

Exit interview with Marcia (Marcy) Kaptur, Domestic Policy Staff

Location: Room 490, Executive Office Building

Interviewer: David Alsobrook, Presidential Papers Staff

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Transcriber: Lyn Kirkland

Alsobrook: Marcy, what have you been doing today?

Kaptur: Well, asking that question of someone who is ready to leave is difficult to answer. In a way, it isn't a normal day, but I started out this morning in a meeting with one of the several professors around the country that deal with urban neighborhood research--working on an agenda for a meeting this Friday with a much larger group of people who are serving on a national steering committee, at my request, to look at how their research can be more fully brought to bear on public policy. So we are in the process of putting together a nationwide network across disciplines to effect policy in the 80s. So, that was my first meeting. Then, let's see, what happened next? Then, I've been gone for two days, I've been traveling. I was in Baltimore, and I was in Chicago, so I had to answer the phone messages, which I have not completed. I had to open mail, and then I didn't realize that the Department of Education was assigned to us this morning and I had some politicians from Ohio stop in to see me as a result of that. That is my - one of my home states—Illinois is the other one. And then we had lunch together.

Now what did I do this afternoon? Oh, I dictated some letters. I went to the doctor downstairs. I've been trying to get rid of the flu, which I caught during the Pope's visit here. Then, I had to speak to a Howard University class of social workers interested in how public policy is made. And then I had to talk to people at the co-op bank. I've been involved in that all day long, because the board meeting was held yesterday. I'm trying to get myself situated to move over there next Monday. So that's sort of a...

Alsobrook: It's not a typical day. How would a typical day differ from the one you've experienced today?

Kaptur: I think a little less disorganized. Things today just came from all different directions. I had to send letters out. There were just so many phone calls. You can't keep up with them when you're gone so long. I think I tend to be a little more orderly where in the morning I answer some letters; I return my phone calls. I have my appointments scheduled from 10-2:00. Usually, I run down, bring some lunch up to the office and finish my newspapers, if I haven't finished them by then. In the afternoon I either answer correspondence or do writing or whatever it is I happen to be doing in a particular day.

Alsobrook: I want to talk to you a little bit about the National Commission on Neighborhoods. I understand you were involved in that. The first question I want to ask is what were some of the philosophical origins of this commission? Did it have any connections with say some of the OEO (Office of Economic Opportunity) programs of the early sixties during the Johnson Administration?

Kaptur: The National Commission on Neighborhoods was a child of the seventies, and it grew out of a concern on the part of urban people around the country on the issue of red-lining and banks not investing in the neighborhoods in which some of their assets came, from their depositors. Back in the late seventies a bill was introduced and hearings were held for something called the National Neighborhood Policy Act. One of the vehicles to try to put some meat on the bones of that act was the National Commission on Neighborhoods, which then, during this administration, was appointed. The Commission began even, I think it was, back in 77, 78, if I'm not mistaken—it had a year's life. But the real focus for it had to do with revitalizing neighborhoods, trying to make a private sector reinvestment, and how that could be encouraged, and then how governmental disincentives to community improvement could be eliminated and how we could really make the government a partner, rather than an enemy, for communities who were trying to improve themselves.

It also grew out of some of what I call social rebuilding that has gone on in the seventies, and that is there has been recognition on the part of a lot of people—in the voluntary sector, not in the government, not in the big buck for profit sector, but in the voluntary sector: the church groups, community groups, neighborhood groups, co-op groups—that there is a different way to do urban improvement. And that I think, through the seventies we see the development of those groups and this is one of the few pieces of legislation that they really went after during the 1970s. This occurred more in the 80s, but it was part of a rebuilding that's going on at the very smallest units of city life, at the neighborhood level. So, the commission was one symbol, a very political symbol at that, of that social movement. I expect that while the original bill was supposed to be two years for the Commission's work, and one of the great disadvantages they faced was that they had one year to travel around the country. It was just extremely difficult. So it grew out of it.

Alsobrook: And the budget was slashed too, right?

Kaptur: The budget was slashed. Right.

Alsobrook: From a million to two—from two to one, I guess that would...

Kaptur: I would say in terms of my career here at the Neighborhood Commission that was *one* of many things that helped to contribute toward—which reinforced the neighborhood agenda nationally. It has significance but it was not monumental.

Alsobrook: OK. You were involved in a lot of other things, too.

Kaptur: Yeah.

Alsobrook: OK. Well, I'm going to get to those in just a minute. There were still a few other things about the Commission that I want to just touch on here. For example, I think you've already mentioned a little bit of this in the last question. What is the relationship between this commission and overall urban policy for this administration? How does it fit into the big picture?

Kaptur: Well, the Commission made over 200 recommendations, which we have now asked the agencies to review and HUD [Department of Housing and Urban Development] has the lead on that and they have not yet sent us their report. Part of the reason for that is some of the recommendations were very general, plus the fact that because there were 200 - it was overwhelming and they cut across all agencies, so it's taken a time. The Commission gave the President their report in April, and it's taking this long for the agencies just to ship all the papers around. I would say that it supplements some of the efforts we made on the urban policy; the policy was announced before the Commission was finished with its work. There is no direct link between what we produced a year earlier and what the Commission recommended. I would say that if there are substantive recommendations that people are interested in, that those will be during the next term. There may be some initiatives that come in terms of legislation and administrative changes down the road. In fact, certain members who are on the Commission are now lobbying on the hill to have hearings and so forth around some of the issues that are in the report.

