to be effective political leadership.

I might say in connection with the model cities program that Fresno was one of the first round of cities selected. I had a close relationship in structuring and working with the community, neighborhood council, and the city staff to make sure that our program was sound. I made many visits to Mr. Taylor's office.

In fact, Mr. Taylor, my predecessor, and I have appeared on platforms together on at least two occasions, and perhaps more, in which we discussed the model cities program from our respective viewpoints.

So I would say my experience with it has been anything but part time, if that answers your question, sir.

Senator PROXMIRE. In addition to model cities, I understand that you will be responsible for city planning and urban studies, defense planning, and neighborhood central pilot program.

Mr. HYDE. Yes, sir. That is legally correct.

Senator PROXMIRE. You have experience with all those in your capacity as mayor?

Mr. HYDE. I would say certainly not at the level of the Federal staffing and administration at this point; but certainly yes from the standpoint of what I think is a very critical need in the Department at this time. That is, it is important to know the viewpoint of the city and what cities need to bring together the many resources which I think, as the chairman has pointed out, have been put at our disposal, particularly in the 1968 act, but which I believe have not yet been put together in an effective delivery system at the local level.

And I have struggled through these many aspects, including neighborhood centers under the regular renewal assistance program. In fact, I have played a large part in the development of that portion of the 1968 act dealing with the neighborhood development program. This program was developed during my close association with one of the present staff people in the renewal assistance office who was then my local urban renewal director; and this concept arose from our many discussions of how to better produce a delivery system to assist communities.

So that I would say my experience includes exposure to these various programs, and I think I have something I can contribute.

Senator PROXMIRE. Mr. Jackson, you and Mr. Simmons seem to be both very well qualified for Mr. Simmons' job. You both have fine experience in the area of equal employment opportunities, and so forth. But your job as I understand it is the most imposing in terms of the specific program—urban planning grants, areawide development grants, public works planning advances, openspace land grants, water and sewer grants, advance land acquisition program, urban transportation, public facility loans, urban information and technical assistance, new communities, community development and training program.

Have you had experience in these areas?

Mr. JACKSON. I have experience in several of those areas, Senator. I have filed an additional statement, supplement to my background statement, that will spell out for you several of the experiences that I have had.

I have had experience, for instance, in the development of new towns in the process of representing clients and processing requests for assistance under the Community Facilities Act and the public facilities loans program. I have had intensive experience with model cities and planning. I think, however, the real experience that perhaps the Secretary was looking when he asked me to accept this responsibility was in understanding how we could improve upon the community's reaction and relation to the programs the Federal Government has, improving the delivery system, assisting the communities in improving their capability to use these Federal programs in a way that would benefit them and improve their quality.

Senator PROXMIRE. This is fine, but, I do feel, in the water and sewer grants and urban transportation, both of which are enormously expensive programs, as you know—

Mr. JACKSON. I have considerable experience in water and sewer grants.

Senator PROXMIRE. What specifically?

Mr. JACKSON. I prepared and submitted the third loan that the Department processed as far back as 1962 under their program. I think you will find it was for Grandview, Kans. That was a project where I represented the community, established a new town there, and processed the request for financial assistance. And I worked for some 3 years with the Community Facilities Administration in the development of water and sewer loans for that community.

Senator PROXMIRE. Well, it's reassuring that you have had some experience, because it doesn't show up in your résumé.

Mr. JACKSON. That's why I filed the supplemental résumé.

Senator PROXMIRE. I haven't seen that.

Mr. JACKSON. The initial one was filed as the kind used primarily for speaking engagements. I filed the supplement to supply the committee with that kind of information.

Senator PROXMIRE. Now, Mr. Van Dusen, you're a man who has a very impressive background. You graduated cum laude from the University of Minnesota. You have a Harvard Law degree. You are a man who is in a very substantial and well known law firm in Michigan. But your principal substantive experience outside of law seems to be Republican politics.

I see you were active in the Michigan Republican Party circles, a precinct delegate, city chairman, national convention delegate, vice chairman of the Michigan Nixon Volunteers, all of which I think is useful, as one who has done most of my adult work in this kind of an area, but I just wonder again whether or not you have had the kind of specific housing experience that would be helpful.

Doesn't this emphasize again the importance of securing people for these remaining three positions who have real professional experience and background?

Mr. VAN DUSEN. Senator, there is no question but that my background has not emphasized the housing field or the urban development field. I am a lawyer who has had a good deal of experience in government at the State and some extent the local level.

It does indeed emphasize the importance of the experience of those who will be called upon to carry out program responsibility.

