SATTELITE COMMUNITIES
Proposal for a New Housing Program
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The term "urban crisis" has different meanings to different people. Those most immediately affected by hunger, lack of health services, unemployment, poor education, and housing shortages are the black and the poor — and their neighbors. Problems of air and water pollution, traffic congestion, and municipal finance, on the other hand, clearly affect everyone in the metropolis — whether he lives in the suburb or in the city. But to the poor these problems are not as immediate as their poverty. The "urban crisis" has a significantly different impact on different segments of the population, living in different sections of the metropolis. The severity of the problems also varies widely between metropolitan areas. In general, it is directly proportional to the size of the population, the growth of the population, and the size of the ghetto.

What strategies can we employ to combat these pressures? Financial aid to the cities, either by means of revenue-sharing or through the federal government’s bearing a larger share of expenditures for education and welfare, will certainly be essential. Unwieldy governmental machinery will have to be bypassed, since problems of this urgency will not wait for the reorganization of fragmented governmental jurisdictions.

The program proposed here focuses on the problems of migration, pollution, transportation, unemployment, and segregation. Specifically, it recommends that:

- The federal government, in cooperation with the states, should embark upon a land-acquisition program for new satellite communities. Acquiring enough land in the metropolitan areas where the problems are the greatest to accommodate half of the population growth expected by the year 2000 would require the surprisingly small investment of less than three billion dollars. If the land were properly located, this investment could yield a profit, unlike other governmental housing programs, which are typically operated at a loss.
- Antidiscrimination laws should be affirmatively enforced through the lending policies of the F.H.A., V.A., and federally insured savings and loan associations and through the denial of federal funds to builders of segregated developments.
- Existing federal subsidies for housing should be redirected toward families earning between six thousand dollars and twelve thousand dollars a year, and income limits on persons eligible for subsidized housing in satellite new communities should be removed.
An income-maintenance program should be established for lower-income people to assist them in buying or renting older housing.

The federal government should provide funds to rebuild substandard central city areas, perhaps as "new towns-in-town," after making a sufficient number of new homes available through the new satellite communities program. This would assure immediate accommodations for those displaced from the buildings to be demolished.

The heart of this program is the acquisition of land for new satellite communities which would house part of the population growth of selected metropolitan areas. The need for new communities is now widely acknowledged, although there is widespread confusion regarding their fundamental purpose as well as their financing, location, and size.

For example, David Rockefeller has called for a ten-billion-dollar private corporation to build satellite new communities on land acquired through the aid of a federal land corporation. The New City, a book produced by an impressive group of senators, congressmen, and national organizations of cities, counties, and mayors, advocates:

"...financial assistance... from the federal government to enable the creation of one hundred new communities averaging one hundred thousand population each and ten new communities of at least one million in population."

Moreover, the Congress has passed new legislation authorizing federal loan guaranties for financing new communities. This new legislation identifies four types of new communities as eligible for federal assistance: satellite communities (on the outskirts of existing metropolitan areas as an alternative to subdivision development), urban growth centers (additions to small towns and cities), new towns-in-town (within central-city areas), and independent new cities unrelated to metropolitan areas that are already in existence.

Yet, the Congress, by enacting legislation providing funding for all four kinds of new communities, has avoided answering such basic questions as: What are the fundamental purposes of new communities? What kinds and sizes of new communities are most urgently needed? Where should they be located? The program proposed here is based on the conviction that new communities developed under current legislative policies will be located in the wrong places, will be too few, and only a small percentage of them will be desegregated.

I propose to show that while we need new communities for many reasons, their most important function is as part of a desegregation strategy that deals realistically with race and class; that we need satellite new communities rather than isolated new towns; and that the federal government should begin now to acquire the land for these new satellite communities instead of continuing to guarantee loans for private land acquisition. Finally, I propose to identify those metropolitan areas with the greatest need—where the land should be acquired for satellite new community programs significant enough to have an impact on the ghetto.

Desegregation—Race and Class

The 1970 census returns demonstrate all too clearly that the dire prophecies of black inner cities encircled by white suburbs are being fulfilled. At least four major American cities, Atlanta, Newark, Gary, and Washington, now have central cores that are over fifty per cent black. In addition to these, seven other cities have black ghettos of more than forty per cent of the central city population. One reason is the flight of white population from the central cities. In Chicago, for example, the white population declined by more than half a million between 1960 and 1970; in Detroit there was a decline of 345,000 during the same period. The other factor, according to the Bureau of the Census, was that the "increase in the black population of the central cities proved to be both large and widespread, thus changing the racial mixture substantially." Though this situation is recognized as critical, most current proposals fail to deal realistically with political obstacles resulting from attitudes toward race and class.

Before addressing ourselves to this question, let us turn our attention toward another aspect of the problem. It has now become commonplace to recognize that the new suburbs are also the location of the new jobs, particularly the new industrial jobs, since industries find it more economical to build single-story plants on cheap suburban land than to build multi-story plants on expensive city land. Only office jobs are increasing in the cities, and this trend is expected to continue. So we daily witness the remarkable phenomenon of inner-city blacks filling the expressways en route to their industrial jobs in the suburbs while, at the same time, suburban whites are fighting traffic in the opposite direction to get to their office jobs in
the cities. This is a consequence of the separation of place of work from place of residence carried to absurdity.

The core of the problem is race. Black people need places to live near their work, yet white suburbia's level of anxiety at the prospect of an influx of black neighbors was expressed by President Nixon when he opposed Secretary Romney's proposal for using federal funds to open up the suburbs by calling it "forced integration"; and there are voices within the black community advocating total separatism.

The strong resistance of white suburbia to the acceptance of black neighbors, in large part, is based upon a fear of inundation by an alien culture. Each suburban community fears that, if it becomes the first of its neighboring areas to welcome blacks, it will become the central focus of the entire black migration. Given this white resistance and the understandable reluctance of black families to move into an inhospitable environment, legal and legislative efforts can open up the suburbs to only a few highly motivated black families intent upon securing better housing, better jobs, and better education for their children. Large numbers of black families will not be affected nor will the lower-class or the unemployed.