Alsobrook: Are these, you've referred to some of the members, are these the ones?

Kaptur: Right.

Alsobrook: Which of those are the ones you are talking about who are already?

Kaptur: Lobbying? I would say Peter Ivodi [?] from Toledo, Ivan Everstaff [?] from Washington, certainly Vicki Andrade [?] who is on our staff now here, Harold Greenwood from Minneapolis, Justin Cotter [?], without question, from Chicago. I would say those would be the main ones.

Alsobrook: Are those the same people who probably had some of the greatest input into...?

Kaptur: There are several outside organizations, as well, who have an interest in this agenda. For example, the National Urban Coalition, which isn't listed on what you just showed me, but have an interest in pushing the members of the committee.

Alsobrook: Are there some other organizations that come to mind?

Kaptur: The National Center for Urban Ethnic Affairs, the Center for Community Change, La Raza, the National Organization of Neighborhood Women. There are several national neighborhood networks of various stripes and colors.

Alsobrook: What's La Raza?

Kaptur: La Raza is a group that's headed by Elias Zakaria [?] and they're involved in all kinds of community betterment activities, direct service to their members. They're located here in DC. They are interested in housing, social services and economic development, but it's a national umbrella organization for Hispanic groups around the country.

Alsobrook: Are there others who had input in the commission whose names perhaps would not show up?

Kaptur: There were hundreds. There were hundreds.

Alsobrook: Are there some key people who come to mind that really stand out in your own mind?

Kaptur: The Commission, in its final report, has a listing. They did 40 case studies or better around the country of different groups that are typical of this kind of activity, and they interviewed dozens for each one of those case studies, dozens of people! So, I think it's kind of hard for me to say one was more important than the other. Martin Cotley [?] would be important, from the National Association of Neighborhoods. He's not on that list. Carl Holman, from the National Urban Coalition, the President of the Urban Coalition. He did the forward to the book, the preface to the book. He's not listed there. He would be important. Ummm. I think I'd like to stop. Maybe I'll think of someone later in the interview.

Alsobrook: Ok... How about members of the White House staff? Obviously Stu Eizenstat probably had some input into this Commission. Was he probably the one that had the most?

Kaptur: I would say that White House involvement was a) the appointment of the members, and then b) now, we met with the Commission a couple of times before they presented their final report to the President, and the last meeting we had with Stu, they nearly gave him the recommendations, and now the administration is reviewing those. Although there are certain things in the report, for example, they recommend the renewal of the Home Mortgage Disclosure Act, which the President is already committed to, and so we intend to act on that next year. The act expires in May of '80. So there are things like that in there that we're already doing...certain other things at HEW [Department of Health, Education, and Welfare], and at HUD—it isn't clear to us yet because of the agency review, whether in fact it can be done, or if it has already been done in the agency. So we are waiting. I can't give you specifics on that because we are waiting for the report.

Alsobrook: OK. In terms of working with HUD during the time this commission was in action...

Kaptur: Uh! [exclaims as if she has remembered something]

Alsobrook: OK, did you just think of some more?

Kaptur: I just thought of somebody else. Father [Geno] Baroni, Assistant Secretary for Neighborhoods at HUD and was not only instrumental in being the liaison to the Commission and helping move things along, but some people call him the father of the bill itself. In fact, they call him the grandfather of the neighborhood movement; although, he's not that old. So he is over there now and it was Secretary Harris and Edwin Landrieu have given him the responsibility—his office the responsibility—of pushing the agencies and trying to get this review out of them in a timely fashion to us, so he would be key. I forgot him. You always forget the most important ones!

Alsobrook: (Laughs) I guess early, after the Commission was set up and they began to meet, I guess it was [Joe] Timilty who came up with the idea or utilized the idea of the task force. What do you recall about these various task forces?

Kaptur: Well, there were five or six task forces. One on governance, one on human services, one on economic development, one on reinvestment—economic reinvestment. One, I think there was one race and ethnicity. Five or six different ones and they divided up their work according to those task forces and then all the recommendations came from that. I think one of the problems, certain people, in fact, a couple of members of the Commission, criticized the report, saying that “Well, gee, you know the Commission didn't cover everything. It was selective.” Being “selective” it made over 200 recommendations.

Alsobrook: [Laughs]

Kaptur: So, I think I am fairly satisfied with what they were able to do in a year. Some people say politically it would have been better to make one recommendation rather than 200. Others say well if they had had two years they could have made it more comprehensive. I don't know what is best. All I know is what we have. There are several substantive recommendations there. Joe Timilty, now that was a political appointment as chairman, and, as you know, he's one of the candidates for mayor up in Boston and has run on a neighborhood platform and so forth. . He was not instrumental at the beginning in '75, '76 in trying to elevate this agenda nationally. He came later and was important to the administration because he helped direct the campaign for the President in Pennsylvania and I'm fairly confident that's why he was appointed chairman.

