COMMISSION MEETING OCTOBER 23, 1967

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

1016 16TH STREET, N.W.
WASHINGTON, D. C. 20036

October 19, 1967

Memorandum To: Security Officer, EOB

From: Col. Norman J. McKenzie, Executive Officer
National Advisory Commission on Civil Disorders

Subject: Name clearances for National Advisory Commission on Civil Disorders Hearing on October 23 & 24, 1967.

Request the following persons be cleared for admission to the Executive Office Building to attend meetings which are to be held in room 474 on October 23 & 24, 1967.

Norman J. Mckenzie
Executive Officer

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

1016 16TH STREET, N.W.
WASHINGTON, D. C. 20036

COMMISSIONERS

Abel, Mr. I. W.

Brooke, Sen. Edward W.

Carmen, Hon. James C.

Harris, Sen. Fred R.

Jenkins, Mr. Herbert

Kerner, Gov. Otto

Lindsay, Hon. John

McCulloch, Hon. William M.

Peden, Hon. Katherine G.

Thornton, Mr. Charles B.

Wilkins, Mr. Roy

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GUESTS

Biemiller, Andrew J.

Bunting, John R.

Burrell, Berkeley G.

Goldfinger, Nathan

Harris, Thomas E.

King, Dr. Martin Luther Jr.

Lumsden, Arthur R.

McFarland, Dr. Kenneth

Meany, George F.

Rothman, Julius

Slayman, Don

Wright, Kenneth

Yorty, Mayor Samuel W.

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AUXILIARY GUEST LIST

Corman, Miss Mary Ann

Fernbach, Frank

Jones, James

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STAFF

Mr. David Ginsburg, Executive Director

Mr. Victor Palmieri, Deputy Executive Director

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Astor, Gerald
Birenbaum, David E.
Bohen, Fred
Booker, James E.
Bower, Paul
Braun, Richard
Brookhart, Charles E.
Chambers, David
Christman, John M.
Cowin, William
Delo, David A.
Fredericks, Roger
Grace, Barbara Jo
Hampton, James
Hayden, William
Himes, Sara
Holcomb, Richard
Johnson, Claudette
Jones, Nathaniel
Kaiser, Hannah
Koskinen, John
Kriegel, Jay
Kurzman, Stephen
Liebman, Carol
Lowry, Roye L.
McCurdy, Merle
McGrath, Kyran
McKenzie, Norman J.
McLawhorn, John F.
Miskovsky, Milan
Nathan, Richard P.
Newman, Barbara
Pasachoff, Jane
Sagalyn, Arnold
Scammon, Richard M.
Shellow, Robert
Smith, Shedd
Smith, William
Spencer, Richard
Spivak, Alvin A.
Still, Lawrence
Taliaferro, Henry B. Jr.
Waldman, Roger L.
Webb, Donald
Weiner, Stephen
Williams, Frances

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Berkowitz, Leslie

Jones, James

Schilling, Susanne

Thomas, Bruce

Triplett, Margaret E.

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Ward and Paul Reporters and Messengers

Cantor, Mr. Robert

Firsheim, Mr. Ben

Garow, Miss Frances

Joseph, Mr. Eugene

Mills, Mr. Alvin

Shelburne, Mr. Frank

Taylor, Miss Ruth

Ward, Mr. Jessie L.

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

1016 16TH STREET, N.W.
WASHINGTON, D. C. 20036

October 20, 1967

Additional guests for National Advisory Commission on Civil Disorders Hearings on October 23 & 24, 1967.

San Fellipo, Martha

Wallbrerstein, David

COMMISSION HEARINGS - OCTOBER 23, 1967

9:30 a.m.

Mr. Kenneth Wright
Vice President & Chief Economist
Life Insurance Association of America
277 Park Avenue
New York, New York

11:30 a.m.

Dr. Kenneth McFarland
3127 Huntoon Street
Topeka, Kansas

1:30 p.m.

Dr. Martin Luther King, Jr.
334 Auburn Avenue, N. E.
Atlanta, Georgia

3:00 p.m.

Mr. Berkeley G. Burrell
National Business League
Washington, D. C.
To be accompanied by Mr. Matthew K. Clarke and Mr. Henry Miller.

4:30 p.m.

Mayor Samuel W. Yorty
Los Angeles, California

COMMISSION HEARINGS - OCTOBER 24, 1967

9:30 a.m.

National Association of Real Estate Boards
(To be announced)

10:30 a.m.

Mr. Arthur R. Lumsden
President
Hartford Chamber of Commerce
Hartford, Connecticut

OCTOBER 24, 1967 (Cont.)

11:00 a.m.
Mr. John R. Bunting, Jr.
Executive Vice-President
First Pennsylvania Banking and Trust Company
1500 Chestnut Street
Philadelphia, Pennsylvania

3:00 p.m.
Mr. George F. Meany
President
AFL-CIO
Washington, D. C.

pet 10/18/67

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS
1016 16TH STREET, N.W.
WASHINGTON, D. C. 20036

EXECUTIVE DIRECTOR

October 19, 1967

MEMORANDUM FOR THE COMMISSION

Subject: Further Details, Hearings, October 23-24

1. We have just been notified that the National Association of Manufacturers has decided not to accept our invitation to appear before the Commission at the next set of hearings; instead, around November 1, the Association will submit a written statement for insertion into the record. We will, of course, distribute a copy to each Commissioner.

2. The United States Chamber of Commerce is also unable to appear at Monday's hearing. Mr. Arthur Lumsden, President of the Greater Hartford Chamber of Commerce, will, however, appear for an hour on Tuesday morning to discuss the positions taken by the Chamber at its workshop on riots held this week in St. Paul at the Chamber's annual convention.

3. Appearing Monday morning in place of the N.A.M. and the Chamber of Commerce will be Mr. Kenneth Wright, Vice President and Chief Economist of the Life Insurance Association of America. The Association is coordinating the recently announced $1 billion program to make mortgage loans and other financing more widely available in low-income areas. Mr. Wright will describe this and other possible action programs involving private enterprise.

4. Dr. Kenneth McFarland, whose name was brought to my attention by Mr. Thornton, has now confirmed that he will be with us on Monday morning following Mr. Wright.

5. As a matter of procedure for the meetings, in order to conserve time and ensure that we cover all of the essential points, I've asked our General Counsel, Merle McCurdy, to be prepared to question each witness. This was done at the hearing with the Cincinnati representatives and seemed to work out extremely well. Each Commissioner will, of course, have ample opportunity for further questioning if he deems it advisable.

6. The hearings will begin promptly at 9:30 a.m. in the Indian Treaty Room, Executive Office Building. We will confirm by telegram.

D.G.

David Ginsburg
Executive Director

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS
1016 16TH STREET, N.W.
WASHINGTON, D. C. 20036

AGENDA
MEETINGS OF OCTOBER 23 and 24, 1967

MONDAY, OCTOBER 23, 1967 -- Room 474, Executive Office Building

9:30 a.m. The Role and View of the Life Insurance Industry
Dr. Kenneth Wright, Vice President and Chief Economist, Life Insurance Association of America.

11:30 a.m. Dr. Kenneth McFarland
Conservative Commentator and former Superintendent of Schools, Topeka, Kansas.

LUNCH

1:30 p.m. Dr. Martin Luther King, Jr.
President, Southern Christian Leadership Conference.

3:00 p.m. Negro Ownership of Business
Mr. Berkeley G. Burrell, President, National Business League, accompanied by Mssrs. Matthew K. Clarke and Henry Miller.

4:30 p.m. Mayor Samuel W. Yorty
Los Angeles, California

6:30 p.m. DINNER MEETING -- Pan American Room, Second Floor, Statler Hilton Hotel,

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS
1016 16TH STREET, N.W.
WASHINGTON, D. C. 20036

AGENDA
COMMISSION MEETINGS OF OCTOBER 23 and 24, 1967

TUESDAY, OCTOBER 24, 1967 -- Room 474, Executive Office Building

9:30 a.m. Role and View of the Real Estate Industry
Mr. Alexander Summer, former President of the National Association of Real Estate Boards.

10:30 a.m. The Role and View of the Business Community
Mr. Arthur R. Lumsden, Executive Vice President, Hartford, Connecticut Chamber of Commerce.

11:30 a.m. The Role and View of the Financial Community
Mr. John R. Bunting, Jr., Executive Vice President, First Pennsylvania Banking and Trust Company, Philadelphia, Pennsylvania

12:30 p.m. LUNCHEON MEETING -- for Commissioners.

3:00 p.m. Mr. George Meany, President, AFL-CIO.

ORIGINAL

OFFICIAL TRANSCRIPT OF PROCEEDINGS

BEFORE THE

National Advisory Commission on Civil Disorders

~~EXECUTIVE CONFIDENTIAL~~

Place Washington, D. C.

Date Monday, October 23, 1967

Pages 2668 - 2896

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EXECUTIVE CONFIDENTIAL

NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

- - -

Room 303,

Executive Office Building,

Washington, D. C.

Monday, October 23, 1967

The Commission met, pursuant to recess, at 10:00 a.m., The Honorable Roy Wilkins presiding.

PRESENT:

The Honorable Roy Wilkins, (presiding)
Senator Fred R. Harris,
Senator Edward W. Brooke,
Representative James Corman
Mr. Herbert Jenkins
Mr. I. W. Abel
Mr. Charles Thornton
Mr. Merle McCurdy
Mr. Victor Palmieri
and
Mr. David Ginsburg

- - -

P R O C E E D I N G S

MR. WILKINS: Gentlemen, we begin today on the exploration of the role of the private sector in meeting problems of the inner city. This week we will hear testimony from representatives of the life insurance industry, the Negro business community, the real estate industry, the Chamber of Commerce, and the financial committee.

Next week we will continue with a session devoted to tax incentives and other techniques for attracting private capital. In addition to exploring the role of the private sector during these two days we shall also continue our inquiry into the broad questions posed by this summer's disorders.

Addressing themselves to these broader questions will be Dr. Kenneth McFarland, Dr. Martin Luther King, Jr., Mayor Yorty of Los Angeles, and Mr. George Meany.

Our first witness this morning is from the private sector. He is Mr. Kenneth Wright, Vice President and Chief Economist of the Life Insurance Association of America. Dr. Wright is particularly qualified to speak on the topic of involvement of the private sector because the life insurance industry announced on September 13 of this year was making available $1 billion that ordinarily would be invested in other areas for investment in housing and industrial enterprise in hardcore ghetto areas.

I understand, Dr. Wright, you must leave by 11:15 a.m.

to make a speaking engagement this afternoon in Dallas, Texas.

We will insure that you are out by then.

I would like to have you know we greatly appreciate your taking the trouble to appear here this morning.

We are glad to have you with us.

STATEMENT OF KENNETH WRIGHT, VICE PRESIDENT AND CHIEF ECONOMIST OF THE LIFE INSURANCE ASSOCIATION OF AMERICA

MR. WRIGHT: Gentlemen, if I may proceed on fairly informal grounds, I think perhaps if I spend some twenty minutes outling to you the origins of our program, the philosophy and intent of our program, and some of the working mechanics of the program, then you may wish to ask me further questions, I am sure, about some of the details that I may slide over a little too fast.

The beginnings of the present effort were announced on September 13. They date back to November of last year when leaders in the insurance industry met with leaders of the intellectual and academic and sociological areas in a meeting at Arden House, through the auspices of Columbia University, to discuss the relation between the individual and society. And in that discussion, which lasted about three days, one of the topics which received a great deal of interest on the part of the insurance leaders, was the role of the cities and the growing difficulties of urban life, urban problems, and how

they affected the individual in society.

This led to later discussions in the form of meetings of the insurance leaders with urban specialists, and an objective on the part of these leaders to find in what ways the life insurance business could seek greater involvement in finding solutions to the urban problems.

On the third of May the Executive Committee of the Institute of Life Insurance recommended to the two trade associations of the life insurance business that action be taken and explorations be started for ways in which the life insurance business could assume a larger role in seeking solutions to the serious problems that confront our urban areas.

The two associations involved in this connection are the Life Insurance Association of America, and the American Life Convention. These two associations have membership of approximately 342 members representing I believe 97 per cent of the total assets of the United States life insurance companies.

The action taken in May and June of this year was to form a committee on urban problems which held its first meeting on the third of August. And I would like to explain some of the thinking and philosophy of that meeting.

In discussing urban problems and what role the life insurance business might play, the Committee thought in very broad terms to begin with, including such problems as air pollution, mass transportation, congestion, housing, job creation, civil

disorders, the local range of problems which confront the urban areas.

In trying to decide what the life insurance business might do, it became evident that there were two areas in which life insurance companies had a contribution which they might make -- namely, the field of housing, because of the traditional investments in residential housing and mutli-family housing for many decades, and secondly, the field of job creating enterprise, because again in this area, the life insurance businesss have been financing corporate business, unincorporated business, through their investments in corporate bonds and direct placements.

The reason for this dual approach was a recognition that the problem was a complex one in terms of urban slum areas particularly, encompassing education, job training, low income, housing conditions, lack of unemployment, lack of skills, all of these as a complex area that probably needed efforts in all directions.

We sought to concentrate our efforts in two directions -- jobs and housing.

It was also felt that in order to make any sort of a tangible impression on this problem it was necessary to talk in fairly big figures, and for that reason, the committee decided that it would start at a target goal of a $1 billion investment, to be diverted from normal investment channels of

the life insurance business into investment areas which would aid the city core areas in which so many problems had developed. These are areas where the life insurance companies, as many private lenders, have normally avoided because of the high risks involved, and because of the poor locations involved.

I think you can understand this as a necessary fact of financial life, where many investments in or around slum areas would be subject to sufficient hazards of one sort or another that the normal risk, or the normal rate required to compensate for these kind of risks would run in the eight, nine, ten, fifteen per cent rate category, and it is an area which is normally not undertaken because of this high risk. Similarly on the question of location, I think you will find private investors typically avoid areas where there is a deterioration in both the values of the property, and the maintenance, and risks involved in an area that is going down-hill for one reason or another.