Nevertheless, overcrowding in the ghetto and the resulting pressure on the white neighborhoods adjoining it must be relieved. Where housing is scarce and segregation prevails, the growing black population can only expand into the adjoining white neighborhoods. Block by block, as these white residents are squeezed out of their neighborhoods, they tend to reassemble in other ethnic or cultural enclaves further out, which become that much more resistant to any black entry.

Land is scarce in the city, and urban renewal has destroyed more housing than it has created. It is very difficult to reproduce the high density of our ghettos except by building high-rise apartments — very high; these are now generally considered by ghetto residents as undesirable places to raise their children. The only land available, then, for housing the growing black population of our cities — if they are not simply to displace their white neighbors — is in the areas next to be developed at the suburban fringes or on inner-city industrial land no longer suitable for industry. Once population pressures in the ghetto have been relieved through new construction in outlying areas, our inner cities can be rebuilt. London, for example, built new towns before the East End was cleared so that the residents of the East End had someplace to go before their homes were destroyed.

There is still another aspect of the situation that should not be neglected. Besides simply relieving the overcrowding in the ghetto it is also necessary to speak to the condition of despair in which most of its inhabitants find themselves. Satellite new communities provide an opportunity for white America to convince black America that there is someplace in the United States where there can really be hope, where Americans put into practice the ideals we profess, where there are good jobs, good housing, and a good education for children. Many black Americans may prefer to stay where they are, rejecting the new communities and the racial mixture they offer, but they would still be aware that this opportunity exists if they choose it.

Black separatists argue that the growth of black majorities in our cities will increase both the political and the economic power of the black community. There is certainly strength in this position. The business communities which occupy the center of those American cities with populations over forty per cent black will have to learn how to cope with this reality. On the other hand, it would not seem plausible that the separatist movement would deny that same choice of environment to blacks that the majority society has always enjoyed. In any case, white society now has the power to open the way for black occupancy of homes in the suburbs and in new communities, and, if it is used, blacks can choose whether or not to live there.

Historically, the ethnic neighborhood functioned effectively as a place where the immigrant could adjust to the New World while he preserved his own culture and roots. His children usually became part of the majority culture. It is glaringly obvious, however, that this process is not operating for black people and that the barriers to upward mobility are greater for them than they were for the Irish, Italians, Jews, and other groups. Limited progress does occur, of course. Opportunities for employment and education are expanding, but the increasing ghettoization of black people is an insurmountable barrier to their entrance into the larger society unless it can be somehow reversed.

We will be confronted for many years to come with a situation in which a number of central cities will be dominated by black groups. This means that one route for the black community will be the development of their own economic and cultural institutions, depending on their own initiative and on negotiations with white people having economic power in the city. Here an analogy to the biculturalism of Quebec
might be relevant, where the French majority faces an English minority holding economic dominance.

An alternative route for black advancement lies in desegregation and the accompanying improvement in education, employment opportunities, and housing that a desegregated society can provide. The term "desegregation," however, does not imply that every street or apartment building has black residents in precise proportion to the total population. Obviously, economic status, distance from work, arbitrary personal preferences (including those based on race), and many other factors will continue to affect where and how people choose to live. Desegregation does require, however, that black people have the same opportunities to make choices that white people have. We must continuously be reminded that the success with which we develop an environment that will close the unconscionably wide gap between the opportunities available to black and white people will not only determine the future of many of our cities, it will also have an enormous influence on our national character and on our international relationships.

Any desegregation strategy must begin by making a proper distinction between race and class. This distinction has long been blurred, perhaps deliberately. For years the executive branch of the government "sold" Congress on housing legislation without ever mentioning the word "black." It was considered wiser to talk about "poverty," and the fact that there are twice as many poor whites as there are poor blacks in the United States.

President Nixon's statement of policies relative to equal housing opportunities has been attacked because of its lack of commitment to racial and economic integration. However, the statement deserves to be read in its entirety because, for the first time, the executive branch of the federal government has made the important distinction between racial and economic integration and has recognized the difference between opposition to building low-income housing in wealthy suburban areas and the movement of relatively affluent black families into those same suburbs.

Anyone with any experience in leasing apartments or in selling homes knows that it is much more difficult to mix different economic classes than to mix different races in this country. The 1970 census shows, in fact, that we are getting some small mixture of middle-income black and white families in suburban areas, and there are numerous examples of integrated buildings and neighborhoods in the cities. However, comparable examples of economic integration of rich and poor are rare.

The President's statement also acknowledges for the first time the role that the Federal Home Loan Bank plays in the housing market through its regulation of savings and loan associations. Almost all present financing for new homes and apartments involves the federal government in one way or another. About half of the outstanding mortgage debt on single-family homes is either F.H.A. or V.A. insured, and most of the balance is financed by savings and loan associations with deposits insured by the federal government and investments regulated by federal law. The remaining factor in home and apartment mortgage financing is the life insurance companies, and they most certainly would cooperate with any Equal Opportunity Program affecting the F.H.A., V.A., and savings and loan associations. If these lenders or loan guarantors were to provide funds only for equal opportunity developments, almost all new construction of homes and apartments would be desegregated, just as equal opportunity employers have partially succeeded in desegregating the work force.

It will be necessary, however, to design separate programs for different income groups. Only families earning more than ten thousand dollars per year are able, at current market prices, to afford new homes or apartments outside the South. In the northern and western metropolitan areas approximately thirty-two per cent of all black families earn more than ten thousand dollars a year, as compared to fifty-two per cent of all white families. This means that in a metropolitan area with a population which is, say, twenty per cent black (though most, of course, have a smaller percentage of black families), approximately
thirteen per cent of the total families who could afford to move into suburban areas might be black.

However, because the white families are already there, and because black families might hesitate to move into a potentially hostile environment, a much smaller percentage of black families can be expected to purchase or rent new housing in already built-up areas or in traditional suburban subdivisions, even with a free housing market. Since the percentage is likely to be relatively small, any action taken by the federal government in relation to open housing should not arouse enormous fears. Experience suggests that such a mix would be stable. Moreover, the fact that practically all new developments would have to be equal opportunity developments under such a plan means that no single development would run the risk of becoming the focus of more extensive change. Builders would be able to prove compliance by demonstrating that they have, in fact, sold or rented to black families or show that they have unsuccessfully advertised for, and have not discriminated against, them. Thus a modest degree of racial desegregation would be achieved; it will not, however, produce any substantial amount of economic mixture, since only families earning more than ten thousand dollars a year would be involved.