I think as Mayor Hyde has indicated he has the experience in the model cities field which is going to be important. Mr. Jackson I am glad was able to elaborate his experience in the field to which he is being assigned. Obviously, we do need topnotch people with experience in the housing field to take on the FHA responsibility, people who know the public housing field to take on—and the urban redevelopment field—to take on that responsibility, and so on.

My role as Under Secretary is one which perhaps does not demand quite as much familiarity with the specific programs but, hopefully, is one which calls upon some talent for the management of men who have a great deal more experience in the area.

Senator PROXMIRE. I want to leave this subject, but I do want to just spend a minute with Mr. Unger on it, because, Mr. Unger, you do have a most impressive general background. You are obviously a man of outstanding ability. But, again, in listing your technical qualifications here, your qualifications, I see precinct captain, former president of the Hamilton County Young Republican Club, a member of Hamilton County Republican Executive Committee since 1959, advance man for Vice President Nixon's presidential campaign in 1961, accompanied him on a nationwide speaking tour, special assistant to the Republican National Chairman in the 1964 presidential campaign.

Now, again, since you will be working on housing legislation, which as you know can be extremely technical and does involve a tremendous commitment and, I feel, is one of our two or three most important economic problems, again could you give me some assurance on your background that perhaps is missing from this brief résumé?

MR. UNGER. I would like to call the Senator's attention while I was doing that I have been at the Ohio bar practicing law in a large general corporate law firm for 16 years. My particular responsibility within that firm was primarily in a corporate litigation section, which caused me to move from one type of problem to another, legislative interpretation, contract interpretation.

I have been called on as special counsel to defend the metropolitan housing development people in Cincinnati and have defended them.

I have in my practice spent a great deal of time specializing in and understanding the multiple problems of a number of clients.

I think that again this situation calls upon me to understand specific legislation and problems, to interpret them, and to draft what is required of me. As counsel I am not to create legislation. As counsel it is my obligation to draft legislation as directed by the Secretary and administration in cooperation with the staff of this committee.

Senator PROXMIRE. I certainly would agree. Of course, as counsel, in the position you are, in your judgment I am sure you will develop convictions and strong feelings in these areas as well as professional competence that would be extremely useful in tempering some of the recommendations that come both from Congress and perhaps from your own agency.

I'd like to ask Mr. Van Dusen a question we pursued with Governor Romney, because I think it is so important. As you know, the urban renewal program has destroyed far more low-income housing than it has created. Far more. Several times more. The Kerner Commission and Secretary Romney, too, told us that the urban renewal program was a contributing factor to the Detroit riots in 1967.

What can HUD do to shift the emphasis in urban renewal toward providing more housing for low- and moderate-income families?

MR. VAN DUSEN. I think the implementation of the 1968 act, Senator, will go a long way in that direction. Obviously, this committee and the Congress as a whole have indicated that your intention legislatively is to see that the urban renewal process does not cut down on the supply of housing for low-income families but, instead, increases it and that the urban renewal process results in the construction of more housing for low- and moderate-income families in the areas which are cleaned up, both new housing and rehabilitated existing housing. This—

Senator PROXMIRE. You are stating that as a prospect for the future, certainly not as an historical statement on what has happened?

Mr. VAN DUSEN. No; I am indicating the 1968 statute says this is what the Department is to do.

Senator PROXMIRE. I see.

Mr. VAN DUSEN. And this is what we regard as our goal.

Senator PROXMIRE. Good. The reason I say that is it's not because of human maliciousness that this has happened. It has happened because mayors have a perfectly understandable desire to make their cities beautiful and have attractive luxury apartments and commercial office buildings and not housing for the poor.

Would it be possible do you think, Mr. Van Dusen, to have a conference of mayors or have mayors come together in some way—perhaps Mr. Hyde could help you implement this—to discuss pending urban renewal programs to see if such projects that are now in the pipeline can be recast to provide more housing for the poor?

I understand that at least half of the land in the pipeline projects is uncommitted now.

Mr. VAN DUSEN. Senator, I'm not sufficiently familiar with the projects in the pipeline to be able to comment on that portion of your statement. Certainly your suggestion for a review of those projects and a review of those projects with the mayors of the cities affected is a constructive one and is one which certainly we will pursue.

Senator PROXMIRE. I hope you will give it very careful consideration, because unless we do turn the mayors' attention in this direction, no matter how we draft that law and how we intended the law to go into effect, we may have the same old problem, because the pressures are so obviously coming from that direction.

Mr. VAN DUSEN. Yes, and because, as the Senator well knows, the initiative for these projects is local in character, particularly with respect to the public housing, but also with respect to publicly assisted housing.

Senator PROXMIRE. Mr. Hyde, do you see the new towns program as a significant way of easing the ghetto problems that we have? How can we insure that future new towns contain a reasonable percentage of housing for the poor?