So the intent of the program was to change the focus and change the emphasis, to the extent of this $1 billion to place it into investments to improve housing conditions and to finance job-creating enterprise.

With this $1 billion objective in mind, the Committee went to the member companies of these two organizations, asking whether they would be willing to contribute up to 1 per cent of their assets to be pledged towards this $1 billion program,

and in the matter of about ten days, there were sufficient pledges obtained that we had reached and actually exceeded the $1 billion objective, based on the 1 per cent of assets. And it then became possible for us to make a public announcement which turned out to be an announcement made in the form of a statement to President Johnson and followed by a press conference at the White House on September 13.

Let me also mention that in exploring the ways in which this investment might be made, conversations were held during the month of August with officials at the Department of Housing and Urban Development, Secretary Weaver and many of his staff, on ways that the existing governmental programs would make possible such investments by the life insurance business.

This relates also to one of the ground rules, I think would be an appropriate phrase, for such investments that to the extent possible, that these investments would be insured or guaranteed by some governmental agency, whether federal or local, on the premise that the funds being invested were policy holder funds which could not be exposed to undue risk in terms of the principal amounts invested, and for that reason FHA insurance, under its many programs, appeared to be a logical and viable way in which these investments could be made.

On the question of guarantees, while the principal is

being risked, I think the change here is that the risk remains in terms of the additional difficulties of both finding, exploring, negotiating and developing such investments, and the possibilities that as time passes, there may be risks above and beyond normal business investments or mortgage investments in terms of the management and servicing of these -- the funds that have been loaned.

Following the announcement on September 13, we then approached the full membership of our companies, asking them to indicate whether they would be willing to participate in the program on the basis of the lead taken by the first hundred or so companies that had indicated that they would subscribe up to 1 per cent of assets.

Our present status on this is that we have received firm intentions to participate in the program from 140 life insurance companies which constitute almost the full asset base of our membership.

In other words, those companies that have not joined into the program are typically very small companies with relatively small assets, so that the billion dollar total is to be financed by companies all across the country, but not every single life insurance company, as you might understand.

On 1 per cent of assets the subscriptions, so to speak, have now reached $1-1/2 billion -- on the 1 per cent formula -- which means that we will now expect participations by each of

these companies up to about two-thirds of 1 per cent of their total assets.

The fixed figure is the $1 billion. The flexible figure is how much each company pledges towards the program.

Now, let me turn back to the question of what kind of loans we have in mind.

We have mentioned two areas, one is for the improvement of housing, and the second is for the job-creating enterprises.

Now, our concept of the ways in which housing conditions would be improved go along these lines.

Number one, we have in mind housing for the benefit of low-income families who are presently in substandard housing. We have not used the term "slum housing," because we want to retain some flexibility in our approach.

For example, while we first started with the concept that investments under this program should be in slum areas, it quickly became apparent to us that this might be too restrictive, and therefore we broadened the concept to include housing that allows a dispersion of slum populations into outlying areas where new housing might be put up on vacant sites, near the edge of a town or community, to relieve the congested housing conditions in a downtown core slum area.

On the question of job-creating enterprise, our concept there is that jobs are as important as housing in

producing better conditions among slum residents, and for that purpose, those projects that would be considered eligible within our program are those that would bring additional employment in the vicinity of a congested slum area designed particularly for unskilled workers.

A typical example would be if a new plant requiring a low level of skills were to be situated adjacent to a slum, so that there are not any commuting problems and expensive travel involved, this could be of real benefit if it were the right type of employment to provide incomes and employment to go along with the improved housing that we hope would come out of this program.

A third area that has been explored a little more tentatively is the service area, which we think also might be a part of our program. Specifically, such investments as hospitals, group medical facilities, nursing homes, and perhaps a certain amount of retail trade facilities in the form of small shopping centers to provide both trade, medical and other service facilities to slum residents where these are not available.

We have tried to explain our program in terms of the basic philosophy and intent, but we have also avoided being too restrictive in our definitions of what is to be included under the program, for fear of excluding some very desirable and worthwhile forms of investment which might be

very helpful to the urban conditions that we are trying to improve.

As examples of some things that we are not including under our program, or not willing to consider as counting towards the $1 billion pledge, let me mention two or three types that have been considered and really rejected. Number one -- we are not talking about the kind of investment where an urban renewal clearance process comes into operation, and we, as insurance companies, let's say, finance a large office building that will stand in the place of a former slum area.

This is not the kind of investment we would be seeking under the program.

Secondly, under some of the rent supplement programs I would like to describe in a moment, many of the projects have an emphasis on housing for the elderly, or housing for the physically handicapped, or housing for the rural low-income families. All three of those are again not within our program.

As a final example, I think something which takes the form of a middle and upper income housing project, despite its location in or near a former slum area, again is clearly not in the intent of our program.

Now, in terms of operating procedures, we really have two means by which the project sponsors and loan applicants who wish funds can reach the life insurance business.

The first is for local sponsors or local government officials to contact companies with headquarters or major facilities in their own areas. A typical example is one of the earliest investments announced under this program in Newark, New Jersey -- the Prudential Life Insurance Company has its headquarters there, it has been working with local officials, and with state officials, and very early in the program an announcement was made for a $4-1/2 million housing project to be financed through state bonds issued by the State of New Jersey purchased by the Prudential Insurance Compamy to finance a housing project for low-income families in the City of Newark.

Similar examples can be found in almost every city of the country at this point, I think, where mayors offices, local groups, et cetera, have gone to the companies' headquarters in their towns, asked them what they are planning to do with this urban problems program, and what might be financed.

I have heard informally of many projects now under consideration by the individual insurance companies.

Now, the second avenue for putting together sponsors and investment people is through the clearing house which has been established at the Life Insurance Association of America under my direction, which will work essentially in this fashion.

As inquiries come in from the general public or

from housing officials in Washington, they will reach the clearing house in the form of specific loan inquiries, perhaps in very rudimentary form.

The clearing house will then be in a position to inform such sponsors as to the particular companies who are participating in this program, and are willing to lend funds in a particular area. Let's say it is Cincinnati. If there were an inquiry from Cincinnati, the clearing house would then be able to give them a list of those companies located in the Cincinnati area who might have a particular interest in financing a Cincinnati project.

Similarly, there are companies in the program that will doubtless be willing to consider investments in any part of the country, and those companies will also be listed for the project sponsor who is seeking funds.

A second step of the program to insure that it does get on the track is that we will send to a Cincinnati company any inquiries that have come to us from Cincinnati. We will not only inform the sponsor -- we will inform the local company that this inquiry has been received, and perhaps they will want to follow up directly by getting in touch with the specific group or individual who is raising questions about the loan.

We hope in this fashion, through direct contact with the companies, and through the auspices of the clearing house, that we will be able to channel to the companies in any and

all parts of the country those applications and requests for investment funds that do fall under the program.

I might touch on some of the work that we are already doing in cooperation with HUD.

We found that one of the readiest devices for mobilizing this program was the present rent supplement program under section 221(d)(3) insured by the FHA, where low-income projects designed to improve substandard housing or provide housing for the elderly or physicially handicapped, had been started with the aid of rent supplement funds, dating back to 18 months ago, when the program was first begun -- we found that the Federal National Mortgage Association had made commitments for long-term financing on a number of these projects, and in order to release these commitments for use in other directions, the life insurance companies have agreed to take up the financing on those projects, so that we were informed by HUD as to a number of projects that might qualify under our program.

We examined these projects. We worked through our field officers and loan sponsors to be sure that they met the qualifications of our program, and we then agreed that such projects would be financed by the life insurance business.

As a second phase of this work with HUD, we are receiving some 100 projects all across the country under the Rent Supplement Program that are not as far advanced in their

processing, and on those projects, we will be referring these to the companies, through the clearing house, so that they might explore with the sponsors and with the mortgage companies the possibilities of financing those projects to the extent that they fall within our program, under the definitions I have given earlier.

I have talked mainly about projects.

But I want to add also that we do visualize investments on single-family homes, particularly under section 203(b) for single-family homes in high risk areas which, as I have understood it, means neighborhoods that have started to turn into slums, but through rehabilitation loans financed by the insurance companies, insured by FHA, may permit an improvement in such areas through individual investments under 203(b).

I think at this point I will stop talking and ask you gentlemen if you have questions about areas that I have perhaps covered inadequately.

MR. WILKINS: Thank you.

Are there questions?

MR. THORNTON: Mr. Wright, this $1 billion that has been allocated by the insurance companies -- that billion dollars would have been invested in something else?

MR. WRIGHT: That is correct.

MR. THORNTON: What would be your best guess of what that billion dollars would have gone into -- government

bonds, loans to private industry?

MR. WRIGHT: Not government bonds. I might say from the standpoint of the investment officer this is a time when he is pressed on all sides for long-term investment funds. Particularly funds are going into corporate bonds directly placed with life insurance companies, or into income-producing properties financed on a mortgage basis by life insurance companies, or into residential mortgage loans which have been bread and butter for life insurance companies for many decades.

So that the diversion of funds into these urban investments will without question mean lesser funds available in these three areas -- corporate bonds, mortgage on income-producing properties, meaning office buildings and perhaps high-income housing projects, and residential mortgage financing of the standard variety that the companies have been investing in.

MR. THORNTON: What will be the comparative interest rates that you will charge on this kind of financing versus the kind that government -- I mean corporate bonds?

MR. WRIGHT: I should have touched on that.

As I mentionted before, these loans, to be eligible, must be high risk loans, the kind of loans that normally would not have been made because of the risk.

Our pledge under this program is that these loans will be made at rates no higher than the normal market rate for

ordinary mortgage investments.

Now, in specific terms the companies are averaging about 6.7 per cent on an ordinary mortgage loan on a decent suburban residential loan. Under the program, we will try to make loans in urban areas at either this rate or an even lower rate. To illustrate with these rent supplement housing project loans, those contain a 6 per cent statutory ceiling, with a very small amount of discount on the available funds so that the net yield to an insurance company will be perhaps 6-1/4 per cent on the funds put into rent supplement housing.

Our pledge is that they shall be at no higher than the going market rate for ordinary investments.

MR. THORNTON: Thank you.

MR. WILKINS: Senator Brooke?

SENATOR BROOKE: Dr. Wright, this is certainly a laudable step. But are the insurance companies really taking any risk here? Isn't all this money being guaranteed by the federal government?

MR. WRIGHT: Let me speak to that one. I think it is a very fair question.

This is really the degree of exposure I feel. If nothing were done in this program, the companies could continue to make loans in their traditional channels, and on mortgage investments they would make about 6.7, 6-3/4 per cent, at least as much as that on ordinary corporate investments. And

these are really prime, well-secured, trouble-free loans.

Now, what they are doing really is to divert this billion dollars into loans that are going to be much more difficult to investigate and explore. The rate on these loans will be no higher than, and in most cases I suspect they will turn out to be much lower than the normal market rate. And they will be exposed to all sorts of problems and troubles in terms of servicing that an ordinary loan to General Motors would never entail.

As far as the rate is concerned, let me point this out.

The rent supplement loans, which have been part of the early phases of this program, carry this 6 per cent ceiling, a slight discount which improves the yield somewhat. But if these particular projects do not make a go of it, and end up going into a foreclosure proceeding, let us say four or five years from now, the risks in this instance mean that the insurance of FHA involves the companies receiving FHA debentures carrying a rate of 4-1/2 to 4-3/4 per cent.

So again, there is hopefully no risk of actual loss of principal. But there is a risk in terms of difficulties and the outcome in terms of the rate of investment returned for the policy holders.

I think you must understand that the safety of the policy holders' funds is something which is of great concern

to the life insurance business, and while the program is designed in such a way as to not risk the principal amount of those funds, I think there is a difference in terms of what investment return overall can be expected from this program.

MR. BROOKE: There have been great expectations that 221(d)(3) and the rent supplement would bring about a large number of low and moderate income houses in this country. And to date that promise has not been met with fulfillment. FHA has been unable to really get the low and moderate income housing program on the move.

For instance, they have talked about building some 60,000 units per year, starting in 1961. At the present time only 40,000 units have been built totally in this country, since 1961. And under the Rent Supplement Program, very little progress has been made.

Now, when the insurance companies and the President announced this program, there was great expectations in housing in the country.

I am just wondering whether or not we are going to be again in the position of suffering from lack of fulfillment if the insurance companies are going to use FHA procedures and standards in the processing of these loans -- and I understand that you are going to use FHA -- and if they are unwilling, as they have been in the past, to go into these blighted areas, and to take acceptable risks, are we really going to get low

and moderate income housing built, even under this insurance plan which has been told to the Nation, really?

MR. WRIGHT: I can understand --

SENATOR BROOKE: Promised to the Nation.

MR. WRIGHT: -- your skepticism on this point. Let me give you my understanding on the status of this program.

Congress, a year ago, authorized $32 million in the rent supplement funds. These funds have been committed. And at the present time it is not possible for them to authorize rent supplement expenditures on additional units, because Congress has not yet taken action on the rent supplement proposals, which means that the present flow of rent supplement projects has slowed down for lack of rent supplement funds. And we, of course, are hopeful that the $40 million appropriation that has been passed by the Senate will also be passed by the House and become available for continuing this program, because we do feel that rent supplements have proven to be the most feasible of many different ways that have been tried to provide low-income housing, despite the delays that you mentioned which I understand are clearly there.

On this question of the willingness of FHA to insure in risky areas, I understand there has been a basic policy change in that area -- I am not the expert in this field to really speak to that point. But in late July we had come to understand there was a major shift, and directive from FHA in

terms of its willingness to insure in blighted areas, areas in which there was, they would say, abnormal risk, or to insure projects where economic feasibility had been a former test.

SENATOR BROOKE: If you take my word for it, that major policy shift of which you speak came out in 1964, and was repeated in 1965, and repeated again in 1966, with the same language, and nothing still has been done.