Racial and Economic Balance

To facilitate the housing of black industrial workers near suburban plants other programs will be needed. This may be a more difficult goal because of the greater resistance to mixing economic classes than to mixing races. A better opportunity for achieving racial and economic heterogeneity is offered by new satellite communities. Desegregation here would signify real options in terms of where and how people want to live. Given a choice of locations in new communities, it is quite possible that people would sort themselves out: some into white neighborhoods, some into black, and some into mixed. It is also possible that some management people living in the new communities will isolate themselves from the factory workers, while others will prefer to mix with them. These options must always be kept open, because the principle of free choice is quite as important as any of the other concepts discussed here.

Housing middle-income people and industrial workers in new satellite communities will require some form of subsidy, since some of them may be earning only about six thousand dollars a year. This means that such a family can afford little more than $125 a month for rent. Of all black families living in the North and West, sixty-five per cent earn at least six thousand dollars a year, as compared with seventy-nine per cent of all white families in those areas. This means that in a metropolitan area with a population, say, twenty per cent black (again this figure is larger than average), approximately seventeen per cent of the total families who could move into such new communities would be black. Experience, again, indicates that such a population mix in new communities would be stable. However, even though black families would be welcome in such new communities, in contrast to the hostility of the existing suburbs, it is doubtful whether the percentage of blacks, at least in the initial phases of the program, would be as high as seventeen per cent.

Income groups earning less than six thousand dollars a year present an entirely different problem. It is possible that the best way to deal with poverty is with money. Income maintenance or some form of negative income tax might be more effective answers to the problems of low-income families than housing subsidies. People in this income bracket may prefer to select older housing, spending a larger proportion of their total income on other necessities. If we are interested in achieving some degree of economic heterogeneity, new communities should then be prepared to accept their share of the new housing for this group in proportion to their presence in the metropolitan area as a whole.

The results of this program are likely to be that a small percentage of relatively affluent black families will live in the same suburban neighborhoods as white families of a similar economic level, in new housing. A larger percentage of both working-class and affluent black people will live in desegregated new satellite communities with whites of the same economic status. Poor families, both black and white, will live largely in the older housing and apartments, with a small percentage in new homes and apartments and in new satellite communities.

High-rise public housing, on the other hand, should be reserved exclusively for adults — either the elderly or young single or married people without families. The buildings are adequately constructed and can be utilized in much the same way as luxury high-rise apartments, by adults. For large families, income maintenance might permit them to buy older housing, preferably in a neighborhood with good schools, and provide a much more suitable environment for the children.

This approach is the opposite of the one we are
now pursuing. We have for some time been providing new housing for poor people through public housing projects and for the relatively affluent through government subsidies for single-family homes. Instead, we should be providing new housing for middle-income people earning between six thousand dollars and twelve thousand dollars a year and allow those with lower income to acquire older housing through income maintenance. People with incomes over twelve thousand dollars can afford their own housing, subsidized as at present through special income tax treatment of home ownership.

What has been proposed, then, is a four-point program:

- Affirmative action to enforce antidiscrimination laws through F.H.A., V.A., and federal savings and loan association lending policies so that black families able to afford single-family homes can move to the suburbs.
- Housing subsidies for middle-income people earning between six thousand dollars and twelve thousand dollars a year to enable them to afford new housing in new satellite communities.
- An income maintenance program for lower-income people so that they may be able to purchase suitable older housing.
- A new satellite communities program offering housing of varying price range in a choice of black, white, or racially mixed neighborhoods.

The Hidden Cost of Subsidies

The federal government pours at least ten billion dollars a year in direct or indirect subsidies into the housing market. The federal budget directly allocates approximately four to five billion dollars a year to housing, including appropriations for urban renewal, public housing, mortgage loan interest, subsidy programs, etc. This figure, however, does not include rent payments made for welfare recipients, which are indirectly financed by the federal government through matching funds to the states (in New York City alone these costs amount to eight hundred thousand dollars a year). The federal budget figure also does not include the major benefit involved in the whole system of F.H.A. and V.A. mortgage guaranties, nor does it include the funds supplied by the savings and loan associations, which have financed the large portion of so-called “private” housing development. By insuring deposits in savings and loans and requiring them to invest these funds in home mortgages, the government has made available a continuing supply of money to the housing market at a lower interest rate than could be obtained in a competitive money market. It would be difficult to calculate the extent of this benefit.

The outstanding mortgage debt, however, of the savings and loan associations exceeds $160 billion, and the outstanding F.H.A. and V.A. guaranties represent an even larger amount. If the interest differential is one per cent, the benefit involved amounts to more than three billion dollars a year. The overall cost to the government of its borrowings may be increased by these loans and guaranties, but to a degree next to impossible to measure.

To these subsidies must be added the cost to the federal government of the loss of revenues deriving from its tax treatment of home ownership. The deductions allowed home owners for mortgage interest payments and real-estate taxes is another form of subsidy. It has been estimated that, in 1966, the deductions for mortgage interest reduced revenues by $1.6 billion, and those for property taxes caused a reduction of $1.4 billion. It is also estimated that the failure to tax the value of occupying a home (imputed income) reduced revenues by four billion dollars. The total revenue lost to the federal government by special tax treatment of home ownership, therefore, amounts to some seven billion dollars a year, or more than the total amount in the federal budget earmarked for housing. Perhaps this analysis reflects a rather extreme point of view. However, if we were to follow the example of the Canadian government, which does not tax imputed income but does not allow the deduction of mortgage interest or of property taxes either, the gain in revenues would amount to three billion dollars a year.

Perhaps an example will clarify what is meant by “imputed income.” If a home owner has a house worth thirty thousand dollars on which he has a mortgage of twenty thousand dollars his equity investment is ten thousand dollars. If that investment had been invested instead at eight per cent interest, it would be earning eight hundred dollars a year on which a taxpayer in the forty-per-cent bracket would pay $320 in income taxes. However, the home owner has a return on his ten-thousand-dollar investment of the privilege of occupying his own home, for which he pays no tax. This annual value is known as “imputed income.”