Mr. HYDE. I think, Senator, you have touched upon something that is of great interest to me. As the chairman is aware, I have recently made a tour of approximately 1 month viewing some of the new town developments in Europe. Little did I know that I would be in this position today, because it was the farthest thing from my mind that I would be considered for a position here.

But let me say this: I think there is great potential for new towns development. However, I think it must be structured with extreme caution. It must be structured with extreme care so that we do not create new towns—and I have said this publicly, immediately upon my return—so that new towns are not simply created as another means of escape for the more affluent sectors of our society, to get a little further away from the problems of the core cities.

I think this is a danger. I think it is one that must be guarded against. And certainly I would not want to be a part of subsidizing this kind of an effort.

I think that the Federal Government has a role to play here, and I think it has a very important responsibility to see that any resources put in the direction of new towns take into account the existing social, economic, racial problems that we have in our existing cities.

Putting it another way, I have said that if we can't learn to live together in our existing cities with fair and equal opportunity and good life for all of our citizens, we are not going to learn it in a new town.

I think these things are of utmost importance in structuring it so that the philosophy of new towns does not, as I say, provide an escape, but rather, provides a good balance or good mix for a better life for those at all levels of our economic and social life.

Senator PROXMIRE. This is very reassuring. Would you apply this to Government guarantees as well as to loans and grants—this philosophy?

Mr. HYDE. Yes, sir. I think this philosophy has to go throughout.

Senator PROXMIRE. You know there is a tendency when you build new towns, as there is when you engage in urban renewal, to try to make it beautiful, attractive, appealing to the upper middle income, and so on, but leave the poor out.

And our hearings in the Joint Economic Committee have shown over and over again that the jobs are moving to the suburbs, and many people now are living in the inner cities, especially black people, and working outside and commuting back to the inner city.

It would seem to me anything we can do to provide housing opportunities outside of the central cities would help greatly in solving the problem.

Mr. HYDE. Yes, sir. I think that is a good approach to the problem. Just to respond further, I think Chairman Sparkman was able to see a partial aspect of this in new towns in the London area experience. By subsidy they have brought what we call more sophisticated industries to the new towns, which means that the workers brought from the central or the slum area of London are not the poor but those who have some skills and are a little higher level on the economic ladder.

This is a tragedy. They are doing there by subsidy what we have permitted to happen by accident here in our country. And I certainly hope that we don't perpetuate that kind of a mistake.

Senator PROXMIRE. Mr. Jackson—

The CHAIRMAN. May I interrupt right at that point?

Senator PROXMIRE. Yes.

The CHAIRMAN. Mayor, of course, I was impressed as I am sure you were with what they have done in Britain with the new towns. You went on to the other countries, too?

Mr. HYDE. Yes, sir.

The CHAIRMAN. I was just with you there in London. But one thing that was rather difficult for me to see through was how we were going to succeed in building new towns in this country, because the system in Britain is so entirely different from ours. And you pointed out some of it.

For instance, in the acquisition and assembly of land, they can just go out and take it. We have to depend on people being able to option and to buy it.

And I think that, as both you and Senator Proxmire indicated, the real success of new towns after they are established is going to depend upon our ability to induce industry of different types to move in there. As I recall in Britain they said that the arrangement was made for industry to locate there and they served as a pull for people to move to the new towns. They would rather come there and work than commute to London or to some other place.

Mr. HYDE. Yes, sir.

The CHAIRMAN. So there are some difficulties to overcome, aren't there?

Mr. HYDE. Yes, sir. I think the key factor here—at least as I saw it in the London experience and some of the other communities—is, as I mentioned, that they brought out by subsidy the sophisticated industries without an approach to take the poor and the underemployed and train them to go to those jobs. They left them behind.

When I asked the director of planning of the Greater London area about this, he said London itself can't stand one more new town. I think this illustrates what I said earlier. We must be very cautious.

You see, there is another dimension to this that concerns me, and that I think we must pay heed to. In the European experience, while you have the economic and social mix that they are trying to bring about, they do not have the problem of the racial mix that I think is very critical here. And we must face up to it and not ignore it.

And I pose the question in new town development: Who is to make the determination of what that racial or social mix is to be? And we have a lot to establish before we plunge, in my opinion, into new towns.

For example, is the black community now in major cities where they are beginning for the first time to have some meaningful political significance in numbers and in their programs—would they be willing to trade off that new experience to join a new town and become 10 percent, we'll say of the population of a new town with little political significance?

These are questions. I don't pretend to know the answers, but I certainly raise the questions and think we should be very, very keen to be certain that our efforts in this regard become solutions to the problems we are now living with and not a means of aggravating something.