Alsobrook: What were some of the criteria, Marcy, that were used in selecting members of the Commission?

Kaptur: Peggy Rainwater in personnel is probably a better one to ask about that, but as I remember they were looking forthere were certain criteria in the law itself. They had to be in certain categories; some representing academics, some who came from neighborhood associations, from the private sector, from the public sector, from Congress itself, so there were certain categories ticked off from the act. I remember Jim Poole [?] when he was down in personnel, talking about regional distribution, ethnic distribution; sex the fact that they had to have a representative number of women on the commission; size of organization. They had some people come through from very large organizations like Telecom in Los Angeles others that came from much smaller organizations. They looked at which people had connections to some of the national neighborhood networks. So I think...all those. On the banking side, I think they were looking for lenders who had done some reinvestment, who had made some kind of commitment to that whole agenda.

Alsobrook: OK. I read some place that while the legislation was going through congress, when they were trying to get it through the House and Senate, there were some problems in that some mayors throughout the country would not support the idea of having neighborhood groups receive federal funds and get involved in a federal program like this. Do you recall anything about that?

Kaptur: As far as the National Commission on Neighborhoods goes?

Alsobrook: Yeah, or even the whole idea of urban aide.

Kaptur: Mayors ... Maynard Jackson from Atlanta and Nick Cardon [?] from Hartford both served on the Commission. I think one of the issues that is still an issue with the neighborhood groups and the mayors is what is each group's role— and to the degree that we have been able to pass legislation that is neighborhood oriented, in most cases we ask for a sign off by the mayor saying that these funds will be used in conjunction with the locality's community and economic development plans so that you don't have money flowing in as happened in the 60's. I think some of the groups are not happy with that. They would have preferred to have funding directly with no role for the local mayor at all. I think that is still an issue in the neighborhood movement and will probably continue to be an issue. Many mayors themselves started the neighborhood groups. I learned recently that Kenneth Gibson from Newark began in a neighborhood organization which has done magnificent things in Newark, so I think that there is some tension. My feeling is that a lot of the younger mayors, the mayors from Albuquerque, certainly Maynard Jackson, are more willing—from Toledo, just different cities you go to---Pittsburgh. The younger mayors are more willing to sit down with these groups that just have phenomenal amounts of energy and to work with them. Some of the older mayors that were – that came out of the 60's experience with the battles with OEO [Office of Economic Opportunity] were just opposed. I think it is philosophical. You couldn't even talk to them. I remember Mayor [Henry] Maier from Milwaukee practically leaping across the table at me at one of our meetings

in the Roosevelt Room and just getting so angry that we would even consider these teeny little programs. Fifteen million dollars we're talking about at the time---and he just was incensed that we would even consider this, and I think that the amount of funding that we were able to eventually put into neighborhood programs was affected very largely by the mayors as a lobbying group and I would say that their presence substantially affected what we were able to do. So there was a definite relationship between--

Alsobrook: Tension.

Kaptur: Very definitely so, in my judgment.

Alsobrook: If one didn't know that you had worked say with this particular Commission, would this be documented by the official files that you created in your office?

Kaptur: I have in all my chron[ology] files.... I have a neighborhood commission file which I'm leaving downstairs. I guess they'll take it eventually. I'll have to fix that up tomorrow, decide what I'm going to send down and so forth.

Alsobrook: And do you have any extra copies of that final report that you could part with? We have had a very difficult time locating any.

Kaptur: I have one set. I have one set of my own. They cost about \$30.00 from the PO [printing office], I think. Let's see, Nancy Derma on our staff might be willing to buy it.

Alsobrook: That'll be okay. I just thought you might have one.

Kaptur: Oh gosh, I'm sorry.

Alsobrook: That's OK, That's OK. I don't want to spend too much time on the Commission on Neighborhoods because I know there were other things you were involved in too. Essentially though, summing that up, how would you describe the role that you played in the Commission-- let's say from the early days?

Kaptur: In the Commission, my job was to monitor their activities for our staff and to try to understand the kinds of policy initiatives that would be coming out of the Commission. And to be somewhat sensitive to that down the road, and to help them, to the degree that I could at that time, to say that this is where the administration is on employment, this is where we are on health insurance, this is where we are on housing, on the Home Mortgage Disclosure Act. I received many calls, just depending on the situation that the commission members were in. One of the things we did do during the urban policy was to bring in the members of the Commission for a meeting with Stu, even before they had finished, their work because our policy came first and they reported to him on the issues that they thought were important. They thought it was important that neighborhoods be mentioned in the policy that there would be certain programs

for those groups, and we had a meeting in the Roosevelt Room on that. I helped to pull that thing together.

Alsobrook: What is the approximate date...month and year? Is this '78 we are talking about?

Kaptur: That he did that? That we had that meeting in the Roosevelt Room?

Alsobrook: Yeah.

Kaptur: It was before we put out the urban policy...It must have been late '77.

Alsobrook: Somebody gave us a copy of this particular memo here, January 9, of '78. I assume this is one that you worked on a great deal.