The inequities involved in this arrangement are manifold. For example, the more expensive the house the larger the tax benefit of home ownership. If the
home owner, on the other hand, were to decide to rent his house to another family, he would have to pay income tax on the amount by which the rent received exceeded his mortgage payments, operating costs, and real-estate taxes, except for the special tax treatment for depreciation of real estate, which in the early years will also make his eight-hundred-dollar to one-thousand-dollar return on his investment tax free. Instances of such special tax treatment exist throughout the tax laws. The investment credit for new plants and equipment is a comparable example.

My aim here is not to reform the tax laws but rather to emphasize the size and extent of the subsidies available to home owners and landlords in the form of tax benefits as compared with the subsidies for moderate-income housing, where a three-per-cent interest subsidy on a sixteen-thousand-dollar mortgage amounts to only about $480 a year. Its after-tax value to a taxpayer in the forty-per-cent bracket, however, is only $192 a year, or considerably less than the subsidy to the home owner or landlord owning more expensive property in the example above.

It will undoubtedly take a major effort to organize and rationalize the whole subsidy system in the housing market. I am not suggesting that we do away with income tax deductions for mortgage interest and real-estate taxes or for depreciation. I am rather suggesting that we try to understand their impact on the housing market and make sure that comparable subsidies are made available to lower-income people as well.

Unfortunately, many people become quite moralistic when subsidies for the poor are concerned and tend to worry about the problem of cheating. The opportunity to cheat is built into many of our housing programs when they specify minimum income levels. If a man's family is likely to be evicted from its apartment when his income increases, he is very likely either to avoid making more money or to be somewhat uncommunicative about the fact that he does. Such income limitations should be abolished in satellite communities. If a person earning more money still wishes to live among his lower-income neighbors, he should be encouraged to do so for the sake of economic heterogeneity. If he goes out and buys a home or rents a more expensive apartment, he is receiving another kind of subsidy, in any event. Furthermore, eliminating such income limitations will aid in overcoming racial prejudice. Experience has shown that the best way to encourage desegregation is to offer a bargain. Such integrated developments as Prairie Shores in Chicago and St. Francis Square in San Francisco have largely been successful because they offered well-designed apartments at a little less money. This policy creates a waiting list of potential tenants who are more concerned with getting in than they are with who lives next door.

Of the ten billion dollars that the federal government is spending in the housing market, a large portion has the effect of encouraging white home ownership in the suburbs and public housing for black people in the inner city. In other words — whether intentionally or not — it has resulted in increasing segregation. If we really were to decide to use these funds for the opposite goal, we could — within a decade — create many desegregated new communities, decrease overcrowding in the ghetto, reduce the pressure on its adjoining white neighborhoods, and encourage some black families to move into what are now all-white suburban areas.

Specifically, satellite new communities should receive a priority in the allocation of federal subsidies for low- and moderate-income housing in order to make it possible for everyone who works in the new community to live there. The amount of subsidy should vary with the income of the home owner or renter, so that no more than twenty-five per cent of his income is required for rent or mortgage payments.

**New-community Options**

Why should we build satellite new communities? Why not consider a low- and moderate-income housing program in suburban locations instead? The fact is that the present level of resistance to the construction of such housing in already established suburban areas is so great that it is unlikely that very much low- and moderate-income housing will be built there. In bypassing these areas and creating new satellite communities on the vacant land beyond, the political opposition to desegregation is significantly reduced. Furthermore, building in such outlying areas where vacant land is still available requires a scale of development for roads, sewer and water, and other amenities, at least on the level of the planned unit development and approaching the scale of satellite communities, in any event.

Most of the advantages of new communities have been fully described elsewhere, so only a brief list will serve our purposes here. New communities offer options for living in black, white, or mixed neighborhoods; they can provide an integrated school system; they open up opportunities for employment in the new suburban industrial plants; they reduce automo-
bile traffic by allowing people to live near their work, thus lessening air pollution and the drain on our diminishing oil resources.

Certainly, satellite new communities provide an organizing idea which permits the planning needed to rationalize our transportation systems as well as our land use. Furthermore, only in satellite new communities will it be possible to aggregate the housing market efficiently in order to make industrialized housing feasible while their higher density would permit us to protect the environment by saving land and preserving open space. Definite financial benefits would result from federal land acquisition for new satellite communities, and these savings could be channeled into housing needed to accommodate population growth and replace substandard housing.

As mentioned earlier, influential proponents of new communities have called for ten new cities of one million people each and one hundred new towns of one hundred thousand each. It is thought that a population of at least one hundred thousand is required in order to sustain the services necessary to a self-sufficient community. Satellite new communities, however, need not be self-sufficient since they can depend on the central city for many of these necessary services. Consequently, they might be as small as eight thousand to ten thousand people — i.e., neighborhood size, large enough to sustain an elementary school, community center, nursery, convenient shopping center, service station, recreational facilities, and other local amenities. Such neighborhoods exist in the new towns of Färsta and Vällingby, near Stockholm, and in Tapiola, outside of Helsinki.

These are largely town-house and apartment communities as opposed to single-family homes, which are more characteristic of new communities in the United States. If one of the purposes of satellite new communities is to house the workers employed by outlying industries, they will have to consist partly of town houses and garden apartments, since only persons earning at least ten thousand dollars a year can afford new single-family homes in the northern and western United States at today’s prices. However, these town houses and apartments could be sold as condominiums rather than rental units, if ownership is the desired goal.

Though satellite new communities might, in some instances, consist of as few as eight thousand to ten thousand people, in others larger populations are desirable, particularly if desegregation is our goal. Communities consisting of four such neighborhood units, or approximately thirty-five thousand people, could offer a choice of white, black, or integrated housing, with an integrated school system as well as other community activities. Moreover, a satellite new community of thirty-five thousand people could be linked to the central city and to other similar communities by mass transportation. This becomes even more feasible if the town houses and apartments are centrally located near the mass transit station or bus stop, with single-family homes surrounding this central core. Such concentration of population at mass transit origins and destinations is necessary if it is to be workable at all.

Even larger satellite new communities are possible, though it is generally true that the larger the community, the more difficult the land acquisition process. Evanston, Illinois, an old suburban community, for example, has a population of eighty thousand and a school system which is integrated without excessive busing.