Senator PROXMIRE. Could I ask Mr. Jackson along the same line, What do you think the role of HUD should be in encouraging more low- and moderate-income housing in the suburbs? How can HUD persuade the suburbs to make more use of federally assisted low-income housing programs?

Mr. JACKSON. Senator, it seems to me that we have got to create a balance in location of all the various low-cost housing. Certainly some of it should be in the suburbs. Some of it should be in new towns. And certainly a lot of it has to be in our inner cities.

I think what we will try to do is to see that the Housing and Urban Development Department has a balanced program that will assure any person that they can buy housing that they can afford any place in the Nation that they choose to live.

Senator PROXMIRE. Well, that is certainly our purpose, but we have a particular problem in continuing to concentrate our low- and moderate-income housing or public housing certainly in the cities, not in

the suburbs where the jobs are, where the space is, where you can get perhaps a better, more wholesome racial integration.

The notion of "gilding the ghetto" is something that concerns me. We can spend a tremendous fortune there and have it fail economically and have it still, of course, a ghetto.

Mr. JACKSON. Senator, I think it would be a mistake to develop any policy or any program that would say that the housing would be located in one area only. For instance, to say the only low-cost housing would be located in the suburbs or in new towns in my opinion would be a mistake. I think citizens should have a right to live in low-cost housing in the inner city if they choose to as well as in the suburbs and in new cities.

I really think what we will try to do is have a balanced program of low-cost housing available in all locations so the people have the option as to where they want to live.

Senator PROXMIRE. That's very reassuring provided by "balanced program" you mean you intend to press hard in areas where we have very bad imbalance.

Mr. JACKSON. That's right.

Senator PROXMIRE. The tendency has been to locate this low-cost housing in the areas where you have the concentration now. There is understandable resistance on the part of the suburbs. And I think that your agency can do a lot to help overcome that.

Mr. JACKSON. Well, the trouble is, Senator, there hasn't been very much low-cost housing built—period—and one of the things we have to do is step up the overall amount of low-cost housing.

Senator PROXMIRE. That's true.

I'd like to ask any of you gentlemen to answer this if you would. The report of the Douglas Commission has suggested that HUD's reporting method by concentrating on units constructed rather than people assisted in part contributes to bias in low-income housing. In an effort to show more construction, the problems of large families have been virtually ignored. I wonder how this emphasis can be shifted from a focus on bricks and mortar to a focus on people? Perhaps by better reporting methods.

Mr. VAN DUSEN. This is a very big question, as you know, Senator, and for us to try to give you a program answer to it this morning I think may be more than we are prepared to do, having had so little time to become familiar with our responsibilities.

Certainly one of the major problems in the agency is getting adequate command of the statistics of what has been done and what we are trying to do.

One of the things we have been looking at over the course of the last couple weeks as we have tried to familiarize ourselves with our responsibility is the system that exists for developing this kind of information. Whom are we helping and where are we helping them?

Senator PROXMIRE. I am very impressed by your Secretary, Mr. Romney. I think he is an outstanding man in every way, and he is "people oriented" if there ever was a man who is. And I hope this fine attitude of his can be translated to the statistics so we can sell the Congress and the public generally on this kind of thing, because we do tend to just give our results in units rather than in terms of people.

One more question, Mr. Van Dusen. One of the most serious administrative problems in HUD is the long processing time required for projects. It frequently takes 5 to 6 years to complete a public housing project. Just to complete the contract takes an average of 47 steps and I understand 300 days, according to the Douglas Commission. What thoughts and plans do you have on cutting down on this paperwork and redtape?

Mr. VAN DUSEN. Well, Senator, this once again is an area where we are just beginning to familiarize ourselves with the program. However, the neighborhood development program, under which, for example, the Shaw area and downtown areas in the District of Columbia are being assisted right now under a grant announced last week, does provide for the elimination of some of this delay by proceeding on an incremental basis. And I think you gentlemen have given the Department a very helpful statutory tool which should be useful in eliminating some of these delays.

Now, certainly the Romney administration can't claim too much credit for this, but we did last week process a \$29.7 million grant in 24 hours to get the Shaw area programs and the downtown areas here in the District of Columbia going. So we have a commitment to move as rapidly as we can and to eliminate this kind of delay.

We recognize that the delay is disheartening to local communities and results in kind of a dead hand of urban renewal being applied, and that solving these delays is critical to the success in the effort of the Department.

Senator PROXMIRE. I hope you will come up and tell us what we can do to change the law to streamline it. I think one of the best arguments you can get for change is it would cut out this delay. Seeing this land lie idle and the frustration you have in waiting year after year is one of the really serious problems.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Bennett.