Now, what I am concerned about is what will the insurance industry do about this. Aren't they pretty much dependent upon FHA's insurance?

MR. WRIGHT: To a certain extent we are in the sense that we hope to work under existing programs, partly because it will enable us to make a start with what is there.

We considered, for example, designing our own program. And you know everybody has got a program on how to attack this, say, in the housing field. Rather than spend six to eight months talking to specialists, designing our own little package -- we felt that time did not permit this type of delay and further study, et cetera.

So for that reason, we decided to use existing programs, and to move as quickly as possible through those channels.

Now, we are also exploring what other programs might be developed. And in my way of thinking, there is a real open

question on just how much of these billion dollars will go through FHA insured projects, and how much on, let's say, non-insured projects, perhaps under state authority or local guarantees, perhaps in the housing field -- rather the business field as well as in the housing field.

SENATOR BROOKE: I was pleased to see private industry come into the field, and applauded this. And I am very pleased to hear you say that in addition to using the established programs, that you will continue to explore the possibility of new programs, because even though you want to get started right away, and do have existing programs, it seems to me if you really can make a contribution, that is private industry in this case, the insurance industry -- to make a real contribution, that contribution can best be made, in addition to the amount of money, is to use its expertise in this field, so that it can develop new programs that would be helpful in building of low and moderate-income housing in this country, which is not being done under the federal programs for one reason or another.

MR. WRIGHT: On that point I might mention that the parent committee, headed by Mr. Fitzhugh, of the Metropolitan, has established a subcommittee which we call the Investment Opportunities Subcommittee.

Their assignment is to work with government officials from all agencies, to see under what auspices programs might be

developed or expanded for the use of our funds, and also to work with urban specialists from the universities, from various city agencies, from whatever source, on their ideas as to ways and means to implement this program outside the normal, usual channels.

Let me re-emphasize that we have entered this normal channel of 221(d)(3) rent supplement projects because it was there, because the potentials seemed to be great for immediate action, and I hope we have not overlooked the possibilities of further exploration in other areas.

SENATOR BROOKE: Mr. Chairman, just to conclude -- it seems to me that this is such a massive undertaking, that we are going to need in addition to what the federal government is doing all of the expertise, all of the experience, all of the resources that private industry in this country can marshal.

Again, Mr. Chairman, I am very pleased that your industry recognizes this, that this is not merely private industry lending money with government insurance, because if that is all it is, though it may be some of a contribution, it is not enough of a contribution to really alleviate the conditions that exist in this country today.

Thank you, Mr. Chairman.

MR. WILKINS: Mr. Corman?

REPRESENTATIVE CORMAN: I mentioned that one of your programs is going to be disperse ghetto residents into housing

outside the ghetto area. That seems to me to be the most helpful part of the program. I wonder if you have considered the possibility of working with urban redevelopment agencies in the large cities, because this is always a critical problem for them -- what do you do with the people who live in the slums? And that really comes as the first phase of any redevelopment program.

Will you be working with those local agencies in that effort?

MR. WRIGHT: In general terms, I would say we are willing to work with everybody. And we probably in specific instances will deal with any number of layers of government.

But at the same time I think one of the problems here in accomplishing this goal is one of initiative and sponsorship, where a continuing difficulty will be encountered, I feel, in finding those groups and those people who are willing to take the initiative in designing a project outside the area, or within a slum area, for us to do the financing.

I doubt that the insurance program will involve in initiation, pure and simple, for saying here is a plot of land, we ought to do something with this plot, why don't we form a group and send someone out there to start a project.

We stand ready to finance the projects, and how much initiative will be taken on the formation of the projects I think is questionable, partly because you must understand

that the company people will be working with this are not experts in the urban areas. These are kinds of projects that for years we have been ignoring because our focus of investment has been in the more traditional channels.

We do not have the know-how that many of the other groups may have.

REPRESENTATIVE CORMAN: Thank you.

MR. WILKINS: Mr. Abel has a question.

I would like to point out that our witness has to get to Dulles Airport.

MR. ABEL: Dr. Wright, you mentioned in addition to the interest in eliminating slums, and building new housing, the interest of the insurance companies in providing jobs in the distressed areas.

MR. WRIGHT: Yes, sir.

MR. ABEL: You also talked about producing or bringing in industry requiring low skills.

I would like to know just what types of industires would this be that you have in mind -- talking primarily of low skllls -- whether or not there is any thought given to training programs for development of those skills.

MR. WRIGHT: It is difficult for me to go into much more detail there, because at this stage we are really dealing with a philosophical concept, that jobs are important, along with housing, to aid these areas.

I cannot even cite at this point a particular project that is being undertaken or is being considered along these lines.

But the philosophical concept that I hope will be translated into action really visualizes a situation in which there will be a reversal of the outflow of industry and the outflow of employment units away from slums, a reversal which will allow, let's call it, light industry -- as I really cannot define much beyond that -- plants, packaging establishments, warehouses, assembly of some sort, where the combination of job opportunities and perhaps job training facilities will allow some of the unemployment of certain slum areas to be alleviated -- where a worthwhile project comes along, again, we would look at this most favorably in a way that previously we probably would have turned our backs and said that the risks of going into an investment with this kind of location are too great for us to consider.

I think that is the real difference.

MR. ABEL: I might make this suggestion for your consideration of this problem. It is one of the big problems, in my opinion, of these areas -- providing jobs. I might suggest that we do not exploit the situation, that we do not use the fact that there is excessive labor, low skills, or nonskilled labor, to maybe again inject into these areas the old-type sweat shop conditions that were too prevalent, that helped

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Transcript complete as is.

contribute so much to the conditions we have.

MR. WRIGHT: I think you are quite right. I understand your point, sir.

MR. WILKINS: Are there further questions?

REPRESENTATIVE McCULLOCH: I have one question.

Dr. Wright, I am pleased and encouraged by your statement, what your association or the members thereof intend to do.

However, did I understand you to say that your association or the members thereof would only be interested in financing housing projects where the loans would either be directly or indirectly guaranteed by the federal government?

MR. WRIGHT: Not by the federal government. By either federal, state or local governments.

REPRESENTATIVE McCULLOCH: By some governmental agency?

MR. WRIGHT: Let me say these guarantees are sought under the ground rules of our program if the company is willing to waive such guarantees or proceeded with a project that does not contain such guarantees that is pefectly acceptable as well.

REPRESENTATIVE McCULLOCH: Have you considered the necessity, the long-term necessity, of providing funds for this purpose upon a risk basis -- a risk devolving upon the members of your association or an organization of the members

made up of your assocation?

MR. WRIGHT: If I understand you correctly, the difficulty there is that the risk would fall on the policy-holders whose funds we are managing, and that is a risk we wish to avoid -- considering the trustee relationship that we have for the employment of those funds.

REPRESENTATIVE McCULLOCH: Yes, I understand that.

But that is the risk that falls upon the depositor in financial institutions that have been loaning money for such purposes almost from the beginning of the country. And I pursue that, because I join with the Senator who says that it is his opinion that there be a bold new approach for new methods of meeting this challenge. And I hope your association will look into those prospects.

I assume that the members of your association or the association will have such a standard operating procedure that for ever and without condition this housing will be built and let as open housing.

MR. WRIGHT: I expect that is the case. This is certainly true on the projects that we are looking at. They are largely minority housing to begin with. I expect they will continue in that fashion.

REPRESENTATIVE McCULLOCH: I say that, Mr. Chairman, because it is evident to this Commission that open housing has been and is in some places in America the causes

of riots, or the lack of open housing is.

MR. WILKINS: Yes.

Are there further questions?

Mr. Wright, we are very grateful to you for coming here this morning. We want to release you so that you xan go. I would only, as Chairman, add a word to the hope that has been expressed by Senator Brooke, and by the Congressman from Ohio.

That is, that this Commission, with the revelations that have come to it, as well as its own observation individually, recognizes the problem is a massive one, and it will not be solved by the usual methods, by the usual procedures, or by the usual quotas. A new type of thinking and innovation is called for, and a daring, a risk. And that is the reason I am encouraged, as I am sure other members of the Commission are, by your statement in your answer to Senator Brooke's question that your companies were exploring on their own outside of the guaranteed government loans, ways in which they could invest.

Now, we are all aware of the necessity of insurance companies being careful, the trust relationship they have with respect to the funds. But these funds,of course,are invested by the tens of millions of dollars daily in all sorts of commercial enterprises, all of which involve risks. And they call them normal, subnormal, abnormal, whatever you would like. But they involve risk. And the money of depositors or

or insurers is used in these risks consicouly by the companies.

It seems to us -- and this conviction has been growing since we first began our meetings in August -- that every sector of the American economy and the American society is called upon to exceed its traditional lines of procedures in approaching this problem -- not to become mired in the usual traditional concepts.

Now, we realize that this entails risk, and we would not ask extraordinary or sacrificial risks. But we do ask that more than the usual safety precautions be exceeded. That is what we are calling upon not only your industry, but every industry to do. Because unless this problem is solved, as we see it -- we have seen it inextricably tied up with the problems of the cities, in which 75 per cent of our people live -- unless we solve this problem, it is within the realm of possibility that there might be no more avenues for so-called safe investments. So that some of this has to be taken into consideration.

All of us hope that the private sector which is responding with great interest and skill, albeit with a good deal of caution, will rise to the challenge here.

Thank you very much for being with us.

MR. WRIGHT: Thank you.

(Short recess.)

MR. WILKINS: The Commission will come to order.

Our next witness this morning is Dr. Kenneth McFarland. We are happy to have him with us. He has been an educator for 24 years, the last 9 in Topeka, Kansas, Superintendent of Schools.

Dr. McFarland carries out an extensive lecture schedule across the country. In his talks he has emphasized the need to conserve constitutional government, fee competitive enterprise, and individual freedom.

Dr. McFarland, I believe, was in the middle of the Brown versus Board of Education in Topeka, Kansas.

STATEMENT OF DR. KENNETH MC FARLAND

EDUCATOR AND SUPERINTENDENT OF SCHOOLS

TOPEKA, KANSAS

DR. MC FARLAND: No, sir, I came before that. I left the schools in 1951. The Supreme Court case was 1962. I was still in at the time of the District case.

MR. WILKINS: Very good. We are very happy to have you.

DR. MC FARLAND: Thank you.

In talking with Mr. McCurdy, I talked to him a little about procedure. We thought I might make kind of an informal presentation, and then you direct it along whatever lines you like after that.

I thought I might take a minute briefly to establish with whatever qualifications I have for taking your valuable

time, and if it developes I haven't any qualifications, at least I can establish the fact that my interest is genuine.

I was educated all over this country. Got a Bachelor's degree in a teachers' college in Kansas, and then went back and lived in New York, and did a Master's degree at Columbia, and eventually out at Stanford University for a doctorate. Those are in education and in government and economics and history.

And I have been the Superintendent of Schools in Kansas. I was in there 24 years. The last nine years of that I was Superintendent of our capital city school system in Topeka.

I had an increasing interest in influencing the public in general, and I got more and more in the line of public speaking, for example. While I was still Superintendent, I was a guest lecturer for a while for Reader's Digest.

At the present time I am educational consultant and guest lecturer for the American Trucking Associations, and for -- and guest lecturer form General Motors Corporation.

Most of the things that I do are independent. I want to establish here that when I mention these particular organizations, I am a professional man retained to do just certain things.

I am not employed by anyone. I do not want to be employed by anyone.

I reserve that -- it is very important to me. It is an important distinction. I have no retirement plan, no stock options. I have nothing of that kind. But I do have complete independence. I am the sole authority and sole decider of what I say, or what engagements I do.

I mention that because these various clients that I have have no more to do with what I say here this morning than the Salvation Army would have. It is no more than one of a lawyer's clients would be responsible for what he said in another case.

Along about the end of the forties and near the fifties, I got to the place where I rather felt I could do -- I liked school work, and thought it was very important -- but I got to the place where it seemed to me we didn't even have time for kids to grow up. If you remember the conditions that existed. The students themselves through they were going to be atomized.

I got more concerned about working with people that could do something about it. And that is when I took up this lecturing pretty largely full-time.

For these years now I have been covering this country pretty much like a blanket.

I have some opportunity to bring you kind of a grass roots report on some of these things.

It is not an uncommon week, actually, for me to see

all four sides of this country.

One day recently I saw the Great Lakes, the Gulf, the Atlantic and the Pacific between ten o'clock at night Miami time, and three o'clock in the morning San Francisco time. And Mr. McCurdy knows when he called me about coming here today, I told him I had a speaking engagement in Long Beach, California tonight. So I have had at least a little opportunity to kind of contact people all the time, all over the country.

Our correspondence as a result of all these contacts is very great. It is at once one of our big necessary problems and one of our best sources of information, because it is almost like a grass roots report from the country every day day.

Now, I probably have seen as many national conventions and big area conventions, because so many of the engagements I do -- this has bearing on what I want to say to you -- as anyone ever did.

I found that these conventions have a couple of common denominators. The people are all there because they have a common interest in something. They are in the same business, same profession, maybe belong to the same civic clubs, might even work for the same company.

The other one is that they are all working and living and moving within the framework that we call, for these purposes -- the American system.

When I say the American system, I mean two things. I mean the American economic system of free competitive enterprise. And I mean the American political system of individual freedom guaranteed by law.

To us, these constitute the frame around every person's picture, whether it is his business, professional, personal, family, future picture, or what-have-you. And it is getting clearer all the time if this frame disintegrates or is damaged or destroyed, then, of course, the pictures are going to go with it.

This is my interest in this. This is why I have worked to preserve as much as we could this system.

People say to me "Do you fly all night, and work all day?" I would like for you to know I do not do it because I need to make a living this way, because I do not. I like to be in my own home, my own family, as well as the next man.

But I found out something. I found it out long ago, as an educator, and I have had it underscored in industry. And that is that we have just got to quit assuming the American people understand these basics of Americanism simply because they are born in America.