In metropolitan areas with very small black populations, like Minneapolis and Seattle, other means of desegregation are possible, so that satellite new communities there might be as small as eight thousand people. In those areas with large black populations where desegregation is a primary goal, new communities might better be built for thirty-five thousand people or more.

Very little land is required for a satellite new com-
munity of eight thousand to ten thousand people. Three thousand dwelling units at a modest apartment density of twenty units to the acre could be built on only 150 acres of land. An additional twenty acres could easily accommodate a school, shopping center, and other community facilities. In most metropolitan areas, tracts under two hundred acres are relatively easy to assemble. At mixed town house and apartment density, such a community might require four hundred acres; if four such neighborhoods are joined together to create a community of thirty-five thousand people, 1,600 acres would be more than adequate. Another four hundred acres could provide space for a high school, additional recreational facilities, and for industrial and commercial uses. However, in most metropolitan areas tracts as large as two thousand acres are usually quite difficult to assemble. In most places the government’s power of eminent domain will be necessary to assemble the land for satellite new communities.

A community of forty thousand people on two thousand acres provides a density of twenty persons to the acre. The city of Chicago (including all of the land devoted to offices, industry, commerce, recreation, and other uses) has a density of more than seventy persons per acre, or more than 3.5 times as dense. Older suburbs of Chicago, like Berwyn, Cicero, and Evanston also have much higher densities, i.e., thirty persons to the acre, with mixed residences including single-family homes, duplexes, town houses, and apartments. Even some of the newer subdivisions built since World War II and consisting entirely of single-family homes have similar densities.

The lower density of twenty persons per acre has been chosen to demonstrate that, even at this low density, only one million acres of land will be needed for a satellite new communities program accommodating half of the expected growth in selected metropolitan areas during the next thirty years. The cost of acquiring this land at three thousand dollars per acre (the land for both Reston and Columbia was purchased for about $1,500 an acre) is only three billion dollars. So, if we build at higher densities, less land and less money will be required; if the land can be purchased for less than three thousand dollars an acre, a further saving can be obtained.

Half the expected population growth between 1970 and the year 2000 in thirty-eight selected metropolitan areas amounts to twenty-one million people. These selected metropolitan areas account for over eighty-five per cent of the population, eighty-seven per cent of the black population, and ninety per cent of the population growth in all metropolitan areas of over five hundred thousand people. A more modest but more concentrated program involving twenty-four selected metropolitan areas would account for seventy-two per cent of the population, eighty-three per cent of the black population, and seventy-two per cent of the population growth in metropolitan areas of over five hundred thousand people. These, then, are the metropolitan areas with the greatest degree of segregation, the greatest pressure on the environment, and the greatest problems resulting from size.

The more modest program would require eight hundred thousand acres in these selected areas for new satellite communities. This land could be acquired for less than $2.5 billion spent once, as opposed to the federal government’s annual expenditure, both direct and indirect, of ten billion dollars for housing.

**Land Acquisition**

I have suggested that the federal government, in cooperation with state agencies, acquire one million acres of land in certain metropolitan areas for satellite new communities. In addition to the value of early land acquisition to a satellite new communities program, the estimated three billion dollars required for this investment could be expected to yield a profit to the government.

Private land acquisition for new community development can presently be financed through federal loan guaranties. It appears that a number of such projects will be undertaken if only as a result of the rather favorable terms offered. The major flaw in this approach is that the land best suited to the development of new communities is seldom available under a single ownership and cannot be assembled without invoking the government’s power of eminent domain. Consequently, many of these new communities will not be located where they are most needed. Moreover, piecemeal new community development competes with ordinary subdivision development, which makes desegregation difficult.

A bolder strategy is needed. If the federal government were immediately to acquire the land required for new satellite communities, thus pinpointing publicly their intended locations, many of the worst fears would be allayed. As David Rockefeller notes, a federal agency with “powers for planning and obtaining sites for new towns” might “perhaps provide guidance in terms of national land use planning.” Whether the federal agency involved is part of the
executive branch of the government or is a separate entity altogether, such as the T.V.A. (which I tend to prefer), the land should initially be acquired and owned by that agency. When land is privately owned, local zoning and building codes hamstring the development of new communities. This problem, however, tends to disappear when the new satellite community is part of a federal “enclave.”

Local authorities, of course, should be involved in the process of planning the location of new communities. Perhaps the best agency for coordinating local with area-wide planning is the metropolitan area planning authority, which exists in nearly every major metropolitan area. In the Chicago area, for example, most federal grants to municipalities in northern Illinois must first be approved by the Northeast Illinois Planning Commission in order to show compliance with the commission’s guidelines.

The profits to be made from a land acquisition program can accrue to the public’s benefit. Private real-estate investors now reap the profits from increased land values created by public construction of subways, bridges, roads, airports, sewer plants, and other public utilities. Advance knowledge of highway interchanges creates instant fortunes in real estate. If land value profits created by public expenditures are recaptured for the public benefit, they can be reinvested in various aspects of new community development. In England, for example, land investments for new towns have nearly all been profitable for the government, although private investors in this country might expect a higher return.

The actual development of new communities, unlike land acquisition, should be accomplished by private developers rather than by the government. Urban-renewal procedures might serve as a model here, although we might experiment with other mixtures of government and private responsibility. Land for urban renewal is acquired by a public agency which also plans the major streets, public utilities, and land uses. Parcels of land are then sold to private developers. In this case, there is usually a write-down on the land because these projects are generally undertaken in depressed areas, while in the case of new satellite communities, the land could be resold at a profit.

Of course, there is more to a new community program than buying the land. Roads and streets, sewers, water, and other utilities must be provided. While the land itself may cost less than three thousand dollars per acre, the infrastructure (roads, streets, utilities, etc.) for such a project might well cost as much as fifteen thousand dollars per acre. This expenditure, however, is not entirely made at the beginning of the project since only major roads, storm water interceptors, and part of the sewage treatment plant must be installed then. Perhaps five thousand dollars per acre would be a more realistic figure to represent the primary investment in the infrastructure. The balance can ordinarily be provided by land sales. The point is that these particular expenses will have to be met in any event if the land is to be developed at all. State and local governments ordinarily bear the burden of these expenditures, which are more costly for ordinary subdivision than for new community development. There is no reason why these expenses should not be shared by the private developer to whom the land is sold, perhaps with loans guaranteed under the New Communities Act.