Kaptur: Yeah, right. To the degree we could affect this. It was one of hundreds, I think, downstairs. The Commission had only been organized for a couple of months. [Kaptur seems to be flipping through report as you can hear pages turning.] Now, you see for instance the principles that are in here, "recognition of neighborhood groups in the voluntary sector." All that language would not have been in there had I not been on the staff, and others from the outside, supporting that concept and I must say, it was very difficult.

Alsobrook: Difficult getting your language into a memo like this one? How did you go about doing it?

Kaptur: Well, we used a [inaudible] partnership and we talked about—

Alsobrook: And that ended up as a part of the final.

Kaptur: I have an original memo that I did for Stu, it's really something. Anyway, I sent it up to him and I said in the first paragraph, I talk about a partnership being the concept for the urban policy because I was struggling at the beginning with figuring how are we going to be able to bring in these groups with the mayors and the banks and all. And we have that term. I think initially that was in my head, having worked in the field for a long time with all these different urban forces and then to just convey, to cajole. The other people that worked on urban policy were basically lawyers who'd never worked in cities, who'd never spent any time on the ground in these neighborhoods, not really, not putting things together. So it is very difficult to get across this concept. I would say that it was viewed very politically. We talked about...we introduced language of a partnership between the public, private and community sectors. Some of the people that had worked on the Carter campaign when he gave a speech back in September of '76 before elected--he gave a speech in Brooklyn, which was an urban speech--and in that speech he talked about his hopes, if elected, of putting together a partnership for the cities between—that included a government that knew its limits, a private sector that was encouraged to do the right

things, and people in their families, neighborhoods, and voluntary associations as a third part of that partnership.

Well, that language came from people who worked on the campaign, not myself personally, but working with others who did, and it became a pilot. Then they could use that message when we came back to put the urban policy together, so in a sense it came from the campaign and it came from certain concepts that were put forth at that time. Another major speech that he gave during the campaign was one that he gave in Milwaukee to the mayors. and that speech had none of that language in there, and so there was a constant tension with this concept. I think there was some fear on the part of the people in Washington....you know, we've got to be nice to the mayors. They're going to help us get the urban bill through.and this was a very, in my estimation, Stu might view it differently, it was very controversial. And I think that is one of the reasons that, in terms of dollars for urban policy, it got the least amount, compared to other pieces that were proposed, so at the beginning it was just a lot of hard infighting in terms of the staff. Argue why do you want...Why can't we fund the mayors, and let the mayors fund the groups. Then you ask the question "Why does the Federal Government fund Boeing?" What is the difference between a profit-making corporation and a nonprofit corporation that is doing urban improvement? There are just all sorts of arguments that were offered against this. And you know you're giving money to political power bases out there in cities that had been working against us—the mayors. The whole idea that you would build cities through social institutions and through institutions that people really belong to. It is a very difficult concept to get across; that government couldn't do it all.

Alsobrook: In terms of these neighborhood associations that you are talking about?

Kaptur: That's right. That's right. Church coalitions, settlement houses. When you go into any neighborhood in cities that are low and moderate income, you have to look at the institutions that are left and the incentive for development and improvement must come from what's on the ground and a bank downtown or a major chemical company downtown cannot rehabilitate that neighborhood for the people who live there. The incentive has to come from them through the institutions they have created themselves. So my whole thrust was to try to somehow bring that very amorphous concept, which should be taught, I think it is taught in Sociology 101, to the national urban policy making process and the best we were able to do was to incorporate it along side many other initiatives that were included in what came to be called the Carter Urban Policy...but it was that third sector and it was given recognition. When Alexis de Tocqueville came to the United States in the 1800's he talked about, as you know, the role of the volunteer sector that made the United States so special.... was that we had all these social institutions people had created to handle everything from health, to education, to housing, but in the 20th century, the bureaucracies became so large in the government and the private sector, that somehow we lost sight of those, and I think part of my focus certainly is to rethink the role of

those institutions, some people call them mediating institutions, and what role they should play in urban improvement, and if they have been ignored.

Alsobrook: Sounds like you have a fairly large constituency out there supporting you though.

Kaptur: Right. Yeah, except that when you are low and moderate income you don't - you are missing two things nationally. One, we are missing the network of political - the groups that are politically sensitive. For example, some of those that I ticked off at the beginning and there are dozens of others. I've just written an article for the *Neighborhood Magazine* which is published by the New York Urban Coalition. It will come out in the October issue, their Harlem issue, this year and it ticks off some of those groups - how many people belong to them and it says that, you know, La Raza doesn't necessarily talk to the National Association of Neighborhoods nor them to the Urban Coalition so they can talk about common denominator issues in the way that Labor Unions do when they lobby for a legislation. So one weakness is the fact that there isn't the political coalition that should be going on. The second thing is that they do not have the research capabilities, the real think tank capability, that other groups have. For example, the Conference of Mayors has a huge staff. It also has the Academy for Contemporary Problems. They've got the Brookings Institution—well, other people have the Brookings Institution or the Urban Institute and their constituencies are really not these neighborhood based groups. Groups like the U.S. Catholic Conference could be extremely influential if they would ever get into the substance of some of these issues. They do on foreign policy and in a few cases they tinker with domestic, but they do not have the research capabilities yet. That's one of the things I very interested in working on in the 1980s and why I'm pulling these University people together, because they need to rely on very sophisticated information now to even to get in the ball game here.

