

(The article referred to and Secretary Weaver's reply follow:)

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SLUM PLAN'S COST LIKELY TO DOUBLE—PRIVATE AND PUBLIC SPENDING UNDER JOHNSON'S PROPOSAL TO BE CLOSE TO \$6 BILLION

(By Robert B. Semple, Jr.)

WASHINGTON, February 19.—President Johnson's plan to rebuild slum areas of American cities, if approved by Congress, would be twice as large as it originally appeared.

This is one of several previously undisclosed facts about the plan that have emerged from talks with housing experts in Government, in the academic community, and in the cities themselves. If their expectations are correct, the program will upgrade 350,000 dwelling units and improve the lives of more than a million residents.

The President outlined the plan—known as the "demonstration cities program"—in a message to Congress in January. He proposed to spend \$2.3 billion, spread over 6 years, on from 60 to 70 selected cities that would be willing to focus their resources on badly blighted neighborhoods. To qualify for funds, the cities would have to undertake not only physical renewal—improvement of dwellings—but also social renewal, which means that schools, parks, and other community services would have to be included in the project.

The message was written in general terms and contained little specific evidence to support its promises. Some city officials were publicly skeptical of the \$2.3 billion figure. They noted that when spread out over 6 years it amounted to less than the current annual expenditures for long-established urban renewal programs.

However, a number of assumptions, and expectations are now clear and will be presented to Congress when hearings on the program open February 28.

For one thing, the \$2.3 billion represents only the net cost to the Federal Government. In actual fact, total expenditures from private and public sources combined will be somewhere between \$5 billion and \$6 billion, including acquisition, rehabilitation and construction of dwelling units, plus community and social services and other costs.

In the last few years of the projected 6-year program, experts calculated, at least \$3 billion of the total could be recovered through the resale of upgraded units. This would leave a net of roughly \$2.6 billion, of which the Federal share would amount to roughly \$2.3 billion.

Secondly, the cities chosen for Federal funds would fall into three categories: large cities of more than 500,000 persons; intermediate cities, 250,000 to 500,000 in population, and smaller cities of less than 250,000 inhabitants.

The number of cities to be included in each category is still undecided; the administration apparently wants to remain flexible on this point. However, it is likely the program may ultimately include 5 to 8 large cities, 10 or 12 intermediate cities, and 40 to 50 smaller cities.

In any case, the distribution of funds is likely to be nearly even: Roughly \$2 billion for large cities, \$1.8 billion for intermediate cities, and more than \$1.6 billion for smaller cities.

Finally, specialists in the field believe that the program, if enacted, can achieve significant impact in most of the demonstration cities. They believe that at the end of 6 years it can vastly improve one-third of a city's substandard dwelling units and radically change the environment of 10 percent of the city population.

It is difficult, of course, to apply these percentages to the country's very largest cities. To upgrade one-third of New York's estimated total of 230,000 substandard units, for example, would require a huge part of the program's total resources. However, in New York's case experts believe that sizable improvements are possible in selected neighborhoods.

Behind these expectations lie a series of statistical models, constructed largely in the academic community, that provide working estimates of the program's cost and impact in "typical" or average cities in each population group.

In the large-city category, according to these calculations, a typical city looks something like this: population, 700,000; total dwelling units, 220,000; total substandard units, 30,000.

A typical "target" or demonstration neighborhood in such a city might include from 80,000 to 100,000 residents living in 24,000 to 28,000 dwelling units. Of these