Now, we know in education when you are born you don't understand anything at all. You are not even pre-conditioned to learn one kind of philosophy. You might be pre-conditioned in a skill. But you are not pre-conditioned to learn

one kind of philosophy any more readily than another. I mean a boy born down in Mobile or one born in Minneapolis can make just as fine a Communist as one born in Moscow. It depends entirely on what he learns. And they all start at scratch.

As you know, the problem is far more acute, because of what we call the population explosion. More people are starting from scratch all the time.

I was in an Insurance Executives' Convention, and one of the men said -- this particular insurance executive said, "The population explosition is almost a geometric ratio. It will help if you understand that one-half of all the people who ever lived since Adam and Eve are now living. The population of the world is increasing at the rate of 180,000 a day. I have a friend who is a computer operator, helps with some of our research projects. He is 50 years old. He has a boy ten. He got to wondering some time back how many people will there be in the United States when his boy is as old as he is now. He fed the figures into the computer. At that time the population was 197 million. In the next month it is destined to go over 200 million. At that time 197 million. And the answer came back to him -- forty years from now there will be 400 million Americans.

Now, of course, the implication of that to this group and to all groups could hardly be overestimated.

We have forty years in which to build as many things

as we have built in all the years. Forty years from now twice as many people to feed, to house, to educate. We are talking about getting a bold idea, Mr. Chairman, on how we are going to finance these things. We are going to have to have very bold ideas. These ideas from the late General Grant period just are not going to do this thing.

I feel that we have got to be understanding, that the fact that we have so many new people, all of them starting from scratch, and the problem is simply beyond comprehension.

Well, to me it means that the future of this country is simply beyond description. I mean, it is even beyond imagination. Provided we save this frame, provided we can conserve this system -- that takes the individual at scratch and develops him into a responsible citizen -- not just an adult, not just someone who is twenty-one years old. This system that takes this individual from nothing and develops him into an economic asset, with purchasing power. But if this system, the basics of it, are destroyed, then all these untold millions are not going to be assets of any kind, but they are going to be frightful liabilities, like they are now in India, in a great many of the heavily-populated areas of the world.

Now, this is why I work at it. Personally I do not belong to any organizations -- center, right or left. I have never run for public office, and do not intend to. I honor people who do. I never thought that was my role.

I am one of those people -- I don't even think all the smart people are in one political party.

What we try to do is to make -- I have a little series of booklets I write -- I write them with no compensation.

Here is a booklet called "The Preservative-- Preserve as a Nation."

When you go out and address a national convention, you have the leadership of a whole segment of the society, clear across the Nation, or you have the leadership of a whole segment of the economy, clear across the Nation.

If you could make preservatives out of these people, people who want to preserve the basics of the system -- if we could make preservatives out of both of the political parties.

This is the general philosophy behind the thing, and this is why I personally work at it.

Now, it became apparent to me, along with a lot of other people, quite some years ago, that the number one threat to the frame, to the system, of course, is the breakdown of law and order in this country. And this is why I got into the thing.

I mean as fast as the population is increasing in this country, the crime rate is increasing seven times faster, and the juvenile crime rate eight times faster.

This is not just a big city problem. The information shows the crime increase last year for the Nation as a whole was not as great as the crime increase in cities under 10,000. And

in the suburbs. So this is everybody's problem.

There are so many ways of saying it. We are fighting a full-scale war in Vietnam. We have over half a million men there. Yet we had more Americans killed by gunfire in America last year -- I am not talking about all the Americans killed by every cause -- than we had Americans killed in Vietnam.

I know that you have had so much evidence here, I hesitate to touch on many of these things, because I do not know what you have had.

The Gallup Poll is our authority for the fact that half the women in this country are afraid to leave their homes at night. I was over in the Bedford Stuyvesant area, and personally I think that is one of the roughest in this country, and I think I have seen about all of them. We did a study over there. And they informed me of the telephone number that you could dial, and they would provide you with an armed escort through the streets to church on Sunday morning.

That is not only going backwards. That is going back three hundred years. Because it was three hundred years ago the Pilgrim Fathers were carrying their guns to church to ward off attacks by the savages. And now the savages are in the streets.

In Kansas City just the other night, here was a young fellow broke into an old couple's home, the woman was actually 85 years old, the man was 93, he beat them to death, because he

wanted their television.

This is savagery.

This case in Dayton the other day of a young coach, just atarting his career, young athlete coach. He was practicing. Here was some young punk jeering at the team. He asked him a couple of times to leave. He finally took him by the arm. And he comes out with a switch blade knife, stabs this man to death.

These things are savagery.

Rap Brown went over to East St. Louis afew weeks ago, and made one speech and started a riot.

The men were interviewing him afterwards. They asked him what was the most satistfactory riot that he had started. And he listed the one down here at Plainfield, New Jersey. He said, "I have the documentation on this, Mr. Chairman. He said that was the one where the crowd stomped a policeman to death.

Well, you know what happened. This policeman was held down by a mob. They took a grocery cart and smashed his face and stomped him to death.

Now, that in my judgment is savagery. And I say we are back to that, except we have got it in the city streets. And if you want documentation on it, you have it all over the place. You can pick up the next issue of the newspaper, listen to the next news broadcast and have all you want.

My deep concern about this is as a student and teacher of history and government, I know, as many of you know, no nation has ever survived increasing crime and violence. And there is no reason to think we will. And we are now one of the most lawless nations in all history.

To me it can be summed up -- and I am oversimplifying this purposely -- I do not think you get a point across by complicating it.

I do not mean everything is black and white. But I am trying to get this thing brought out, to get the point.

I think the person who says that order is Heaven's first law said something far more profound than he ever knew. We can prove now psychologically that people do become desperate in increasing disorder and protracted disorder. I think if you can learn anything from the pages of history, it is when they get desperate enough, they will do almost anything to get order back. They will trade their freedom for it. And that is when the man on the white horse rides in and says, "I will give you order in exchange for your freedom."

This is what brought Hitler to power in Germany. He did not just seize power. Thirty-four years ago in August they had an election in Germany to determine whether Adolph Hitler would succeed Von Hindenburg as Chancelor of Germany. Five million voted no and 38 million voted yes. The same kind of thing that brought Mussolini to power in Italy. Just order. They

were so pleased he had made the trains run on time. The same kind of thing I think that brought Lenin and later Stalin into the mastership of Russia. The tremendous amount of evidence. As a history student, you can go back and see this pattern.

The first time Napoleon emerges into public view, he is an artillery officer firing grapeshot into a mob attacking the King's palace. Order has broken down. A little while later he is the Emperor, he is the Dictator. And the people who were fighting for freedom ended up with less than they had.

Well, you say that must not happen in this country.

I am not here as an alarmist. I am not standing on a molehill of evidence. We have a mountain of it.

In my studied opinion, we are moving straight down the road in this country that leads to the man on the white horse. I think we are going to turn this thing around on our own power or he is going to take over. And I sincerely believe we can no more co-exist with this than we can with a cancer.

I think it is going to be winner take all. I think we are going to get this turned around before we get to the man on the white horse. But I think if we go that far down the road, I think most of us will vote for him to take over. That is the history of this kind of thing.

I was in a group during the Detroit riot. Here were

some businessmen, industrialists --;one man said he thought we were going to have to turn this country over to a dictator for a year or two. He said the politicians are hamstrung by pressure groups. He said they cannot do what they ought to do if they knew what it was. He said the pressure groups are controlling the big city votes, and they are controlling the national elections, and we are just going to have to turn this thing over to a dictator for a year or two and let him do the things that have to be done, and then he can turn it back to us.

Well, I said to him I am not going to ask you for fifty illustrations or half dozen; give me just one of a dictator who ever turned it back to us.

And he could not think of any. I told him he could save a little wear and tear on his brain. There is no use looking for any -- there are none.

But this is the thinking of some people now who ought to know better. And when you consider how many people there are that do not know better.

In my judgment the problem is very very serious, and I think the hour is very very late on it.

We have done a lot of studying on this thing. In my judgment, one of the big problems we have is what we call the soft liners. These are the good people who say that you want to fight crime, but you must not fight criminals, I mean the individual is not responsible, there is no such thing as an

individual character breakdown or anything that would make him personally responsible. It is environment, he had too much or too little or something was too too. The individual is just not responsible.

The problem we find here is these people are good people. And they don't seems to realize that a great deal of our problem is that we have been following their advice for a generation and a half. We are in the trouble because we have followed that advice. And it is a difficult thing, because they do not realize that they not only do not have the answer, they are the problem, so to speak.

We have always kind of called them in our studies the WM-2's -- that is our formula for the "well-meaning woolly minded." Bishop Sheen calls these people social slobbers. I have a booklet here I am going to give a copy to you, and on page three on Law Enforcement, Bishop Sheen's definition of a social slobberer: "He is a person who has a false compassion."

He defines that as a pity that is shown not to the mugged but to the mugger, not to the family of the murdered, but to the murderer, not to the woman who is raped, but to the rapist.

I addressed a meeting in San Francisco last spring. That afternoon one bunch in one high school formed into a mob and as they progressed, they went down the street, and started nicking out windshields. They went on Market Street, and smashed

in a jewelry store window and stole 20,000 to $25,000 worth of merchandise.

The next day in the Chronicle -- and we have this documented -- some of these WM-2's actually said that the temperature had been a little colder than normal in San Francisco the last few days, and the young people were restless.

Now, I was down at Los Angeles during the Watts difficulty, and Chief Parker, the late Chief Parker, gave me dispensation to interview some of these people. I wrote a booklet "Let's Learn from the Los Angeles Riots."

It is true that a number of people said this would not have happened if we had had more air conditioning.

Now, when you analyzed that -- in southern California it is a little too warm to obey the law, in northern California it is a little too cold. I guess everybody is supposed to move around Santa Barbara.

But this thing becomes ridiculous.

You do not look at a thermometer to decide whether you are going to obey the law.

This is another kind of thing that cannot be excused.

The thing I am trying to say to you in all due respect is this.

Law and order just cannot be achieved in my opinion as a by-product of something else. We cannot solve the slum problem and employment problem and automatically have the law

enforcement problem solved. It has to be a frontal attack on the problem itself.

I was over in Sweden in August, and I did a good deal of interviewing. I was kind of studying their system of socialism there.

One thing -- they have eliminated unemployment and slums. There are virtually no slums in Sweden, virtually no unemployment, and the crime rate has doubled since 1950. I can give you illustrations of this.

They are two separate proboems.

Judge Dayton Pine was -- signed the Minority Report of the Washington D. C. Crime Commission.

Judge Pine said, "I grow weary of these people who say all we have to do is eliminate the slums, eliminate unemployment, and then we will have no more crime."

I lived through the Great Depression of the thirties. I was a young superintendent of schools down in South Central Kansas, in the dust bowl, in the drought area. The only reason we were not Olies, we lived north of the line. Our farms were blowing away.

I can give you the documentation on this, if you want it. But I was the highest-paid person in the school system. The most they ever paid me in one calendar year was $2350. We had degree teachers in contracts for $700 a year, and south of the line some had $645 -- for a whole year. Their contracts

read just like mine. It said "We will pay the face amount of this contract provided the tax money comes in in sufficient amounts to do it. Otherwise we will pay the same percentage of the face amount as we collect of the taxes levied."

We had an organization formed to have a moratorium on schools. They said we cannot afford any public schools at all. As a matter of fact, they actually could not, wheat was 30 cents a bushel, and no one had it.

This is when as a young superintendent of schools I started in on this -- I went up and down the land, wherever groups gathered together, I used to speak to them, and I used to say "If you will show me how we can put your children in cold storage for a period of years, and get them out when the economic conditions are better, and turn them on -- if you show me that, I will be glad to go with you on this program, because God knows it is no fun to try to run a school system with nothing to work with."

They could not show me.

The thing I want to bring out to you is this. We kept the schools open. That was not a lost generation. They did have their opportunity. We kept the schools open because teachers and parents and board members and taxpayers and the students themselves made sacrifices like we would never think of asking anybody to make now.

Now, Judge Pine brings out that during that time --

-- we talk about unemployment now, the unemployment problem. The unemployment in this country today is 4.1. I presume of that 2 per cent would be chronically unemployable. And the true unemployment in this country, I think, would be somewhere around 2 per cent. If we get up to 6 per cent, of course, we turn on the panic button. Judge Pine said there were times and places in the Depression where we got up to 60 per cent. We had poverty. We had poverty stacked on top of poverty. I am not recommending this in any sense. There is nothing about it that is good, but the point is this lasted for ten years, and during the four years we have studied on the bottom of this Depression, while the population increased, the crime rate decreased. Because we taught them that way is my contention. We taught them as we had been taught. We said "It doesn't make any difference where you live. We didn't have a bunch of do-gooders running around the country telling people if they didn't think a law immoral you don't have to obey it. We taught them as we always taught them. It makes no difference where you live, what the color of your skin is, what coloring you use, you obey the law.

We taught them that way, and they learned it that way. The record is clear. In spite of utterly frightful conditions.

Now, I think we are going to have to keep teaching this. You cannot buy it. We cannot substitute anything for these basic understandings that they must have, and none of

which they are born with. And I think it is going to have to be a part of any workable program.

I am using too much time.

This number one national problem, the crime problem, I think everyone agrees it is the number one national problem. Yet I agree with the President of the United States in the speech he made at Kansas City for the Police Chiefs when he said it has to be solved at the local level -- otherwise we get a national police force. And the idea of a national police force is repugnant to everyone.

With this I would concur.

It has to be done at the local level.

Now, for this reason I call your attention to some booklets that I brought down here for you. Each of us in our own communities where we live are responsible for solving our part of this national crime problem, saving our part of the frame. Here is a little booklet called "The Topeka Plan for Law Enforcement." I was largely instrumental in the starting of this. We have a lot of power behind it in the local community. It is going to be adopted. In fact, it is now adopted, and will be fully implemented over a period of several years.

I don't offer this to you as any -- as everything that is fine and good. I do not think this is the greatest thing since sliced bread. I am submitting it to you merely to indicate what one community is trying to do with its own

resources to solve its part of the national crime problem.