Alsobrook: You've touched on something, Marcy, that I think is very important. You're talking about the argument, I guess, within the Domestic Policy Staff about exactly how urban policy was going to be constructed in this administration. Can you tell me a little bit more about that?

Kaptur: Well, Secretary Harris from HUD (United States Department of Housing and Urban Development) was thinking we would prepare the initial documents and convened all kinds of meetings with White House support. I remember Jack Watson and Stu came to the very first one where the interagency people were assembled and asked them to gin up proposals of various kinds to be included. HUD then took the lead along with some of the other agencies and inviting outside constituency groups to help to generate ideas and to generate proposals, and first Donna Shalala and then Bob Embry at HUD were to the two key figures over there in helping to put all of this massive paper together. I would say that the groups that were the best organized and were ready for an urban policy, specifically the mayors and some of the civil rights groups, although they didn't have too many specific suggestions, did come forth with proposals. I think some of the other groups were not really able to offer substantive suggestions of what could be in policy,

and therefore some of the agency people, who worked with those constituencies, had to really work them and had to try to develop proposals in a very short period of time. The Urban Development Action Grant Proposal, which came before the urban policy, but which is now one of the major urban initiatives of this administration, was actually prepared for the U.S. Conference of Mayors. It was something they knew they were going to push before Carter was ever elected, they would have pushed for no matter who was in there. I would say the constituencies I represented had no such agenda. And to the degree that they've been successful, whether it's neighborhood commissions, home mortgage disclosures act, community reinvestment act, or the co-op bank, in the few issues that they have really gone after they've been successful on, but they are in no way equipped to think as broadly as some of these other groups that have been here traditionally and had funding. Does that kind of get at your question?

Alsobrook: Yeah, that kind of gets at it. Maybe a follow up? I'm sort of interested to know what was the thinking within the Domestic Policy Staff in terms of, say, a comprehensive urban policy. You know, what was Stu's line of thinking?

Kaptur: I think over everything was the rubric of economic development. Somehow economic development had come of age. We had Stu who was an attorney. We had Orin Kramer who was an attorney on our staff, whose background was in banking and finance. We had Ross Hostie [?] who was from Treasury and had done some work in Pennsylvania on state and local finance and Bert Carp who was our deputy director and had worked for Mondale. I knew some of the people both at Treasury and was close to Bob Hall and others over at UDA (Urban Development Agency/Action) and felt that was our best shot. To try to—that somehow the answer to the cities was industrial development and economic development. I shouldn't say industrial but the entire service economy, too. Somehow we really had to really promote that. So that was really the focus initially and one of the first proposals that came up, the National Development Bank actually came from Treasury. I fought against that from the very beginning. As the centerpiece in my crime file [inaudible]. [Alsobrook laughs] Because I really didn't believe that was...I didn't feel we had the numbers to show that in fact that was needed. I thought the best report that came out during preparation of the urban policy was the RAND (research and development) study on economic development; it was a three volume series. One of them dealing with the urban impact of federal policy and it showed that in fact availability of capital was not what was needed for the cities but in fact there were other factors: people's desire for amenities in the city, their fears, cost of energy, other things were really affecting urban form. And uh, but I think that the composition of the thinkers and the trainings they had come from were such that a bank seemed like a fairly easy thing to create and seemed to make sense. It fit in with the whole economic development idea. So the bank initially was the centerpiece; although, we were told "don't say that is the centerpiece because we don't know if we will get it in the Congress." So it kind of became equal and then this past year became part of our economic development administration reauthorization, parts of it did. That was not one of my central interests in the

preparation of the urban policy, but I think that was the major focus. And then I think Stu was very—I think if it weren't for Stu we wouldn't have had any neighborhood programs in there. I would say that he was more sensitive to the broader diversity of urban interests than some of the other people on the staff. I don't know why that was. He certainly was more sensitive to the urban parks proposal which I had pushed for; he liked the community development credit union initiative, which I had pushed for. He went along with the neighborhood programs. He said we would have to have something here. He seemed more sensitive to the constituencies that had come before him...much more sensitive than some of the others that I worked with. I would say that he played a role in being kind of a fair judge. I remember one Saturday sitting up in his office with stacks of proposals that he had just went through. He had read every proposal, and remember there were over 90 or so generated initially up in the departments. He had them categorized and in his own mind then had decided, yea, this one sounds good and this one was repetitious than this one. So he was able to keep lobbying to try to get some of these neighborhood programs through. But it was very difficult when you put the stamp of economic development on everything, cause in fact the neighborhood programs basically concerned social development and the role of social development in community development and it was just almost impossible to get that idea through when you put the rubric of economic development. I tried to get the words community and economic development introduced several times. It didn't really come across successfully in some documents you'll see economic development and in other ones you'll see the word community stuck in there, so it was a struggle from the beginning.

Alsobrook: In addition to Stu were there members of the White House staff outside of the Domestic Policy staff who turned out to be advocates of the same things that you were working for? Like, were there people in Midge Constanza's office in the early days or, you know, where there people on Ann Wexler's staff?