Senator BENNETT. Mr. Chairman, I had the privilege of meeting these men before they came before the committee. I am very much impressed with their ability and their backgrounds. I am impressed by the fact that while they don't have any credentials as having served in official positions involving housing, most of the questions this morning asked them how they can improve the situation that these professionals created. So I think maybe it's a good thing to have men who are not committed or hidebound by experience in a failing program.

I am very happy that we have new men and new points of view in this particular situation.

Senator PROXMIRE. If the Senator would yield, I would agree that he scored a telling point. At the same time, I think there is always room for improvement, and even after the Romney administration I think that there will be questions involving how we can improve the program.

The CHAIRMAN. Senator Hughes.

Senator HUGHES. No questions.

The CHAIRMAN. Senator Brooke.

Senator BROOKE. Thank you, Mr. Chairman.

Let me say, Mr. Chairman, that while I think that the President chose wisely in choosing Governor Romney as the Secretary of HUD, I think Governor Romney has chosen wisely in the five nominees that we have before us this morning.

And frankly, Mr. Chairman, I am not as much disturbed as my distinguished colleague from Wisconsin about the training that many of the nominees have had in the Republican Party. I find that refreshing. And I am sure that it will serve them well in their duties.

I wish all five had similar experiences.

I am particularly pleased that the Under Secretary, Mr. Van Dusen, is a product of Massachusetts, having not only finished Harvard, but also finished Deerfield Academy, which is very close to my heart. I am sure he will do an exceptionally good job, as will the five.

Mayor, did you travel in Helsinki when you were in Europe?

Mr. HYDE. Yes, sir.

Senator BROOKE. Did you see how they had woven in the low-, moderate-, and high-income groups into the housing there in what I thought was a rather splendid development?

Mr. HYDE. Yes, sir. The Tapiola experience.

Senator BROOKE. Yes, Tapiola.

Mr. HYDE. Yes; this was quite well done—the mix of low income and moderate and rather expensive housing. Incidentally, those townhouses were around \$50,000 to \$60,000.

Senator BROOKE. Some were \$100,000.

Mr. HYDE. Yes. And yet they were well mixed, close relationship, in neighborhood-type areas with the low income. There is no reason why we can't do that here. In fact, I think we must.

Senator BROOKE. Side by side with low- and moderate-income housing.

Mr. HYDE. Yes, sir.

Senator BROOKE. Did you get there, Mr. Chairman? Did you see Tapiola in Helsinki?

The CHAIRMAN. No; I was only in England. I did not go to the Scandinavian countries.

Senator BROOKE. I thought that was particularly well done, and I talked with many of the people there, and they seemed to be getting along well. True, they don't have the racial mix that we would have in the United States. But the economic mix was working very well, I thought.

Mr. HYDE. Yes, sir, it was.

The CHAIRMAN. I may say, Senator Brooke, that I have previously visited the Scandinavian countries, but I was not there last year. My previous visits were on housing missions.

Senator BROOKE. Mr. Van Dusen, it has been my experience since being in the Senate and on this particular committee that FHA really has made some improvement but still didn't seem to be a part of HUD. Of course, it was an independent agency, as you will remember, some time ago, and I think it still feels that it must maintain its autonomy. This has been a factor that has disturbed me since I have been on this committee.

As I have said, I have seen some improvement there. I would hope that you and Mr. Romney and the Assistant Secretaries would be able to bring FHA under the umbrella of HUD and that you will

work together as a team so that the policies that have been enunciated by you in answer to questions propounded by Senator Proxmire will be also carried out by FHA. The whole philosophy that you discussed this morning, it appears to me, should run through the entire Department of HUD without any exclusion of FHA.

Do you have any thoughts on that?

Mr. VAN DUSEN. I would certainly agree, Senator, with the desirability of a greater integration of the Department. I think Secretary Weaver and Secretary Wood did a pretty good job considering that they started with a bundle of independent agencies and put them together.

I think we have perhaps even a greater opportunity because of the opportunity to introduce new people at the tops of these programs to try to further functionally integrate the total activity of the Department, and this certainly is one of our objectives.

Senator BROOKE. I think one of the prime criticisms has been that we have had so many independent agencies, and that is exactly how they have acted—independently of one another. And if we can have more coordination of programs, if we can bring them together, I would think you and Assistant Secretary Jackson particularly, with your responsibilities as I understand them from this chart, would have the prime role for doing exactly this and coordinating these programs. I would hope that you will be working together as a symphony rather than one playing over here and one playing over there and resulting in what Senator Bennett has so well described this morning.