Urban land values have increased more than four hundred per cent within the last twenty years. A single-family lot which sold for one thousand dollars in 1950 cost over five thousand dollars in 1970. This increase is greater by far than the increase in the cost of living in general and greater even than the increase in building costs themselves. Properly located land is a unique form of monopoly: the supply is limited, and increased demand sends prices soaring. If the land is acquired by a governmental agency, however, the profits—as explained above—will accrue to the public or be used for further new community development.

Numerous federal and state agencies presently are involved in the planning of roads and utilities. The federal government, moreover, is financing the acquisition of open lands. It would seem to be highly desirable to coordinate all these various efforts, so that planning for roads, mass transit systems, sewers, and water can coincide with land acquisition for new satellite communities and thereby guide the growth of our metropolitan areas.

A final and singularly important reason for suggesting that land be acquired now by the federal government is to establish the credibility of the new communities program. People need tangible evidence that we actually do have a national commitment to desegregated new communities. In the building industry, announcements of new projects are generally credible only when the builder owns the land.

I believe that the land for satellite new communities should be acquired in the areas next to be developed in our fastest growing metropolitan areas. This belief is based upon the judgment that these are the places
where desegregated new communities are most necessary, and also that these are the areas where population growth will occur anyway. The Nixon Administration, however, has proposed a very different policy.

In July of 1970, the President’s National Goals Research Staff issued a report entitled “Toward Balanced Growth — Quantity with Quality.” In effect, it recommended that both the government and the private sector intervene in order to change the pattern of population settlement and prevent the further growth of megalopolis. The Nixon Administration has thus called for the concentration of resources to bolster urban growth centers by improving employment opportunities and providing professional services in regions of limited growth.

While federal assistance and intervention in the development of urban growth centers may be desirable, as a substitute for a national urban policy it is sheer disaster. Even if migration to the cities continues, the influx will progressively dwindle. Since massive migration is already coming to an end, the plan for urban growth centers actually comes too late. Moreover, it is simply not possible to keep the largest metropolitan areas from growing without overhauling the entire economic distribution system, and the cost of such an enterprise would far outweigh the benefits. Major metropolitan areas will continue to grow for the same reasons that they have grown in the past, and industries will keep on locating on the outskirts of such cities in order to serve their markets and attract labor for their plants and warehouses. The situation must be quite exceptional if an industry decides to locate in an urban growth center in Kentucky in order to serve a market in Chicago.

The large metropolitan areas will also continue to remain the centers of the boom in office buildings. Office jobs in the New York area are expected to almost double by the year 2000 and to increase 2.5 times throughout the country as a whole between 1965 and the end of the century. It is remarkable that, though the twenty-four largest metropolitan areas contain only thirty-four per cent of the nation’s total population, they provide sixty-five per cent of all its office jobs — and this percentage is expected to decline only slightly, in spite of government intervention to promote urban growth centers. The number of white-collar jobs first began moving ahead of blue-collar jobs in the mid-nineteen-fifties, and it is expected that they will exceed all other forms of employment by 1980. Finally, metropolitan areas will continue to grow, even without significant migration, by the normal process of the birth of children to the residents. Serving these children and their families will be a motivational factor in the choice of location for many “service” industries.

If this is the real significance of metropolitan areas, then we must treat as commendable but, perhaps, futile the attempt by the Administration to redistribute the population away from major metropolitan areas. Certainly, whenever possible, government offices, universities, defense contracts, etc., should be used to aid underdeveloped areas in the United States. This is simply a matter of not increasing congestion in built-up metropolitan areas. But to assume that any such effort can make a significant difference is a misconception. Whether we encourage new cities in the prairies or urban growth centers or further growth in metropolitan areas of less than five hundred thousand people will have very little impact on such metropolitan areas as New York, Los Angeles, and Chicago, which will all continue to grow.

Similar considerations preclude the building of many new cities in the prairies. It is possible to build a few, perhaps, and this effort might be encouraged, in locations where a new university or federal installation provides an economic base for such an independent new town as an experiment in new technology. However, in the main, no cost-benefit analysis can justify the federal government’s intervention except where the action already is — i.e., in the areas to be developed during the next three decades on the outer fringes of the suburbs now encircling the major metropolitan areas. After these areas have been developed with satellite new communities, we can consider the creation of “new towns-in-town” on the vacated inner-city land which will become available, to replace substandard housing no longer needed in the ghetto.

Some people give the term “urban growth center” a different meaning. They talk, instead, about adding to existing satellite old communities, of which Aurora, Elgin, Joliet, and Waukegan are examples in the Chicago area. This concept has some merit. There is no reason why these old satellite communities should not be enlarged, provided that a desegregation program is an integral part of the plan.

Population Growth and Housing Supply

It is argued that even if some twenty million people lived in “new towns” they would represent such a small percentage of the population as not to be significant. The 1970 census shows, however, that
twenty million people constitute more than half the total population growth expected between now and the year 2000 in the metropolitan areas with the worst problems. A program of properly located new satellite communities to house this anticipated growth in the metropolitan areas where it is expected to occur would certainly have a major impact.

It was once anticipated that the population would double between 1960 and the end of the century. The Nixon Administration, however, has been talking about a slower rate of growth, while Congress places the figure for population growth between 1970 and the year 2000 at only seventy-five million people. Anthony Downs believes that the 1970 census data indicate that an increase of fifty to sixty million is a more realistic figure, and estimates that most of this growth will occur during the earlier portion of this 30-year period, with a point of zero population growth reached well before the turn of the century. My own calculations are based upon an increase of seventy million people between 1970 and the year 2000.

The birth rate is still declining, as it has since 1957, with a consequent lowering of the estimates of future population growth. Nevertheless, large numbers of post-World War II babies are now producing children of their own and will probably cause the population to increase over the next two decades — even if they have proportionately fewer children than previous generations had. In addition, we gain some four hundred thousand persons each year through immigration. Whether the population will begin to stabilize after this latest wave of new families depends largely upon what people believe about how many children they should have. A stable population within the next thirty years could have enormous economic and social implications well beyond the scope of this analysis. At any rate, an increase of seventy million people in a 30-year period is a reasonably manageable figure, as compared to earlier estimates of 150 to 180 million.