Kaptur: Midge personally was very pro neighborhood and was very interested in bringing in those interests and sponsored a couple of different meetings where the groups would come in...always tried to provide access to that constituency, yes she did. And she had an assistant - Janis Peterman (pause while she tried to remember the proper name). Anyway she had a staff member - Jan someone - Peterson I think who was very helpful in trying to bring in community organizations. Also there was a gal Shelly Weinstein who used to be on the Energy staff but then I think worked with Midge and was very sensitive to citizen participation, had done some books on that and tried to bring the groups in. And so they kept the agenda alive by at least bringing in these people who were not normally recognized as significant in the total picture. It was interesting because when the President wrote back the first memo on the urban policy when we sent him the first draft he said, "You know I don't want this." He said "I read about the role of neighborhood groups—involve my wife, my family." And we had our first meeting with him he said he didn't want the initial work. I remember sitting right across from him and I was just fuming because he said, "What about - I don't believe in all this federal money. What's the

difference if we're putting out eighty billion and we put another five billion? Let's redesign these programs." He said, "What about the Rotary Club and what about the JCs and how do I tell them what to do in cities." And you know he really had more of a sense, he said, "I want a simple book that I can give to people to show them this is what you can do." And yet I always felt that we as a staff didn't serve him as well as we could have in producing that because I think that some people felt that his views were kind of soft, you know, it didn't match the high investment dollars of economic development. Somehow it didn't have the ring to it you know that that kind of a bill would have. Yet I think in his own mind...his wife took on the "whole communities" focus during her second year and going around the country and talked about that and tried to bring community groups in and has tended to follow that focus probably more than the people on our side have. But somehow it never totally jelled. I think the West Wing was into economic development, the East Wing was into communities, the President was somewhere in the middle. And talking about volunteers and that was a large part of his understanding also that if possible it should be volunteers doing things. So I don't think he had a real clear direction that he gave us initially except to stay involve these other sectors, and we did that somewhat.

Alsobrook: Did those trips Marcy that he made from time to time, like to New York and some really blighted areas, did that tend to help your quest along the way?

Kaptur: Yes. I think it did. Initially when he went to Detroit to meet with some of the CSA [Community Services Administration] groups and there were some neighborhood leaders present around the table.

Alsobrook: CSA?

Kaptur: Community Services Administration. They were having one of their regional hearings and there were some neighborhood leaders present around the table who said, "President Carter, you were in our neighborhood during the campaign. What are you going to be doing this administration? We would like you to support this and this program." And I remember the President turning and saying, "Well, I have Father Baroni sitting right out there in the audience from HUD. And we're here to give you full support you know." Trying to help [inaudible] the presidential documents. I remember that was all taped and everything.

Alsobrook: Were you there for that day?

Kaptur: I went to that—I went on that trip. And then he went to New York; I was not there. I didn't even know he was going until the morning he left. He visited one of the neighborhood groups in the South Bronx. Unfortunately, it was a very fledging group and how it was picked I don't know. Somebody over at HUD picked it, I guess, Secretary Harris. It was probably not the group I would have picked to visit. He also picked one of the most difficult areas to go to in terms of revitalization and but I would say overall at that time it helped keep the urban agenda alive because at the same time as we were worrying about urban policy, we had education policy,

energy policy, inflation policy, he had all these policies, and it helped to keep that one alive because even in the beginning the struggle was to get urban policy on the front burner. And if it weren't for Hamilton Jordan coming out in the press back in probably late '77, August '77 it wouldn't have been given the thrust that it was internally. And it did really crank up to put together an urban policy.

Alsobrook: You mentioned that meeting. Do you recall when that was, approximately?

Kaptur: Well it was probably in late '77 or early '78. It was either in December, January or February because the first draft he rejected. I had a hunch that we must have been in January of '78, because the first one he didn't like and he made us go back and produce another set of policies.

Alsobrook: Is this the type of memo that you are talking about? Like this one on January 9th of '78.

Kaptur: The actual memo—the final memo that went to him on decisions was 150 pages long and it had I don't know how many discreet decisions we had to make on programs. This merely—what you have here is kind of the overview that was done for him trying to describe what the problems in the cities were, but this is just a small introductory piece –

Alsobrook: 150 pages?

Kaptur: Yeah.

Alsobrook: Who else was in the meeting that day? Do you remember? You and Stu...?

Kaptur: Oh man! There were so many people around the table. Stu was there – David Rubenstein, Bert Carp, Bill Johnston, Orin, myself, and Ross Lostune [?], Secretary Harris, and several of her associates from HUD. I'm sure the Office of Management and Budget (OMB) people were...well... Jim McIntyre... he would have been there, Bo Cutter and David—Dennis Green, who left OMB. So a whole series of budget examiners, and the top people filled the main table, and then there were people all around the periphery who were listening for what he would say on the first review

Alsobrook: Were there later meetings when you went back to see the President on urban policy?

Kaptur: That was the only one I remember. I don't know, Stu took it from there after the President rejected the initial document. Oh and I remember, there was one other one. That's right. At the end, after we had put everything together then Secretary Harris made a final presentation to the President of the major principles in the urban policy and then we had a discussion of discreet programs under each principle. I remember, because HUD came over with

all those big boards that they put up for display and he sat there and listened to this lecture for I don't know how many hours and ...