I am very happy to hear that you intend to do that.

I have no further questions, Mr. Chairman, I would just like to say I don't know all these men, though I do know Mr. Jackson, for whom I have the highest regard and respect. But I am very much impressed by the qualifications of all of them, and I am going to be very proud to not only vote for their confirmation but to watch very closely as they go about what I believe to be one of the greatest challenges in the country today.

And I hope, as Mr. Romney said to us when he appeared before us, that he would integrate the Department—and this is certainly evidence that he means that—that you five gentlemen will do the same thing as you staff at every level of your Department. This is particularly important in HUD, because you will be working with people from all racial groups, and particularly in the ghetto areas, areas of poverty, that you will be concerned with.

This is going to be central if you are going to carry out President Nixon's program of bringing us together.

Thank you very much. I am pleased to vote for your confirmation.

The CHAIRMAN. Thank you.

Senator Cranston.

Senator CRANSTON. I would like to say to the other members of this committee that I have known Mayor Hyde of Fresno for quite a long time out in California. I am deeply impressed with what he has done as mayor of Fresno, as are the citizens of that city. He has done a tremendous job of paying attention to the needs, aspirations, and hopes of all the people of that community in approaching their problems.

101 If he brings that same approach to his responsibilities here, we can expect to see great results in the model cities program and other areas of his responsibility.

102 I have not been acquainted with the other nominees before us today, but I am impressed by their varied backgrounds and by their approach to the questions they have been asked today.

103 And I would like to say relative to Senator Proxmire's and Senator Bennett's remarks that I have not been overly impressed with what people with extensive housing backgrounds have done. I think there is room for new approaches and new attitudes on these problems.

104 I do hope that some of the remaining top positions, however, will be filled by people who have had experience in housing. And I would not necessarily lean the other way—away from people who have been in government in housing at other levels. But I would like to see people who have had experience in the business of housing, seeking to build homes, and coming up against government and redtape and delay. I would like to see those people look at the problem from the other side of the table, and perhaps be able to do something about slashing through delays. I think a practical viewpoint is necessary if we are really to accomplish what we should accomplish in housing.

105 I was impressed by what was done in Washington, D.C., last week by the Nixon administration in breaking through on one project. I hope that isn't just a symbol. I hope that that will be your effort everywhere to move with the same speed if we are to build the homes that need building.

106 I would like to ask one question of Mr. Van Dusen. How great do you feel the obstacles will be to meeting our needs for low-cost homes in view of the rapidly rising interest rates that will affect GI homes and FHA homes and conventionally financed homes?

MR. VAN DUSEN. Senator, the cost of money is just one of a series of problems that we face in this field. The cost of material has gone up dramatically also. Lumber costs are, for example, at an all-time high. Land costs have also gone up. And available land is increasingly scarce in our metropolitan centers. Finally, labor costs have gone up.

107 So that one of the major problems which we face in dealing with the problem of providing low-cost housing is getting control of the inflationary situation in which our whole economy has to operate at this point.

108 Certainly that is going to be a major effort of this administration. And success there will be helpful in achieving the housing goals.

109 Then we have to deal with the technology of the housing industry which, as Secretary Romney said in his testimony before this committee, has not really kept pace with the kind of technological breakthrough we have seen in other industries for a variety of reasons. And this has to be an important focus of our effort.

110 But having given you the catalog of problems, all I can tell you is that we face them with a great deal of enthusiasm and respect the challenge that is before us.

111 Senator CRANSTON. I listed one problem, and you have come up with a lot of others. Do you have any specific thoughts on what can be done relative to the specific problems that you will face due to the rather dramatic jump in interest rates?

MR. VAN DUSEN. Well, the problem is to keep money flowing into the housing market. Now, fortunately, I think the 1968 Housing Act provides opportunities to attract a good deal of private capital into the housing market, particularly the publicly assisted housing market, where you have the opportunity to leverage the Government dollar.

In other words, in the rental assistance programs, in the mortgage assistance programs, a relatively modest infusion of Federal money attracts a great deal of private money. The rate in one of the programs I think is \$17,000 of private money for every \$700 of annual Federal contribution.

Now, you have given us some tools which, if we use them wisely, will be very helpful in attracting funds, private funds, into the housing market. And it's absolutely essential that we get flow of private money coming, because there simply isn't enough Government money to build the housing which needs to be built.

Senator CRANSTON. It would seem to me the past administration did not focus adequate attention and did not move rapidly enough on some of those new programs that would have given greater opportunities to private business to move into the low-cost field, I hope that very serious attention will be given very early to that problem.

Mr. VAN DUSEN. Yes, sir.

Senator PROXMIRE. Will the Senator yield on that last point?