Now, it is an important point.

It starts out on the premise that increasing crime and violence are not inevitable, that the answer basically is old-fashioned unadulterated law enforcement.

Now, that means that we begin with the police department. We are trying to build in our own city a model police department. We want to increase the police force by a full third, and adopt a minimum pay scale that is recommended by the National League of Municipalities -- for a Class A Patrolman, $7,000 a year.

What we are trying to do is to make a policeman's job attractive for the right kind of people so he can make a career out of it, and not have to moonlight.

I was up in Minnesota the other day. They are making a study of their police department. Here is the first article in the series. It says nearly a third of the city's police moonlight. Down in Houston three-fourths of them moonlight.

There is an article in the American Legion called "Our Down-Graded Police Force." I will leave that with you.

It is an excellent article on that. I am not even a member of the Legion. But this was sent to me. It is an excellent article.

Now, when a policeman moonlights, he has two bosses at least. Maybe he is working for the public during the day

and as a bouncer at a night club at night, and maybe the night is owned by a gangster.

The big point is we are going to have to pay police to get the right kind of police.

We are seeking legislation at every level that will strengthen the hand of the police. For example, we got a bill through our Legislature early this year which makes it a felony to attack a police officer in our state. Up to that time it has been a misdemeanor. It is now a felony.

We have reason to think this is deteriorating.

The whole program there is to do what it says here -- take the handcuffs off the police and put them on the criminal.

Now, the third point in this is a campaign of education. I was City Superintendent of Schools there as I mentioned for nine years. I got with the present Superintendent of Schools, with his curriculum director and we are now developing actual units of study. I do not mean courses of study, but units of instruction, to deliberately indoctrinate young people in respect for law and respect for law enforcement. We are going to deliberately teach them.

I talked to five thousand teachers in Minnesota Education Association last week. I did the same kind of meeting in Pennsylvania a week before. And I was over in Illinois for their association in the east St. Louis area the week before. And I have said to teachers all over this country -- you have to

live this. This is to me basic.

I do not think you can strike a school system in violation of the law as 27 school systems were being struck at one time last month in Michigan alone -- the biggest city school system in America was struck for four weeks this year. You cannot strike a school system in violation of the law and then go back after the strike is over and say "Now, children, we got what we wanted. We had to violate the law to do it." And these people did violate the law. They have been convicted. They have been sentenced. They violated the court order to go back to work. You cannot say "We got what we wanted, now let us get out our books and have a lesson on law enforcement."

I have no quarrel with teachers being militant. I don't want church mice teaching my children. But they are going to have to be legal and ethical. And it is going to have to be done professionally. Otherwise I think the result is going to be disastrous.

In the New York strike, you remember one of the big points in that whole thing was the matter of the disruptive child -- who is going to teach that child. A lot of people in the ghettos and slums interpreted that to mean since most of the disruptive children were theirs, the strike is against them. Well, after they got the settlement made, the teachers had a meeting and they had been getting a lot of threatening calls from some of these people. The teachers said we have to

be assured we have protection. We want a policeman in every school. We have to have law and order.

Of course, this caused some of the people to say down in those areas, "Look, who is talking about law and order?"

The point is it puts the teach in an impossible position.

So I say be militant, but be legal. They have to be ethical.

I have talked to parents all over this country, made a color film. I had said to parents "You have to get into this thing up to your eyebrows." If every parent in this country would sah, "As for me and my house we will stand on the side of the law and mean it," we would be on the way. But they cannot do what they were doing down in Houston the other day -- boycotting their children's school, calling their children out of school. When they do it -- it won't be the answer. And we have ajob to do all the way up and down the line.

We have made a study or two on the matter of patriotism. This is all the same thing. It all has to be taught.

Let me say to you I would fight and bleed and die for your right to disagree with everything I have said. Anybody to disagree with anything that anybody says. If I do not believe that, I have no right to talk about freedom.

But what I do say is we can dissent without down-grading the country.

I say that we can disagree without violating the law. We can disagree with the President of the United States without downgrading the Presidency, and something that is basicto the structure. And to me this is very very important.

So let me say in closing, I respectfully urge you as a Commission not to bring in a report that makes law and order or tends to make or appears to make law and order a by-product of something else.

I hope that your report will be one that meets the problem head-on. We just cannot pay ransome, you cannot pay and pay forever a community just to keep cool. You never get blackmail paid. It is going to have to be a basic program that changes the minds and hearts of people.

I hope very much that whatever you do -- and these other things are all terribly important -- I hope you will stand forthright for law and order and for the prosection and conviction of people who violate law, and the absolute necessity of supporting law.

Now, if you come in with that kind of a report -- and I hope you will -- I believe the mood of this country is one that will accept it. I think the people right under the surface are very anxious for this kind of report. I think if we can give them the things that we can by law and order and solve it obliquely, we can solve it incidentally, while we are working on something else -- I do not think we are going to buy it, and

and I think we are going to have difficulty.

Now, that, Mr. Chairman, respectfully, and too long, is what I wanted to say to you.

MR. WILKINS: Thank you, Dr. McFarland, for this presentation in support of law and order. I do not believe there is basic disagreement around this table for the necessity for law and order. But you never can tell.

I will ask for questions.

Mr. McCurdy. Mr. McFarland, you enumerated a number of events that had occurred around the country of a savage nature, such as the one in Dayton, where a young hoodlum took a switch blade and killed a coach, and in Kansas City where someone was killed by a burglar, and the teachers' strikes and so forth.

Were you relating these to the civil disorders that occurred in the ghettos -- were you relating these to the riots?

DR. McFARLAND: I am talking about -- I was trying to establish my interest in the general problem. I said, -- I said we were back -- if we have to carry our guns to church, we are back to the Pilgrim Fathers' days. We were warding off savages then and now.

I am relating it to the fact that it all fits into the lack of respect for law and for order. And in many cases a total lack of respect. And until that respect is re-

established on a large scale, we are going to have riots.

I don't know what you have had introduced into evidence here, but have you seen the speech by the District Attorney of Los Angeles County, Younger, "How to Start a Riot."?

MR. MCCURDY: Yes, I have.

MR. McFARLAND: "Everyone who participates in a riot is a criminal," whether he is a college professor or a student or a rabble-rouser -- he is a criminal.

Now, as Judge Whittaker said, Kansas City, we have got to quit calling people who violate criminal law, simply say that is civil disobedience.

MR. McCURDY: Is it your position, Doctor, that the general crime conditions that exist all over the country, for instance organized crime and crimes committed by people such as the other incident in Dayton, where a policeman was indicted for shooting a man because he thought the man had a gun but it turned out to be a knife, and these policemen were in plain clothes. Is this the type of criminal activity that you attribute to causing the riots in the ghettos?

MR. McFARLAND: It is the total lack of respect for authority.

Now, I addressed a group of kids out in California, one of the campuses. One of these -- and one of these boys -- we made a little study of these kids, why they dress like they do. I was talking to one. And I said to him, "I am not trying

to preach to you, but I am just asking you." It was just an all-out hippie. I said to him, "What human problem have you solved by being dirty? I just honestly would like to know."

And he said, "I am free."

"Well," I said, "what is freedom to you?"

He said, "Lack of restraint. I have the same feeling of exhilaration I had when I kicked religion, for example." He said it is lack of restraint.

You see, he must learn that freedom isnot total lack of restraint. You cannot have that. If we did not have police forces where we lived, we could not be here today. We would have to be home guarding our property. We would be prisoners in our own homes.

I think we are going to have to teach people deliberately that they must abide by legitimate authority.

We can go beyond that, and make quite a case out of showing if you do not do that, you might as well not learn anything, because you are not going to make it anyway.

I think a kid who cannot learn to abide by legitimate authority is a lousy risk, there is no use spending money on him. He doesn't understand Rule One.

MR. McCURDY: I have been reading in the papers just in the last two or three days, since the conviction of those seven men down in Mississippi, that this a tremendous break-through in that the laws apparently the people thought, the

residents there thought, did not apply -- I am talking about the white residents -- that the laws did not apply to them if they committed offenses against Negroes. And there has been a long history, up until the middle of last week at least, of this violence and law-breaking and lack of law enforcement against Negroes, and lynchings amounting to hundreds.

Now, many of those Negroes, of course, have migrated out of the Mississippi area into northern cities.

Do you think that it is that disrespect for the law as reflected by the white citizens of Mississippi that contributes to the riots that we are now experiencing in our northern cities?

MR. McFARLAND: In general -- I don't blame the people of Mississippi for a riot in Detroit, no.

I have found this out through many years -- that every section of this country has its share of good people. And I am afraid every section has its share of other kinds.

A few years ago we had a lot of experts in one section of the country on the problems of other sections. But, of course, the big city problems in America, race problems, are all north of the Mason-Dixon line. Not south of it. We do not have as many experts in the north any more on what they ought to do in the south.

But I found that most sections -- now, this, for example, was an all-white jury that brought in this conviction.

And you remember on the first attempt to convict, they had eleven for conviction, and only one that hung that jury.

You see, that takes quite a lot of courage. These are simple farm people, who have to live there the next day, and the rest of their lives.

To stand up there and vote that way, that took guts, that took more courage than the average man is ever called on.

MR. McCURDY: What we are trying to get at is this.

We want to do something about the civil disorders. Are you saying that the teachers' strikes around the country have caused the Negroes to riot? Is that what you are saying? Or that the --

MR. McFARLAND: No, I am saying --

MR. McCURDY: Or these other incidents that you have related -- you are relating those to the riots in the ghetto?

MR. McFARLAND: Yes. I am saying that the teachers teaching in the ghetto -- the New York thing is a perfect illustration. One of the big points was the disruptive child. In this opinion most of the disruptive children are in the ghetto. If you are familiar with the situation in New York, the slum areas were against the teachers' strikes, because they thought it was a strike against teaching their children. They made these threats to the teachers after the strike was over.

Now, you cannot have a situation like that exist in

the mind of a child and his parents,and have the teacher teach him respect for law and order.

REPRESENTATIVE CORMAN: Mr. McCurdy -- to get back to the Mississippi case.

You have indicated it took a great deal of courage for one to serve on the jury, and to vote conviction, where the preponderance of evidence was the people had killed others in cold blood. I wonder what the conditions are in that community that made that an act of great courage, and if you think those conditions are worthy of our attention?

For instance, in Los Angeles if a juror finds someone guilty, where the evidence is very heavy, that would not take much courage to do.

DR. McFARLAND: With the background in Mississippi, an all-white jury, I think your background in Mississippi is far different from your background in Los Angeles. And yet in Los Angeles, where you have never kept anybody out of a restaurant because of his color, you had the worst riot we ever had until Detroit came along. It has to be something else. There are a lot of factors in this.

I think the people in the South -- the question was are the people in the South responsible for contributing to riots in northern cities through lack of respect. I would think more through lack of education, the proper kind of education.

MR. McCURDY: Of the whites in Mississippi?

DR. McFARLAND: Of the Negro group, I would say, in the South.

Everybody knows that they have had the smallest amount of money per capita, for example, in Mississippi colored schools, of any schools in the country. But the white children in Mississippi have had the smallest per capita for white schools. But it is a poor state.

I am not defending Mississippi. I just say we are not going to come out with the answer here blaming Mississippi for a riot in Detroit. I do not think it is going to get us anywhere. And that is my opinion. But that is what you asked for.

MR. McCURDY: Yes. I have one more question, Doctor.

You mentioned that firmer law enforcement and education to produce respect for law enforcement are two programs which should be implemented.

Now, do those represent your total recommendations for dealing -- to this Commission -- for dealing with these riots?

DR. McFARLAND: No. Anything we can do towards the slum clearance, anything we can do towards elminating unemployment, anything we can do towards eliminating discrimination in the matter of employment, this is all good. If you will recall, what I wanted to interject here was that a loan will not do it.

I think we can eliminate all the slums and unemployment,

and still have crime all over the place, unless we recognize that it is another problem that is not to have a frontal attack, and you are not going to solve it incidentally, and you are not going to buy people, you are not going to pay people to be lawful and law-abiding. You have to teach them. They have to want to be. It has to be understood.

It has to be respect.

Now, -- and I think this is where we came in with the recommendations for police forces and for education, of both parents and the children.

MR. WILKINS: Mr. Abel.

MR. ABEL: Mr. Chairman -- Dr. McFarland, I would first echo the statement of our Chairman that all of the Commission members are very much aware of the need for law and order in our type of society. I do not think there is anything that concerns the Commission more than just this problem.

Now, you touched on it very strongly, and particularly the breakdown we are experiencing with respect to law and order.

I wonder as an educator and one who has devoted his lifetime to civic and community activities and affairs as you have, if you have any ideas or any reasons for this widespread breakdown of respect to law and order?

DR. McFARLAND: I tried to indicate that we have just quit teaching it. I tried to indicate that a soft line philosophy has been increasingly prevailing in my judgment for two generations,

that the individual is not responsible -- that society is.

I think this philosophy has done more damage than any other one thing.

We had the Protestant chaplain of Yale University here yesterday taunting a law enforcement officer for not arresting him. It didn't occur to him maybe he was in a rather strange position, being a chaplain, by violating the law himself.

And instead of condemning the law enforcement officer for not arresting him, we might examine the fact that the man who is responsible for moral counsel at Yale University, whose father is a distinguished divine in this country, who I personally have known for many years, did not see anything at all wrong with violating the law because he didn't think it was moral. He personally sat in judgment on what laws should be abided by and which ones should not. This would not get it. That is anarchy -- when we all decide what laws we will obey.

MR. ABEL: Do you mean, then that just by repeating to students down through the years that we are law abiding citizens that we establish that fact?

DR. McFARLAND: Teaching it and enforcing law, and get a police force they can respect, and let the police force make it responsible for them to enforce law. The knowledge that there is a police force that will enforce law of course is even better than the police force itself -- it is that knowledge and

and that respect.