Alsobrook: The President? Did he take notes?

Kaptur: No, I don't recall that he did take notes. He may have taken notes, I don't recall that he did though. And he seemed more satisfied because the presentation involved administrative changes. The programs were laid out more clearly and at the end, you know he asked for some kind of a simple little booklet for people. And I guess this and a couple of others that we produced later covered more.

Alsobrook: Oh yeah. There's one I think with pictures in it too.

Kaptur: Yeah, that one. Jack Watson's staff did that.

Alsobrook: Yeah somewhere I had one of those. Oh yeah I think I know the one you are talking about. I used to have one. Yeah I think I know what you are talking about.

Kaptur: That title was changed, "Cities and People in Distress" was changed to "A New Partnership to Conserve America's Communities." He didn't care for that.

Alsobrook: He felt like that was a little too glum?

Kaptur: Right and I think that the programs—we hadn't done anything with the existing programs—his direct, major criticism that he had was "Hey, look, \$80 billion is going out there. What are you going to do about that? And go back and look at it." And so we asked the departments what they could do to further target that money. How they might be able to consolidate some of the programs. And so, there were over a hundred administration changes that were then made as a result of his directive. In addition to that, we had four executive orders, one that targeted federal procurement areas of high unemployment, one that centralized the federal office space into central business districts, were possible. Another one that created this interagency coordinated council that Jack Watson now heads up with all the relevant department heads sitting on it, and then another one that set up an urban impact analysis process at OMB in order to review the urban impact of major decisions that are made to the degree that one can ahead of time. So those four executive orders came out and then 19 pieces of legislation!

Alsobrook: Gracious! And so that's how you spent most of the last two and a half years?

Kaptur: Well, the first year and three quarters was spent on that and then the last – my last year here, year and a quarter, has been spent on trying to get that through Congress. The pieces I have responsibility for and as have the other people on our staff.

Alsobrook: Those are the piece that you mentioned earlier?

Kaptur: Ah –right.

Alsobrook: Would you reiterate those here?

Kaptur: The major ones were the National Consumer Cooperative Bank, which we eventually took on as a part of the urban policy but it was not a part of our initial proposal. The Community Development Credit Union proposal, the Neighborhood Self-help Act at HUD the Livable Cities Act at HUD and it expanded funding for the community development corporations at the Community Services Administration. We also encouraged in the banking agencies the creation of offices of community development. The President has no power to create these, but through his appointees can encourage that this be done. We wanted to leverage money from the private sector, and so now for the first time the Comptroller of the Currency, which regulates commercial banks, the Federal Home Loan Bank Board, which regulates savings and loans, and the Credit Union Administration have offices of community development. We're constantly trying to figure out how to get the banks more involved. None of that would have happened without the Home Mortgage Disclosure Act and the Community Reinvestment Act., which neighborhood groups lobbied for. Also, we made changes to existing programs. For example, one of our major urban initiatives, the Urban Development Action Grant program has one-third of the money can be spent for neighborhood projects. Community Development Block Grant money, the big money that goes out to cities based on formula now has as eligible groups community development corporations, neighborhood groups, Nesbixt [?] [inaudible] and so we have now incorporated that language. We created an office of special projects over at EDA (Economic Development Administration) so that community based corporations can get some of that EDA money, but it's very small compared to the totality of EDA. So we've made some beginnings you know across the agencies.

Alsobrook: I think we've touched on almost everything that you mentioned earlier that you were involved in, but is there any area of urban policy that you feel like we haven't – that you worked on that you feel that we haven't talked about? We'll get into your future plans in just a minute. That may give you a chance to elaborate on some of it.

Kaptur: No, I think I've described it as clearly as I can.

Alsobrook: Well, I was going to ask you another question related to mayors because I think that is an interesting question. This is a little bit of a political question, too. What was the significance of bringing Moon Landrieu and [Neil] Goldschmidt in politically? This is solely an opinion question.

Kaptur: Right. Well, I think that it's a very political move. Ah, Moon Landrieu has great respect among the mayors. I think the President was looking for people that could represent the administration in an election year. It's interesting, I talked to one of the special assistants, and this is with all due respect to Landrieu, but I guess after he was confirmed there was this huge

party at HUD which I didn't go to. And some of the former assistants and people who had worked under Secretary Harris were there for the party and I guess were taking a break because everybody...he was dancing on the desk with his umbrella and just having a ball and just...after they had sweated in that room and there was just a difference in style really. I think that both he and Neil Goldschmidt are politically sensitive. I think that the President feels he would like to have the mayors in his court for the election and it is the first time that we have had a mayor, anyone from the mayor's conference whose actually been head of HUD. I don't know what that means for the neighborhood groups. I don't know what that means for that other constituency; although, Mayor Landrieu has always been committed to helping those most in need and because he has a political sense maybe he'll be aware of what is happening in cities and the growth of these groups, but I think it was basically for the campaign.

Alsobrook: Well Marcy just because you are leaving the White House staff you obviously are not going to forget about all of these various interests that you have. What are you going to do with these things that you have been working on for the last two years? You're not just going to just...