Senator CRANSTON. Yes.

Senator PROXMIRE. Isn't it important that time is money? In other words, if you can build these projects in less time, if you can cut the redtape, you are going to have to borrow for a shorter time and therefore the cost of hiring that money for that shorter period of time would be substantially reduced?

Mr. VAN DUSEN. Well, certainly, your first point, Senator, that time is money, is absolutely valid. And we have seen rather dramatic evidence of the fact that if we built a lot of these houses 3 years ago we could have built them for a lot less money than they are going to cost us when we are building them in 1969 and 1970. Because we have been in an inflationary period when getting them built quickly would have done us a great service.

Technologically, if you can compress the time required to build a house, you have made unquestionably a significant—

Senator PROXMIRE. Actually, instead of taking 5 or 6 years to get action on an urban renewal project, if you can do it in a third of that time—you have to pay for the land, you have to pay for other things, and you have to pay interest on your principal that you invest—there you can cut down.

Mr. VAN DUSEN. Yes.

The CHAIRMAN. Senator Packwood.

Senator PACKWOOD. Just a comment, Mr. Chairman. I have met Mr. Van Dusen on one or two occasions in Oregon. My wife met him as I recall at the 1964 Republican convention, although she was not then my wife. And I am delighted that Mr. Cranston is proud of Mr. Hyde, and Senator Brooke is proud of almost everybody that comes in in this connection in one form or another having some connection with Massachusetts. I would be happy, Dick, if you could find somebody to appoint from Oregon that I could be proud of or just somebody from Oregon. [Laughter.]

Mr. VAN DUSEN. I might say, Senator, one of the great advantages of the political activity to which Senator Proxmire referred was the opportunity to have met your wife in San Francisco in 1964.

Mr. HYDE. Mr. Chairman, I wonder if I might have an opportunity to just add a dimension to our discussions on housing with the Chair's permission?

The CHAIRMAN. Go right ahead.

Mr. HYDE. I hope there is a contribution the model cities experiment, call it what you will, may add to this. It seems to me we can discuss housing and all its ramifications and still miss the mark.

In the areas of greatest need we could produce the housing, but when you are faced with people at this point who are to occupy that housing who have a level—for example in my own community—of annual income of \$2,400 to \$2,500 a year, we are just kidding ourselves as to bringing the cost of housing to where they can afford it.

And I think we need to put together all of the tools we have. The renewal process is one means of assembling and writing down the cost of land. The various subsidies in the 1968 Act and other tools. And I think we also have to put together various other programs of agencies of the Federal Government and hopefully—I underscore “hopefully”—some of the resources of State government that I feel ought, generally speaking, respond to its role in the urban crisis.

In terms of manpower development and training, better job opportunities, and better educational opportunities, I think all of these things must be geared in to housing. And I don't think we can speak of housing in the abstract.

And it is my hope that through the model cities effort and the team that we have here we can develop a strategy so that housing can be a reality, because we have done these other things that need doing to permit people to help themselves to a better standard and better life. And I think this is important for all of us to keep in mind, that the housing doesn't stand alone.

The CHAIRMAN. Well, thank you, Mayor Hyde.

Of course, the one who is in charge of research and development has not been appointed yet. That is what you said; wasn't it?

Mr. VAN DUSEN. That is correct, Senator.

The CHAIRMAN. I was just thinking as you were talking a lot can be done through adequate research in improvement upon technology and upon materials. We have had some pretty rough experience in the past in trying to get the new materials approved for use in the FHA program.

And I think a great deal can be done in that field.

Now, Mayor, I want to say this with reference to the model cities. I was quite dubious of the model cities when originally proposed. Of course, in the course of the legislation, considerable changes were made, and when it was finally ready to go I thought it was a very good program.

I have watched the progress of it. It has been slow, somewhat like the urban renewal projects that Senator Proxmire was talking about. But probably a lot of that was necessary because it was charting a new course.

But I have been impressed by the manner in which I have seen the different people connected with it have worked.

I may say that when the original list setting up model cities came out, the one that led the list was Huntsville, Ala. Alabama is first in the alphabet of course.

And I was pleased and I have watched very carefully the development of the program there, and I have been pleased with the different governmental agencies that have been pulled in, that have sent representatives in, and the great number of the local people that have been brought into the planning.

And I think it holds great promise, and I am glad to see you in charge of this program, and I hope it can be pushed on to the great purpose for which it was intended.

Mr. HYDE. Thank you, sir.

Senator BROOKE. Mr. Chairman—

The CHAIRMAN. Yes?