MR. ABEL: The phrase "law and order" is a good one. But by thesame token it has many many dangerous simplifcations, too. Apparently we are all somewhat conditioned by our own experiences. Apparently I am not an exception. But thirty years ago this year I was involved in what history records as a little steel strike in this country. And the investigations that followed that strike disclosed for the world to see that while we had great respect for law and order in those days, and we as steelworkers were charged with disregarding law and order, the investigations revealed that the police and enforcing agencies of this country from the communities and counties and states were virtually owned and controlled and doing the bidding of the steel corporations.

So it is pretty difficult, then, you see, to talk to steel workers in that period about law and order. The same is true, I think, when it comes to your reference to school teachers. The school teachers are forced because of their conditions to resort to the last weapon, that of striking, to get some consideration. We refuse for some reason in this society of ours to recognize the problems of people until we reach this point. I am saying this to again get some suggestions from you, as to what it is we might do or suggest or recommend to restore this confidence in law and order.

I cite some of the other examples. I am reminded of one

you have missed here. In the last month or so we witnessed strikes in Youngstown Ohio by the City police and firemen. Now, again, when you stop to reason and try to bring out this kind of condition, some justification -- I am reminded that just a year or so ago, Youngstown, Ohio, was the haven for the hoodlum, and almost every day there was a bombing of somebody's business.

Now, is this in your opinion one of the contributory factors of disregard or lack of confidence in law and order, or what is it?

MR. McFARLAND: You understand, I have no quarrel -- I am not talking about anti-union. I am talking about public employees. And I am saying that in my opinion, no public employee should ever strike against the public welfare. Here is where you and I would fundamentally disagree probably.

MR. ABEL: How do we take care of their problems?

MR. McFARLAND: I addressed some teachers last week. Twenty per cent of that one audience of 5,000 were members of the union. When the thing was over they said -- the long range, if we are going to have gains, we are going to have to do it legally. And if there is a law, and if we get the law repealed -- if we do not like it, let's try to get it repealed. If we cannot, we will have to abide by it.

I want to call your attention -- after the New York strike last week -- this is October 11, date-lined here in

Washington -- Albert Shanker made a speech here in which he said "No law or court will stop the New York city teachers from striking in the future." He said -- he told an Education Writers' Association seminar that the militancy and cohesion of the New York teachers is so strong it cannot be touched by the courts or the law.

Now, when you get yourself above the law, you are up there where the air is pretty thin. And this is an undesirable situation, in my judgment.

I don't see how we can teach respect for law and order and say "Children, we do not obey the law, but you must." It is an impossible situation.

MR. ABEL: The problem is how do we bridge this gap, how do we get back to this proper road that we all recognize we should be on?

DR. McFARLAND: It is the law of supply and demand. The law of supply and demand is one law we cannot repeal. The reason we are talking about $7,000 for a police officer is that that is what it takes to get a good man. If he does not want to work for that, he does not have to. If a teacher who has the ability to teach doesn't want to work for the available pay, they can do something else. When enough of them do something else, we will get the pay up to whatever it takes to attract the right kind of people.

I like to see the teachers make demands. I like that.

But I do want them to be legal.

MR. ABEL: What would your thinking be, then, a method similar to recruitment of Marines or Navy personnel, for recruiting police officers?

DR. McFARLAND: Well, they are doing it. I think maybe the Chief could tell us better. Of course, that is being done now. A lot of police departments no longer have the requirement for being a local resident. There is a reaching out. Some of them are raiding other police departments.

But I think they are extending that.

I think this is a good idea.

But they have to be able to pay them.

MR. ABEL: One thing further. You reference to the prospects of the arrival of the man on the white horse. I think any thinking person in our society today must be thinking of that possibility.

In your studies, your travel, your lectures, do you find any nucleus in this country being organized or in existence that would lend itself to the bringing about of a man on the white horse?

DR. McFARLAND: I do not know of any -- other than the American Nazi Party or something that is so infinitesimal. I do not know of any of any consequence.

MR. ABEL: I hear references from time to time, articles -- in fact, I get mail from time to time, enclosing a little

warning, with a bull's eye, attributed to the National Rifle Association.

DR. McFARLAND: I am not an authority on the Rifle Association. But I am not alarmed about that. I think we are going to have to be a little careful about doing away with the right to bear arms, which is fundamental.

I think, the gangsters and the ones who want to violate law will always get guns if they want them. As a matter of principle, I think we are going to have to be a little slow to deprive the good citizen on the same privilege.

MR. ABEL: Then you would be opposed to legislation controlling the sale of arms?

DR. McFARLAND: To prohibit sale of arms.

I think there should be restrictions. But I certainly would not prohibit the sale of arms. I do not think -- I think it would violate the Bill of Rights.

MR. WILKINS: Congressman Corman?

REPRESENTATIVE CORMAN: Dr. McFarland, I agree with you that these evidences of disrespect for the law by the people the children look to as leaders must be the most destructive of all. And yet the advent of a teachers' strike is a relatively new thing. So I do not suppose that has had much effect yet.

But since the '54 schools segregation decision, there has been this constant struggle between forces that are in leadership that must have some effect on the youngsters. For

instance, the Governor standing in the school house door, the time after time that we have seen local law enforcement schools used to preserve segregated schools, sometimes used to integrate the schools. But always that conflict of people that the youngster would think are in positions of authority.

Now, do you think that has any effect on the breakdown, the respect Governor's have for law and order? Because it is something that is fairly close to them, and has been since '54.

DR. McFARIAND: You are speaking of the southern area?

REPRESENTATIVE CORMAN: Well -- except that it is televised nationwide, and it involves forces that are in conflict in the north as well as in the south. And we have seen evidence of the fact that even in the north when we attempt to change existing patterns, that these same forces do come to a head-on collision with each other.

DR. McFARLAND: Well, I could answer that by going around this way.

I agree -- I am Neighborhood School person.

I do not think Mr. Wilkins thinks that just the very fact of integrating a schools guarantees it will be a good school.

We have gone almost overboard on that viewpoint with some extremists on this thing.

Now, there can be good educational programs in either kind of a school. And, therefore, they have this issue in Boston,

in the mayoralty relation, the Neighborhood School.

Personally, I am a Neighborhood School person, because you can administer it. You cannot sit here, I cannot sit here as a superintendent or board member and say you can leave the District but you cannot. It puts you in an impossible situation.

REPRESENTATIVE CORMAN: My concern is not for the complex of the school as such.

The United States Supreme Court declares the law of the land. The immediate reaction of a substantial number of House members was to file a declaration of interposition. So the youngsters, Negro and white, see a tremendous head-on collision between forces that they assumed were the law of the land. And I am wondering if this conflict does not have some effect on youngsters, aside from what the school may wind up ultimately being.

What about these pressures of conflicts between the Court and some other segments of law?

DR. McFARLAND: Now, I am not for that kind of thing. What I am saying is this, for example, would not answer the reason why you had a riot in Watts or Detroit or Newark.

REPRESENTATIVE CORMAN: Does it have any effect on a youngster's respect for law and order?

DR. McFARLAND: I don't know -- I wouldn't have much opinion as to whether this is a basic factor.

But trying to answer the question on the Neighborhood School-- this is something you can administer. And you are not sitting in judgment and saying to one person you can go to some school and another person you cannot. But you say if you live in this District, you go to this school. If you do not like this school, you move out. Now, if you cannot move out, that is not the responsibility of the Board of Education. The Board of Education has no legal authority whatever as to where any one shall live. And when you go to accepting responsibility if you have no authority, then you are in a very dangerous situation. And so I am for the Neighborhood School.

Now, if it is integrated or mostly one race or mostly the other race, this is a fact that will work out over a period of time. But I do think that it is very dangerous to just say when we bring up the Neighborhood School and we go where we want to we are going to have respect and a good education. I do not think we are.

REPRESENTATIVE CORMAN: I think there are a number of parents of children in the south who would agree with you that busing kids long distances is not in their interest. I am always amused by the difference of view in busing children in the north and the south.

DR. McFARLAND: In Boston they are talking about teaching children on the buses while busing.

I think they would do better in school.

REPRESENTATIVE CORMAN: That is what a lot of Negro students thought for a long time -- when they used to bus the children forty or fifty miles to get them to a segregated school.

MR. WILKINS: Further questions?

MR. THORNTON: Dr. McFarland, it has been brought out by one or more witnesses that have appeared before us that some of the politicians of both parties, in campaigning for elective office, have made political promises to minority groups, speaking primarily at the moment about the Negro minority groups, as to what they would do if they were elected. In fact, it has gone on for so mamy years now that one very intelligent Negro witness before us said he would be hopeful that these promises would cease to be made, because the frustration of the Negro, rising expectation, of his acceptance by the white communities, equal opportunities, in housing, education and jobs, have been accepted by the fact that the promises made, and the realism of the fact has fallen short.

How much do you think this might have contributed to the riots that we have had in certain of the major cities in this country?

DR. McFARLAND: I think it has contributed substantially to the general disrespect. When the Vice President of the United States makes a speech to a national convention and says, "If I

were living in a ghetto, I could lead a pretty good riot myself." And he is the second in command. The President of the United States is charged with enforcing law as it is on the statute books now. And the second in command is the Vice President. I am not breaking anybody's confidence because I wrote him a letter about this, and he said they did not quote all of the speech. Of course they usually do not. But he did not say he did not say that.

Now, last August he also made a speech in which he encouraged -- and I have that documented here -- this militant teacher approach, and this is August 24 in Washington -- he endorsed militant -- called for more teacher power, and so on. That was before school started. He said it may mean possibly we will have to close down some of the schools.

Now, when the man who is one heart beat away from the top man for enforcing law in the whole country says "I could lead a pretty good revolt myself" -- I do not see how it increases respect for law. And I mean this kindly. I am using an illustration. I have written him about it.

MR. THORNTON: Going back to the question Mr. Abel asked, what immediate steps do you think might be undertaken to minimize or help to eliminate the possibility of additional riots in our cities, central cities and urban areas across the country?

People losing respect for law and order develops over

a period of decades. It is probably going to take that long to restore respect for law and order.

But do you see any short-range or short-term programs that could be effective to reduce the possibility of additional riots in our central cities?

DR. McFARLAND: The only short-term one, and what I have been recommending today is not short-term -- the only short-term is prompt and immediate law enforcement --as the county attorney beings out very well in this article I mentioned. The country attorney brings out the best targets and prospects for successful riots in the future are cities that have not had riots, because they will hold up the police for the first day or two -- until we have blood flowing in the streets and the buildings on fire, and then they get serious about it. Whereas the city that has had a riot, won't make that mistake a second time. I think the way the Oakland people handled the draft riot the other day is a good illustration. They moved in immediately, because they have had experience, and enforced the law. And it was all over pretty quickly.

Now, this brotherly love approach -- that is good. But you have to keep the man from murdering you and burning your town down while he is learning these things. And the only answer to that is strict law enforcement, and all the support that the police need, in my judgment.

If there is another answer, I do not know what it would

be.

MR. WILKINS: Any other questions?

MR. JENKINS: Dr. McFarland, I have been a student of your philosophy for a good many years, and that is maintain law and order, and the highest value of law is the keeping of the peace.

That is under the assumption that law and order is supported by brute force. But then I found a few years ago that perhaps a large percentage of the population was not in sympathy with that. I also found that the federal and state law in many cases was in conflict with each other.

In attempting to maintain the peace and good order, many of the leaders in our community, through the Crime Commission, have come along with statements to the effect that poverty and crime are twins and could not be separated, you could not improve one without improving the other.

As a result, they recommended that the police department have police community councils.

Well, that was a little different from what we have been trained to do.

But I was prepared to accept that for the simple reason that the system that we followed so long, there must be something wrong with it, because it is not working -- we are not able to maintain peace and good order.

The question that I want to ask -- and it is something

we do not like to talk about, and that is brute force -- how are you going to maintain peace and order and enforce law without it being supported by brute force? We are looking for a system to achieve the goals without that. What do you see in that field? What can we do?

DR. McFARLAND: Well, in a direct confrontation, if you are going to enforce the law against sobody using force, I don't see that you are going to get away from it. The first person that got hit over at the Pentagon -- did you read the effect it had on the rest of them? Some had been prepared to be arrested and spend the night in jail, but they had not been prepared to spend it in there with a headache. When they saw this happen, they were shocked, and they cursed the police and all that, but they stopped. And when you are confronted with brute force, as I say, you have to keep somebody from killing you and burning your city down, if you are going to have any long-range program

If you get somebody who is determined to do that right now, he has to be stopped. I do not see any answer other than that.

MR. JENKINS: Let me give you an example.

We had information that these demonstrations would happen in Atlanta last Monday. We also had information they were going to force the police to arrest them. It came off in Atlanta just like it was reported. They appeared at the

Induction Center -- legal lawful picketing, without any problem. But at the signal, ten or twelve of them fell in the street and blocked people coming in and out. We put them in jail. They made bond. And the same people that was in jail in Atlanta last Monday night, was in Washington last Saturday night doing the same thing over and over. How are you going to stop that?

DR. McFARLAND: Why not dish out a few sentences? Of all the hundreds of people arrested over here, only one of them got a jail sentence. That is not enough. Now, following that thing through, I think your point is so very important, because if you will compare the quality of the crowd that was here this last weekend as compared with the one that was here two years ago -- four years ago -- you compare the quality of the crowd. So many of the more intelligent, more respectable people have dropped out from this crowd here. This was more of a violent crowd. The people who tried to counsel something else were jeered and hooted here. They said "We want to have a fight." They went over to the Pentagon building and had it.

As these conditions -- if that trend continues, and the more conservative element drops out, leaving your wilder fringe, then more and more it is going to take just a brute force confrontation to stop the thing.

MR. JENKINS: Well, isn't that part of the result of human action? Of course, Mr. Abel and I both know in years gone

by a strike would go off peacefully, until both sides see they are losing, and then they become more anxious. The same thing is happening here. This nonviolent movement, as long as it was winning, well and good. But when it reached the point where it could not make progress -- isn't that just a reaction of human nature to become violent?