Kaptur: Well I've learned an awful lot in three years. And I think what I really want to do, which I have done for many years now, is to continue to develop the political constituency for change in the cities and I will always put myself in the most opportune place to do that, and at the moment what I am very interested in doing is going over the co-op bank, now the new Consumer Corporate Bank in order to make sure that the initial policies that I established there and the kinds of programs that I developed will reach out to the broad range of these groups. This institution could become the new development entity in this country similar to let's say the World Bank, without the marble in the elevators [laughing] and all the rest of this stuff that they have, for this nation. It could be extremely important and I would like to participate in the development of that institution. I think I'm also interested in over the next several years putting together this interdisciplinary group of university researchers in order to bring their research more fully to bear on public policy. I saw that missing during my time here, but now I know it is necessary and it needs to be put together. I think thirdly I'll be writing and speaking to groups all over the country, and I am going to encourage the various groups that exist to network amongst themselves and to be very selective about issues that they go after on the hill and in the administration. I think they can be more politically effective because there is a lot of frustration out there now. So I would just like to continue to give support to these kinds of voluntary associations about extending their role in community improvement.

Alsobrook: You know talking about your group of professors do you feel like maybe this administration could have utilized that better?

Kaptur: Professors tell me that. I think that people have their own list of contacts that they deal with and someone told me that when Urban Policy was produced one of the missing words in the

partnership or in some of the documents had to do with academics. And one of my friends in fact told me today that back in the old days a lot of those programs came from universities, would filter through the political system and became programs. I have a lot of objections to some of the things that were done in the early days, but I do think that as a Midwesterner and someone who has never been to Washington to live or to work I was shocked by the predominance of the eastern ivy league schools at the policy making level. You know, in terms of the people that [inaudible] produced who were here or who they go to for advice. I feel that the kind of urban policy that would come out of the University of Illinois or the University of Chicago or Northwestern is very different from the urban policy that comes out of a Harvard or a Yale. And I guess, I leave with some misgivings about the relationship between those schools and Washington. I think as Hubert Humphrey said, "they probably have too much influence if you wanted to keep the [inaudible] moving around the country." I never really understood that. I never fully appreciated that...at least that's my view. Maybe it's wrong statistically. I don't know, but I think that is what is happening.

Alsobrook: Tell me a bit about – I'm almost through believe it or not – tell me a little bit about how you came to Washington and about your background.

Kaptur: Well, I graduated from the University of Wisconsin in '68 in history. I worked for five years in my home city which is Toledo, Ohio as a city planner, beginning planner. At that time you could enter the field with a few courses in zoning and land use and housing and I did that. And then I decided that I wanted to go on to school and I went back to the University of Michigan. I simultaneously through all those years when I was working in Ohio I was very politically involved with the Democratic Party and held all kinds of local offices and eventually left the city because I couldn't rise any higher in the governmental structure because I held a party office, and, therefore, I couldn't do both, so I decided to go back to school that was a good time to do it. And when I left school I eventually went to Chicago and was a consultant there for community organizations for downtown business men something called Community 21, Chicago 21, which is a plan for the revitalization and stabilization of the central loop area and the surrounding neighborhoods. It was a wonderful experience, and I was actually there on contract from the National Center for Urban Ethnic Affairs which is based here in Washington. In addition, during the mid 70s I served on the campaign for human development which is a foundation of the Catholic Church and gave out money all over the country to self-help groups of various kinds. And when I finished my work in Chicago, Ford Foundation did a book on my work there called Reviving an Inner City Community – written by Ed Marciniak. That described my work. That book was sent to the Carter transition team. One of the women who served on that team, Vicky Mongiardo who is now on Ann Wexler's staff called me and asked me for my resume, and I had known her because she served on the Catholic conference board. And she – this was in November of '76 after the election – and she wanted me to submit my resume. I said, "For what job?" She said, "We don't know." I said, "I don't want to submit my resume for

something I don't know about." But eventually I came for an interview with dozens of others and waited for two hours for Stu in January of 1977 that was and I was hired. I am not sure if the decision to hire me was made before I got here or not. I really don't have a sense of that. I think that there are very few Catholics in this administration – there were no planners on our staff and after I leave there won't be any at all. There are very few people who would identify themselves as white ethnic, which I am. I'm Polish-American, and there are very few Midwesterners. So I think I fit a lot of categories. Plus I had political experience and plus they were looking for somebody in the urban, somehow that all fit together and plus there had been people who had worked on the campaign who wanted some of their friends placed. I think all of that worked to my benefit, and I became the one that served on our staff and that's how I got here.

Alsobrook: And lastly for use of the future Library, I need a permanent address and telephone number.

Kaptur: My address here in Washington is 1656 D Beekman Place Northwest. That's Washington, zip code 20009 and phone is 332-0112.

Alsobrook: Is there a particular alumni association that will always know your most recent address?

Kaptur: Alumni association of the University of Michigan, Planning Alumni Association. Also my home address where my family lives in Ohio is 1841 Boity RD, Cleveland, Ohio, 43615

Alsobrook: OK. Thank you very much for all your time...

Kaptur: I hope somebody uses this someday.

Alsobrook: I'm sure somebody will. Thank you.

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