Based on the larger projections of population growth, the Kaiser Commission established in 1968 a goal of twenty-six million new housing units to be built over the next ten years. I believe that this goal is excessive. It was officially adopted during the Johnson Administration and has become the basis for the housing policy of the Nixon Administration. This goal is based upon estimates of the number of new household formations, housing units required to replace substandard units, and units scheduled for demolition. Though the Administration's goal is based on too high an original estimate of future population growth, the error is partially offset by the fact that there are perhaps ten to twelve million households that we could consider inadequately housed, even though only six million dwellings would be classified as "substandard" by the official definition of the U.S. Bureau of the Census. Moreover, if the rate of abandonments continues to increase as it has in recent years, we may need still more replacement units than heretofore anticipated. As a recent study of rental housing in New York City points out:

"The increase in the number of housing units withdrawn from use since 1965 has been startling. During the early nineteen-sixties, roughly fifteen thousand units were annually removed from the active housing stock for reasons other than their demolition to make way for new construction. In the period 1965 to 1967, the annual average rose to thirty-eight thousand units. These recent losses have not been confined to the worst part of the stock, as is usually the case."

It is obvious that there are numerous uncertainties inherent in such projections. For example, the number of new units required each year will depend partly on how fast we want to eliminate substandard housing. In addition, these projections must take into account the increased vacancy rate necessitated by the increasing mobility of the population. Since I believe that all these considerations are important, I would prefer to choose the higher rather than the lower goal, while recognizing that — if we conceive the timetable for eradicating the inadequate housing supply as fifteen rather than ten years — a lower rate of production would be adequate.

In spite of all these considerations, a goal of 2,600,000 new housing units each year seems excessive in relation to a population growth of seventy million people in a period of thirty years. Even taking into account the replacement of inadequate housing, an increased vacancy rate, and the trend toward more abandonments, we should require no more than forty to forty-five million new units in the next thirty years, or an average of at most one and a half million units a year. If we build two million units a year for the next ten years to replace substandard housing, the rate might drop off to approximately one million to 1,500,000 per year for the remainder of the period. If the building industry makes the attempt to gear up for the Kaiser Commission's 2,600,000 units per year, on the other hand, serious discontinuity will
result later. A rate of two million new units a year, therefore, seems a more appropriate goal.

The building industry is now producing two million housing units a year, if we include mobile homes, so its present capacity is not the problem. The rapidly shrinking supply of construction labor, however, is serious enough to cause an eventual decline in production. Construction wages, as a result of the declining labor supply, are rising faster than those in almost any other sector of our generally inflationary economy, and the cost of housing has subsequently risen very rapidly. Though construction unions have been largely successful in minimizing minority participation, black labor, nevertheless, represents the only major labor pool left untapped; it is bound to become an indispensable component of any real solution to the problems of the industry. Given the government's "Operation Breakthrough" program, which was designed to encourage the industrialization of housing production, it is possible that the major thrust of black entry into the construction industry will be through the factory rather than in the field.

The most serious constraint, however, in the maintenance of adequate housing production has been the erratic fluctuations of "tight" and "loose" money. During periods of "tight" money, other industries tend to attract a larger share of available investment capital than does housing construction. The production of housing, therefore, falls off drastically until a period of "loose" money causes it to spurt suddenly ahead. While the federal government's policy of increasing the flow of money to the savings and loan associations and into subsidized housing programs does manage to smooth out these periodic fluctuations to some extent, a perceptive new approach for providing fresh capital to the housing industry will be necessary before these problems are entirely solved. Certainly, industry cannot be expected to invest substantial capital in industrialized housing until it is convinced that the demand for its product will not vary widely from year to year.

This situation sounds rather alarming unless two additional facts are also taken into consideration: there is no other identifiable urban region in this country that will exceed even six million by the year 2000, and none of these so-called megalopoles are actually running out of open space. It is not even accurate to refer to "San-San," as the California Region is sometimes called (San Francisco to San Diego), since a large amount of open country still exists in that region between the mountains and the coast that could not possibly be filled up by the year 2000. Similarly, the concept of a "Lower Great Lakes Region" assumes a continuous urban belt between Detroit and Chicago. Though the towns of Kalamazoo, Jackson, and Battle Creek are certainly growing, an automobile trip on route I-94, connecting Chicago and Detroit, clearly shows that there are still miles and miles of undeveloped farmland along that stretch. Florida, of course, still has its share of
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<th>METROPOLITAN AREA</th>
<th>TOTAL POPULATION 1970</th>
<th>TOTAL BLACK POPULATION</th>
<th>% BLACK POPULATION</th>
<th>TOTAL POPULATION 1960</th>
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everglades, the palmetto scrub, and orange groves.

The idea that we are running out of land is patently not true. On the other hand, there are far more serious threats to urban life which require immediate attention. Both automobile ownership and consumption of electrical energy and fossil fuel is increasing at a much faster rate than the population as a whole. The concentration of people in megalopolises means a concentration of consumers whose capacity for consumption is potentially very much greater than its present level. If we are successful in raising the incomes of people now impoverished in inner-city ghettos and they too become consumers of automobiles, ranges, air conditioning equipment, and other accoutrements promised them as part of the "good life," the problem will begin to take on very serious dimensions. Thus, while availability of land may not pose a real threat, air and water pollution, depletion of our oil resources, and the disposal of waste heat emerge as possibly the most ominous consequences of the growing concentration of people in megalopolises.

Similarly, there is an enormous pressure to develop ocean shores, lake frontage, woods, and other natural resources outside the cities which will intensify as the society becomes more affluent. The real danger highlighted by the concept of megalopolis is not that we will run out of land but that we might run out of clean air, water, and natural resources.

**Critical Target Areas**

The 1970 census data not only indicate that previous population growth estimates and required housing units have been greatly exaggerated, they also show that a large percentage of that growth as well as a large percentage of the black population is concentrated in a few metropolitan areas. If we rank metropolitan areas according to size, growth, and black populations, we can then begin to establish some criteria for deciding which of these areas requires the most urgent attention, for which satellite new communities offer solution. It will also enable us to suggest the kinds of satellite communities needed and to estimate the amount of land required for these new communities.