DR. McFARLAND: Well, of course, I think there are other elements. Mr. Wilkins wrote a column and points out that when the black power element comes in there and separates this thing, you have two different things than you had before.

For example, those two white boys -- talking about the trial in Mississippi -- the two white boys that were murdered would have some difficulty now becoming members of the organization that sponsored them at the time. Things change, you see.

Now, when the black power element was injected, I think -- I think Mr. Wilkins will agree with this -- you have a vastly different picture.

MR. JENKINS: My real question is how are the police going to maintain peace and order without supporting it with brute force?

DR. McFARLAND: I do not think you can. And I think the citizen expects to be protected from brute force, has a right to expect it.

MR. WILKINS: Unless there are other questions -- I have just one question of Mr. McFarland.

You know implicit in much of the conversation today and the comments on law and order, which Mr. Able indicated we all agree must be maintained -- implicit in a good many of the comments -- not in yours today, but a good many others -- is the fact that we must teach the Negro element to obey law and order if we are going to have peace. This is one avenue of peace. That they are disruptive, they preach obeying the laws that are in their opinion not discriminatory. I agree with you that this is anarchy -- just like the boys who tear up their draft cards because they think the draft is unfair.

But most of this is implicit that the Negro community -- which is at the heart of the rioting -- must be taught to obey law and order. And I think this ignores, and requires more emphasis on the fact that a good deal of disobedience to law and order occurs outside of the color confrontation.

I am sure you recall several years ago in the suburb of Darien, Connecticut -- they had a great local upheavel there because the parents served liquor to the teenage parties of their children.

DR. McFARLAND: I remember that.

MR. WILKINS: Darien has no Negro residents at all -- a lily-white town. Because the Negroes simply do not have the income necessary to live in Darien.

But here we had a town in which the parents, many of whom were business executives and professors and what we call the

high rank of society, were deliberately breaking the law by serving whikeys to 14 and 17-year old kids. And a good deal of loose delinquency took place in Darien, with the police winking at it, because after all, the father is chairman of the board of such-and-such a corporation.

I wonder, Dr. McFarland, if we are going to teach respect for law and order, if we ought not to do a little defining of the term as Mr. Abel has indicated, and we ought not to make it apply universally, to everyone.

I have no doubt that the Negro in the street is influenced by the fact that in Darien or as Mr. Hoover told us crime is rising in the suburbs, and most of the suburbs are 95 per cent white. And yet we have demonstrations of rioting in places like Hampton Beach, and New Haven, and we have it in Fort Lauderdale, where the college kids come down and tear up the beach.

I wonder if this sort of thing should not also be stressed. So that the impression does not get out that if we control the Negro element in this country, we will have peace. We all know we would not.

I noticed in your citation of incidents you did not pick out primarily and completely the Negro incidents -- yet there was, as naturally there would be, a preponderance of these.

And I wonder if we ought not to campaign as vigorously

in the Junior League, in the Chamber of Commerce, for enforcement of law and order and respect for law and order, as we do in the ghetto.

DR. McFARLAND: I would concur with you absolutely. I mentioned earlier, you remember, the increase of crime in suburbs and cities under 10,000, as being higher than average.

Now, these kids in the suburbs -- a lot of these -- we are finding so many of these juvenile crimes being committed by kids raised by the maids. And, of course, they do not have maids in the ghettos. And very little contact with parents.

This is why -- one of the reasons I would stress the Neighborhood School. You teach to that group in that school, and then another one in another school. And you get them all. And it is not a matter of how it is made up. It is who lives there.

I think your point is very well taken. I did not intend to infer --

MR. WILKINS: I have just one more question, and that is the hippies. Now, the hippies are almost 90 per cent white. They are from upper middle-class homes. And they have rejected society -- all of its values and mores and controls and so forth.

It seems to me that -- here, too, I speak of the vulnerability of the Negro community and its young people, which

does not have the disciplines to enable it to distinguish between the hippies being right or wrong or foolish or not foolish and so forth. Yet the fact that so many white young people have rejected thevalues and standards and controls of their own society makes this point of yours, it seems to me, sharper, and more compelling than ever, as a universal problem -- not only to protect us from the switch blades and pistols and the dope addicts -- and I deplore them, white or black, as much as you do -- but to save us from some kind of decay within our own system which is perceived, not by the boy in Bedford Stuyvesant or Harlem, but by the youngster who lives in Greenwich, Connecticut, or in Burlingame, California.

DR. McFARLAND: Like this murder case in New York.

MR. WILKINS: Exactly.

So that all I am saying is that we appreciate your testimony and your pointing this out to us, and we feel that this Commission and all other independent agents like yourself who go about the country ought to be -- ought to stress in our report and in your activites the support of law and order across the board, and reform wherever it is needed, whether it is brute force in some instances or complete revision of our system of controls and values.

Mr. Ginsburg has a question.

MR. GINSBURG: Dr. McFarland, at the opening of your statement, you indicated that in order to make your point,

you were deliberatly going in a sense to simplify in order to present it. And this was understandable and necessary.

The questioning that has thus far taken place has begun to expose the true complexity of the problem with which we are really trying to wrestle.

You emphasized the role of law and order. As has been repeatedly said around this table, there is no one here who would disagree with what you have said.

But what concerns us is that law and order is a consequence of something else. It is not merely the breakdown of law and order, the breakdown of control of law, the rule of law. But what about the problem of the breakdown of the family and the social disciplines that came from the family as we have known it. You have spoken of the last generation or two. This is my generation, too. And we have seen it.

And what about the breakdown of the role of religion as a social discipline and a social force and a control? And the breakdown of other types of disciplines. All of which lead to the observance of law and order.

Aren't you talking of a consequence when you are talking of law and order?

We may, of course, have to use force in order to protect society. But if in fact you are going to deal with the problem, you are dealing not with a cause, but with a consequence. And one must look a little bit below the level of law

and order to deal with these underlying problems. And it is that I think that has brought out the kinds of questioning that you have heard around this table.

From my viewpoint it would be helpful if you would address yourself to some of these underlying things, if in fact you believe they do underlie this breakdown of law and order.

DR. McFARLAND: Well, if I did not make it clear that I agree with what you said, I am a much poorer teacher than I thought.

I said the individual has to have a respect for law and order in his mind and in his heart. I did not say where he got it, or he got it exclusively in school.

It has got to be taught.

I didn't exclude the church and the home and all these influences.

Of course, it is a result. The whole thing we are talking about is a result. You want the right kind of a result with this individual -- from all the influences that he has had.

Now, when the Supreme Court of the United States, for example, makes it illegal to teach religious concepts in the schools -- I am not arguing for or against -- I am saying that in America your personality is inviolate, and every citizen's personality is inviolate only because we believe that you are created in the image of God, and your government officially recognizes that.

This is why a Communist has got to be an atheist, because he cannot conceive that any power could confer that sort of thing.

Now, when we cannot teach that, when we can teach in the Declaration of Independence that we get these rights from a Creator, but if it is illegal to teach there is such a Creator, in the school, then it has got to be taught somewhere else.

You are talking about religious disciplines. I think the breakdown of religious discipline is a tremendous factor in this thing. And these people who have been champions of throwing all religion out of the schools, they say it should be done in the home. But it isn't, and it never was to a complete extent. It is the kid where it is not done in the home that you have to get in school. When you cannot get him in the school, where does he get it? And I would grant you a hundred per cent that morality and religion and all these things that teach respect for human personality, that the human personality is inviolate. -- if everyone understood that, no one would take a life -- if they understood that the human personality is a God-given thing and inviolate.

That is a religious as well as philosophical and moral concept. It is a big thing.

You see, our whole law in this country is awfully close to the Ten Commandments, very close -- because it was devised

by people who believed in the Ten Commandments. It is awfully close. We have people take an oath of office, and they put their hand on the Bible. And this is because the same people who wrote the early laws and the Constitution believed in the Ten Commandments. You cannot separate these things.

I was saying they have to have these consents. And I do not limit where they get them.

Is that anywhere near an answer to what you are talking about?

MR. GINSBURG: Well, we are moving into very deep water, because the central problem that confronts this Commission, as Mr. McCurd has brought out, is what do we do about the civil disorders. One answer surely that we must respond with the observance of law.

But having said that, we are all concerned with what else we should say -- not merely to analyze, but to come up with something specific. What are the things that the country can do to insure the observance of law and order without recognizing or asserting that society is under siege. So that we are looking for suggestions that would help us to either provide the substitutes that heretofore existed -- provide a substitute for the things that heretofore existed in society, or other forms of disciplines.

DR. McFARLAND: Well, the immediate enforcement of law -- that has got to be done, if you are going to avoid

violence in the streets. You have to protect society for any kind of a longer-range program. And you just cannot compromise right and left on these things.

MR. WILKINS: Mr. Thornton, do you have a question?

MR. THORNTON: Yes, sir, could I ask one question. It ties in, I think, with what David Ginsburg was saying, and also one that ties into your background, the educational system.

I am on an advisory committee to the Secretary of Defense. In our last meeting-- there is a statistic here that I think is very appalling, and ties back into one of these underlying things I believe.

For example, 30 per cent of the boys across the country they reach the age of being drafted in the military cannot meet the minimum requirements to be drafted into the military service. And that is a pretty low requirement.

Now, I think it is 60 to 70 per cent of those are Negroes, and the others are wuite.

Now, in one state only, 86 per cent of the white -- 86 per cent of the Negroes of draft age could not pass the minimun requirements mentally, and 54 per cent of the whites could not in one state. That is one of the worst examples. It is 30 per cent across the Nation.

That means there is something like 500,000 boys, each year, that fall below the minimum requirements to be in our

military services.

Now, that means that 500,000 are uneducated boys that cannot meet the minimum requirements of being able to read and write -- they are pouring into our society every day. And this is from a school system in America where there is over $40 billion a year spent in the educational systems in America. Within ten years it is estimated that is going to exceed $60 billion a year.

Now, it seems to me that these statistics come out loud and strong and say there is something basically wrong in our educational system that may be one of these underlying causes you are talking about that create a below normal, sub-normal population. And if this is the rate that is going on now, with the riots that we have, what is going to happen five years and ten years and twenty years from now if this situation continues -- of an increasing number of our population that really have not the educational level to even understand law and order, much less be able to respect it.

Do you have any comments on that problem?

DR. McFARLAND: I make comments with the understanding that I am not considering myself the Oracle of Delphi, or anything of this kind. You are just asking my opinion. And I am the world's greatest authority on my opinion. And that is all.

In the first place -- of course you as an advisor know

that the regulations on who is eligible, who qualifies to go into the services, have changed. In time of war we take anybody who can hear thunder and see lightening.

For example, in World War I and II -- World War II we had a lot os psychiatric people we didn't have in World War I. A lot of people are now rejected on those things that former draftees didn't even face.

Personally, I think they are a little too strong, if you want my opinion on that. I think we turn down a lot of good prospects as soldiers.

But I believe it all ties together in what was mentioned right there. The discipline of accomplishment is a very significant thing.

You say to a boy, "Did you graduate from high school?"

"Well, I went three and a half years. I went most of the lst semester."

"Did you get a diploma?"

"No, I did not."

The discipline of seeing things through, and finishing them, passing courses and studying -- this is all a part of this character-building thing we are talking about, the ability to discipline yourself, to budget your own time, to accomplish these things. It is not just that you learn the multiplication table rightly, but you have had the experience of successful

accomplishment. This strengthens you for the next one. If you do not do it, it weakens you of course for the next round.

I think that we have gone completely overboard on a lot of extraneous things. We have boys taking home economics, and we have a whole lot of these things that are pretty fuzzy. And certainly not fundamental.

If they cannot read, then they just do not have the key to anything that follows. People must be able to read meaningfully. And when we let them slide through -- we actually have kids where parents come and protest that they are being discriminated against. We had the track system in the Washington schools and they threw it out. And this gave the kid with a higher IQ an opportunity to accomplish more. And this is all thrown out, because they said it was undemocratic.

I think we are going to have a little bit more leave of educational disciplines in the people who say "It is not a recial question, it is not a question of where you live" did you learn it or didn't you, can you do it or can't you, have you accomplished it or haven't you? And you don't get promoted on account of your social age.

We took away accomplishment and put in social age. You want to be with the group where you will fit in better socially.

This is all real good, except you have people in the

eighth grade who cannot read a third grade book.

So I think we are going to have to go back and make it on the basis of accomplishment in the schools -- achievement has got to again become significant.

MR. WILKINS: Thank you, Doctor.

Any further questions?

MR. McCURD: I have just one that I am going to make very brief.

Dr. McFarland, do you have any recommendations at all as to any programs that might have a near term effect upon the conditions that contribute to riots?

DT. McFARLAND: May have a what?

MR. McDURD: That may have a near term effect upon the conditions that contribute to riots?

DR. McFARLAND: Yes. Open announcement that we are not going to tolerate law violation by anybody for any reason.

MR. McCURD: Thank you, sir.

DR. McFARLAND: There is no other way to do it, if you want to do it right now.

MR. ABEL: That raises another question in my mind.

We can very well say we are not going to tolerate it. But we get back to this business of cause and effect.

Certainly the riots are an effect -- they are not the cause. I am talking now primarily of the riots coming from the ghettos. You mentioned a bit earlier a statement

that the Vice President made. I do not want to comment one way or another on the statement. A number of people in this country have been trying to focus some attention on these social ills that are represented by the ghettos. But your comment with respect to the Vicd President's statement recalls to mind the many years that all of us witnessed the pacific resistance of Mahatma Ghandi in India. And the record is pretty clear as to what success he had in helping the poverty-stricken of that country -- and what we are today doing about it here. Certainly we have had tolerance in the ghettos all these years. Not comparable to the Ghandi approach, but nonetheless tolerance. And I think we all agree, too, maybe there comes a time in life when tolerance ceases to be a virtue.