Senator BROOKE. I apologize for being late. I had to address the Senate youth program this morning. Forgive me if this has already been explained. But I have this chart, and I just want to be sure, for instance, with regard to Mr. Brownstein and Mr. Hummel—Are they holdovers or reappointees or what?

Mr. VAN DUSEN. Mr. Chairman, if I may respond to Senator Brooke's question—

The CHAIRMAN. Yes.

Mr. VAN DUSEN (continuing). Mr. Brownstein has agreed to stay on temporarily, as has Mr. Hummel. We are currently searching for their replacements and are hopeful we will be able to find the men who will fill those slots very shortly.

Senator BROOKE. Are there any persons, Mr. Van Dusen, in positions now that the Secretary intends to keep or to reappoint?

Mr. VAN DUSEN. I think among the Assistant Secretary group, Senator Brooke, Assistant Secretary Ink, who is Assistant Secretary for Administration, is likely to stay perhaps the longest of the group. His spot, as is not uncommon in other departments, is essentially a civil service role.

But in terms of the Assistant Secretary for Mortgage Credit, the FHA Commissioner—it's the same man—and the Assistant Secretary for Urban Renewal and Housing Assistance and the new Assistant Secretary created last year which has not been filled, those are all going to be filled with new men as soon as we can do that.

Senator BROOKE. Mr. Chairman, I think we can distinguish between a holdover and a reappointment. And if it is a reappointment, I might suggest that the name be submitted and that we have a hearing on new appointees rather than just carrying them over from one administration to another. I think that—

The CHAIRMAN. I don't believe they do that. I'm not sure of this but I think I am, that if a person is serving in an office and he continues to serve, there is no reconfirmation.

Senator BROOKE. Even if—

The CHAIRMAN. Only in case of a new appointment or a shift from one position to another is confirmation called for. I think that is correct. Mr. Counsel, do you know?

Mr. UNGER. I am not certain that I know, but I understand that this point has been raised. What the chairman is saying is what I understand is the rule of the Senate. I do, however, also understand

that the committee would have the authority to call the continuing Assistant Secretary to appear before it. Whether or not the committee would actually act on a confirmation—I don't think it would.

The CHAIRMAN. I think that's right. But that is not for the purpose of considering him for confirmation. It is simply having him come before us for discussion, as we will be having all of you do through the year.

Mr. UNGER. The format as I understand could be substantially the same as the one in which we presently engaged. Confirmation though would not necessarily follow.

Senator BROOKE. Mr. Chairman, may I record an opposition to such a rule or policy?

The CHAIRMAN. I didn't set it.

Senator BROOKE. Well, I just wonder about the precedent. I can see, in the transition from the Kennedy to the Johnson administration, where there would be a carryover if a man was filling an unexpired term. But where you have a change in administration, if President Nixon wanted to reappoint an Assistant Secretary that had served under the Johnson administration, I should think that he should come before this committee for confirmation and questioning just as though he were a new appointee, because, in effect, he becomes a new appointee.

I just want to put that in the record.

The CHAIRMAN. Well, fine. And I will ask the staff to check into that and see what the situation is.

Senator BENNETT. Mr. Chairman, may I ask the Senator a question?

Senator BROOKE. Sure.

Senator BENNETT. You are not concerned about people who are being carried over for the term of the transition?

Senator BROOKE. No, not at all. I think I could distinguish between a carryover and a reappointment. If it is a reappointment, it's a new appointment as far as I'd be concerned, Senator Bennett, because the appointee then serves under another administration. He becomes the appointee of that particular Secretary.

Now, a carryover for a period of time, indefinite, as Mr. Van Dusen has suggested about Assistant Secretary Ink, I could understand it would require no further confirmation.

The CHAIRMAN. Fine.

I want to add just one thing. In order to make the record, a little clearer on that matter I took up with Mr. Unger with reference to a project that had been called to my attention, I have a letter from Lewis Odom, who up until last fall was staff director of this committee and who was here when the Housing Act was passed. Here is what that problem is.

This application was made under section 202 and went all the way through and was approved, and then later the sponsor was informed that he would be required within 30 days after completion to apply for refinancing under section 236.

Now, section 202 and 236 are entirely different sections and different programs, and I cannot think of anything anywhere in the law that gives the right to do that particularly after the application has been approved.

Mr. Unger, I have supplied you with the letter and with the copy of the letter that I wrote to Secretary Romney.

Mr. UNGER. I have copies of both letters, Mr. Chairman. I am not prepared to render legal opinion at the moment.

The CHAIRMAN. Fine. Thank you very much.

If there are no other questions, the committee will go into executive session. We will ask that all except the committee members clear the room.

(Whereupon, at 11:57 a.m., the open session of the committee was adjourned, and the committee proceeded in executive session.)