Writers from each of the American regions tend to project the problems of their own area onto the country as a whole. The particular problems besetting New York and Los Angeles, for example, are often described as though they were typical of the entire country. I suggest rather that New York and Los Angeles are unique. Cities like Chicago, Philadelphia, Detroit, and Baltimore require a different kind of approach. Smaller metropolitan areas with fewer black people and less population growth can utilize other strategies more appropriate to their needs.

The census defines a place as "urban" if it has a population of fifty thousand or more people. A town of fifty thousand does not usually have an "urban crisis," as the term is normally used, or share the problems of cities like Chicago and Cleveland. To use the term "urban" for such places sometimes misleads people into enlarging the scope of the urban problem. In fact, if we limit our attention to cities with populations in excess of five hundred thousand, we will still find many metropolitan areas that neither manifest the problems nor require the solutions discussed here. Smaller metropolitan areas may need a strategy for desegregation or suffer from various other urban ills, but the scale of these problems is too small to warrant the construction of satellite new communities.

Chart I lists those metropolitan areas in the United States with populations which exceeded five hundred thousand in 1970, ranked according to population size. Cities like New York, Newark, and other New Jersey cities have been grouped together in a single metropolitan area, as has Los Angeles, Anaheim, etc., and Chicago, Gary, and East Chicago. These are actually unified metropolitan areas and are treated as such for purposes of this chart, though the census, for other reasons, lists them separately.

A look at the chart shows the concentration of urban population in a relatively few large metropolitan areas and an even denser concentration of the black population. For example, sixty-nine million Americans now live in the fourteen metropolitan areas with populations of approximately two million or more; eighty-two million live in cities over a million; more than eleven million of these eighty-two are black and nine of that eleven live in central cities. 103 million Americans live in metropolitan areas with populations over five hundred thousand, thirteen million of these "urban" dwellers are black, and only two of the thirteen million live in the suburban areas surrounding the central cities.

Those cities most in need of desegregation can also be identified from the chart. It indicates that, though a high proportion of the urban black population resides in a few large northern and western metropolitan areas, some smaller southern cities like Memphis, Birmingham, New Orleans, and Norfolk
<table>
<thead>
<tr>
<th>METROPOLITAN AREA</th>
<th>TOTAL POPULATION 1970</th>
<th>TOTAL BLACK POPULATION</th>
<th>% BLACK POPULATION</th>
<th>TOTAL POPULATION 1960</th>
<th>1970 POPULATION CENTRAL CITY</th>
<th>1970 BLACK CENTRAL CITY</th>
<th>% BLACK</th>
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</tr>
</tbody>
</table>
all have a very large proportion of black residents. These cities have their own distinct problems (and opportunities) and require some special attention.

The metropolitan areas listed on the chart may also be ranked according to size of growth between 1960 and 1970. It can be projected that perhaps forty to fifty million people will be added to these metropolitan areas during the next thirty years. Of course, it is one thing if an area of a million people increases by thirty per cent and becomes a city of 1,300,000; it is quite another if a metropolitan area like Los Angeles grows at a slower rate, but expands its population by two million people. Even if a metropolitan area of five hundred thousand doubles in size it will still not have the monumental problems of a city like New York, Los Angeles, or Chicago. The increase in population in Los Angeles during the last ten years was as large as the entire population of Cleveland or Baltimore or Houston. Yet only the city of Los Angeles could reach the present size of New York by the year 2000, and only San Francisco and Philadelphia might grow to the size of Chicago, and only Washington might exceed the present population of Detroit within thirty years. Certainly, it is clear that no city of less than two million people could possibly reach a population of seven million by the year 2000.

It is no longer appropriate to discuss metropolitan planning in broad, general terms. We need to consider each area separately and develop for each its own specific regional plan designed to protect the environment, provide for an adequate mass transportation system, and promote desegregation.

When all of the 1970 census data have become available and we are able to evaluate the latest statistics on employment, education, welfare, housing, crime, transportation, and the fiscal condition of the cities, perhaps some useful comparisons can be made in order to determine the effect, if any, the size of the metropolitan area, the growth rate of the population, and the size of the ghetto have on these problems. In the meantime, perhaps we can draw some tentative conclusions:

◻ We should concentrate on the metropolitan areas with the largest populations, because that is where the people are, and size itself creates problems of transportation, pollution, and race relations.
◻ We should concentrate on the metropolitan areas with the largest growth, because that is where the opportunities are, and that is where the environment will be destroyed if we do not act quickly.

◻ We should concentrate on the metropolitan areas with the largest black populations, because that is where desegregation is most crucial.

Varying Land Requirements

Applying these criteria to the metropolitan areas with populations over a million, it is possible to establish certain categories and to estimate the amount of land required for both a minimum and maximum satellite new community program.

The first category contains only New York and Los Angeles since their size and growth put them in a class by themselves. These areas will require, in addition to satellite new communities, either the construction of new cities on the scale of five hundred thousand to a million each, or the enlargement of existing suburban centers in order to accommodate the inevitable growth in population. The only other comparable metropolitan area is Chicago, though I have classified it in the second category since it shares more of the characteristics of metropolitan areas like Philadelphia, Detroit, Washington, St. Louis, Baltimore, Atlanta, San Francisco, Houston, Miami, and Dallas than it does those in the first category. All of the metropolitan areas in the second category grew by more than 250,000 people between 1960 and 1970, and all have black populations in excess of 250,000. The first seven of these areas have central cities that are over thirty per cent black, and each urgently requires a new satellite community program to desegregate, protect the environment, and accommodate part of the expected population growth.

The thirteen metropolitan areas in the first two categories contain nearly sixty per cent of the total urban population living in cities of over five hundred thousand people and seventy per cent of the black population. A minimum program consisting of satellite cities and communities for New York and Los Angeles and satellite new communities for the other eleven metropolitan areas would, nevertheless, accommodate a very large percentage of the people affected by the "urban crisis."

If we add a third category consisting of the other metropolitan areas with populations over five hundred thousand which grew by more than one hundred thousand people in the last decade and which have black populations exceeding one hundred thousand, we will have accounted for seventy-two per cent of the population living in metropolitan areas of over five hundred thousand people, eighty-three per cent of the black population of such areas, and seventy-