If this is true, and the conditions, the plight of the ghettos is such that we have seen, and causes the Vice President of this country to say if he was destined to be engulfed there, he, too, would riot. What are we going to do about it?

Law enforcement, as you just said here now, making it firm, will not clean up the conditions. And some of us are concerned that as long as the conditior exists, until we do something about cleaning it up, we are going to have riots. What is your suggestion there? What I am getting at is what can we do beyond focusing attention on the need for restoration of law and order? What do we do beyond that, to clean up this

disgraceful situation in our society?

R. McFARLAND: The Mahatma Ghandi illustration is good, except in my judgment it actually is not applicable. You have an entirely different situation.

Mahatma Ghandi in his disobedience -- he was actually working against what amounted to a foreign government He had no vote, and he never would have.

In this country, we are trying to get people to vote. Everybody can vote. And everybody has access to the courts, which he did not have. And the followers did not have it.

In other words, they had no legal recourse.

In this country, you do have a legal recourse. And everybody can vote.

Now, a minority has a right to become a majority in any given election. Or you can win a case in court. We have always said one man and the law is a majority in the court.

I had a man over here at the Mayflower Hotel who said to me, "I don't want anything the mob gets for me, because a bigger mob can come along later and take it a way. I want to pin it down legally, or have it done in the courtroom or in an election."

Now, Mahatma Ghandi had none of these things open to him.

People talk about our forefathers. They said they violated the law at the Boston tea party. The same thing.

Here is a government for all practical purposes six months away, wasn't even theirs -- took three months to get a petition and three months to get an answer back. They did not have a legal recourse. Our people today do have legal recourses. And we have to make them understand this is the avenue that you go to accomplish things.

I do not know whether I answered the question or got close. I did the best I could.

MR. ABEL: You answered it with an answer we have all been aware of for many years. But it seems to be so futile.

MR. WILKINS: Are there any further questions?

Dr. McFarland, we want to thank you very much for your time and for answering the questions as you have.

MILLS-end
TAYLOR-fls.

AFTERNOON SESSION

1:15 p.m.

MR. GINSBURG. There are a few matters that ought to be brought to the attention of the Commission and perhaps we can discuss some of them now.

One is just by way of announcement, most of you know that we have had to move part of our offices from the 16th Sbreet building to this new Federal building on 17th Street between Pennsylvania and "H" Street. The Office of the General Counsel is there. The Office of the Chief Investigator is there. I think information is there, and then Palmieri and myself. We are distributing to you a list of who is in each of the buildings and the telephone numbers.

Now, there is a much more important problem and that has to do with the matter of an establishment of a committee of businessmen and economic experts to advise on tax incentives or other incentives to the involvement of private enterprise in the kind of programs that the Commission is interested in. I spoke about this at some considerable length with Mr. Thornton. We have been looking for names. I have also talked about it with the Chairman, who supports the notion of establishing a committee. I think the first question is whether anyone has any objection to the establishment of the committee, the object being to bring out some fresh new thinking to try to develop some new ideas for the Commission, basically really for the

the long-range program, to bring private enterprise into the operation. All of us have felt that this is almost essential to a solution. There has been a great deal of work done on the Hill. I have asked Mr. Taliaferro to try to bring together some of the proposals that have been developed up there, and now the thought is to float everything into a really something similar to our insurance panel but basically it would be dealing with incentives to the involvement of private enterprise in the Commission's program.

Is there -- Mr. Chairman, the question really is whether there are any objections, whether there are any cautions, what are the kinds of things we should keep in mind, any suggestions as to names of people who should be on the committee. The thought is that we would establish it and have it under the chairmanship of Mr. Thornton and then presumably in some informal way have the suggestions come back to the Commission, because it has to be a Commission decision, it cannot be this panel's work. They can only make recommendations to us.

MR. WILKINS: Is there any discussion?

MR. CORMAN: When we get to that point I might suggest a name or two.

MR. GINSBURG: Well, we are looking for names. We are desperately looking for names and if you have any, Jim, then perhaps you will just pass them right on because we need them very, very badly.

MR. MC CURDY: I will see you before you leave.

MR. CORMAN: Richard Gunther is one of them. I will talking with Tex about them and see if this is the kind of person he envisages on the panel.

MR. GINSBURG: I will give you two or three names that we have been talking about and one is a man Mr. Thornton knows and I also know well, the Executive Vice President of General Mills, a fellow by the name of Pope, a young man, very great, very able, who could make a contribution here. Then Mr. D. W. Brosman. I don't happen to know him. He is of Southern Railroad. Walter Hadley, Vice President of the Bank of America. He is very good in this field. He is the chief economist for Bank of America. Then the thought is we might involve Dan Smith, who is now at Harvard and was the Assistant Secretary of the Treasury for taxation under President Eisenhower. We ought also, I think on that panel, have a tax lawyer, someone who has some understanding of the technical tax problems, and then if possible, one or two, in addition to any other businessmen we involve, one or two people from the academic world, who can bring in the phase of research that has been -- that already has been undertaken so that you will wrap it up in one group, so that any names in any of these areas would be fine.

CHIEF JENKINS: I would like to suggest the name of Mr. Austin, President of the Coca Cola Company.

MR. THORNTON: I know him, too. I thinkhe would be good.

CHIEF JENKINS: I don't knowwhether he will be available.

MR. GINSBURG: Do you happen to know Mr. Brosman?

CHIEF JENKINS: Yes, sir.

MR. THORNTON: How about adding Lundy, Executive Vice President of the Ford Motor Company, previously an economist, Executive Vice President of Ford Motor Company.

MR. CHAMBERS: I have those under the other list that Mr. Thornton --

MR. GINSBURG: You have other names. We will send out a list of names. How many of these people we would be willing to accept, we don't know. The object initially is to just send out telegrams inviting them to -- asking their attention, whether they would be willing to join. Then we will see. The thought is to set this up as quite an independent group because we just don't have time on the staff to work on this, so we will provide whatever staff is needed and let them go ahead with their work and meetings.

MR. CORMAN: When we find out what we are thinking about asking them in the way of travel and time --

MR. THORNTON: Yes, what about that?

MR. GINSBURG: Well, I think we can compensate them for travel. I suppose we can put any of them on as consultants if

they want consultant compensation. I don't think this group would want that. But travel we can take care of.

MR. CORMAN: I was thinking about mostly their time involved because the kind of people that we are thinking about, we don't have to be concerned about their expenses but rather how much time they will spend.

MR. GINSBURG: I think myself we are going to say in the telegram that the amount of time they would have to give is limited but they would have to meet four or five times, I would imagine, for at least a half day at a time in order to explore and to each of them fan out to bring into the committee whatever they can from elsewhere. That is the point, to put people on who can bring -- who themselves have some research facilities within their own companies and perhaps can lead us to others who have ideas. This is extremely important if we can get this started.

All right. Then, I thought just by way of an announcement, many of you know that the Ford Foundation has agreed, subject to further approvals, to support this Commission, to fund up to a very substantial sum, an attitude survey. Now, there have been a great many attitude surveys among Negroes and among the -- in the white community, and theseare being reviewed, so we will have a survey of the surveys. And then in terms of attitudes we have the reports coming back from our teams, from the individual communities. But then the thought is to have a

national survey, rather expensive, and it takes a lot of planning, so we are bringing together on October 27th for an all day meeting here in Washington, a lot of the experts from around the country who were supposed to give us their advise as to what can be done.

Now, this is -- any Commissioner who is here in the vicinity who would like to attend we want to invite because that would be extremely helpful to us right at the beginning to hear the discussion. It is going to be at the Statler Hotel and we will send a notice by way of wire to each Commissioner beforehand.

Now, then, as to the agenda for tonight, remember, we are running a media conference with representatives of the television, radio, of the newspapers and periodicals, at Poughkeepsie, New York, beginning on the night of the tenth, running the 11th, and breaking up on the 12th. We are also going to have hearings on the tenth and on the 11th, so some Commissioners will be hear at the hearing but whoever wants to go, we will try to work out who would stay, who would go, and in addition we have a plane available to fly people up to Poughkeepsie So that we will have tonight Professor Chez, of Harvard, who is in a sense -- who has been in a sense coordinating this effort at the dinner tonight to report in detail on what has been done, who has been invited, and what will take place at Poughkeepsie. That ought to be extremely useful.

Now, finally, the other thing tonight is there is going to be a debriefing of the Detroit team. We have all been wondering what these city teams have brought back. This is the largest effort to date. The team has just come back. Each member has taped his notes of individual interviews and they are now building up a chronology actually at the moment of what took place in Detroit, and by tonight they will buipd up to the post-riot period, which we think is of very great importance in the Detroit area and they will continue their debriefing in front of the Commission tonight so you will actually see the process of what takes place in addition to getting information on Detroit.

Now, we hope that the -- we expect almost all of the Commissioners tonight and we believe this will be extremely useful for you and for all of us.

Now, finally, I received a letter from Congressman Corman and through Steve, Jim, we have gotten your approval to distribute it to the other members of the Commission. What we have been seeking, what we are going to precipitate at the lunch tomorrow, is some indication of the Commissioner's views as to the direction that should be taken in the report. The letter that we had from Congressman Corman gave his views. We thought it extremely valuable, made copies and are going to see to it that each Commissioner gets it. If you could use this as a basis either for sending us a letter or use it for

purposes of discussion with us tomorrow, that would be extremely valuable. We wolicit any assistance of this sort that we can get because within the very near future we are now going to start trying to put on paper the portions of the report which we have now and to the extent we have this input before-h and, to that extent we will avoid any further delays in the presentation of the material to you. We want to thank you very much for this, Mr. Corman. It is extremely valuable.

That is it. I think Dr. King is supposed to be here now. We might check and see.

MR. MC CURDY: Mr. Chairman, I am offering some exhibits that were left by Dr. Kenneth McFarland. The first one is Exhibit No. 98, entitled, "Let's Learn from the Los Angeles Riots". Exhibit 99 is entitled, "Weap for the Innocent", by Jenkins Lloyd Jones. And Exhibit 100 is "The Topeka Plan for Law Enforcement", by Dr. McFarland. And I am offering these as a part of the record.

MR. WILKINS: Very good.

(The documents referred to were marked Exhibit Nos. 98, 99, and 100 for identification, and received in evidence.)

MR. MC CURDY: Mr. Chairman, I have another exhibit and it is Exhibit No. 101, and it is from Mr. William Taylor, who is the STaff Director of the Civil Rights Commission, and it is entitled -- he says "This is a response for requests for

suggestions on specific proposals for measures that could be taken over the next several months that would have an impact on relieving the problems underlying the racial unrest and disorders in the Nation's cities", and Mr. Taylor at the time was asked if he could furnish such a document and this is it. Now, I will offer this into the record. It has been marked, and suggest that it be made a part of the record, and I will see that each one of the Commissioner's receive a copy, if that meets with your approval.

MR. WILKINS: Without objection, it will be so received and placed in the record.

MR. MC CURDY: Thank you. And Exhibits 98, 99, and 100, Your Honor, will also -- copies also will be sent.

(The document referred to was marked Exhibit No. 101 for identification, and received in evidence.)

MR. WILKINS: Gentlemen, our first witness this afternoon, I don't have to tell you, is Dr. Martin Luther King, Jr., who certainly needs no introduction to any group in America and indeed, perhaps in the world. As a leading civil rights leader for over a decade, Dr. King's activities are well known to all of us. It is a pleasure to welcome you, Dr. King. We look forward eagerly to hearing your testimony.

STATEMENT OF

DR. MARTIN LUTHER KING, JR.

DR. KING: Thank you very kindly, Mr. Wilkins and members of the Commission. I want to say how delighted I am to be here and to have the opportunity to talk with you about a problem that is a very urgent one and certainly one of the crucial issues of our day.

MR. WILKINS: If you don't want to, Dr. King, we don't want to strain you. I understand you have a heavy cold and a hoarse throat and just pretend that we are not a Baptist congregation and you don't have to preach to us that long.

DR. KING: Thank you, Mr. Wilkins. It isn't difficult for a Baptist preacher to raise his voice as you know, but I am happy you are giving me the opportunity to preserve it a little bit.

I want to make an opening statement, which I think will be about 30 minutes and then we will have the opportunity for some dialogue, I assume, and I want to be as candid and as truthful as I know how, because I think we are in a period that demands frankness and real search for truth.

A million words will be written and spoken to dissect the ghetto outbreaks, but for a perceptive and vivid expression of culpability, I would submit two sentences written a century ago by Victor Hugo: "If the soul is left in darkness, sins will be committed. The guilty one is not he who commits the sin but he who causes the darkness".

The policy makers of the white society have caused the

darkness. They created discrimination, they created slums, they perpetuate unemployment, ignorance and poverty. It is incontestible and deplorable that Negroes have committed crimes but they are derivative crimes. They are born of the greater crimes of whate society. When we ask Negroes to abide by the law, let us also declare that the white man does not abide by law in the ghettos. Day in and day out he violates welfare laws to deprive the poor of their meager allotments, he flagrantly violates building codes and regulations. So many of his police make a mockery of law. He violates laws on equal employment and education and the provisions for civic services. The slums are the handiwork of a vicious system of the white society. Negroes live in them but do not make them any more than a prisoner makes a prison.

After establishing the general causes of outbursts, it is is possible, I feel, to identify five immediate causes. First, the white backlash; number 2. unemployment, 3. general discriminatory practices; 4. war, and five. features peculiar to big cities.

I place the white backlash first because the outbursts have an emotional content that is a reaction to the insults and depravity of the white backlash. Many people point out that there have been years of some progress and this is true. Yet, equally true is the fact of an animalistic reaction by a significant section of the white population. In the midst of

progress, Negroes were being murdered in the south and cynical white jurors automatically freed the accused. In Chicago last year thousands of vicious white hoodlums with murder in their hearts bombarded Negroes with rocks and bottles because they dared to ask to be neighbors. The white backlash told Negroes that there were limits to their progress, that they must expect to remain permanently unequal and permanently poor. True equality, it said, will be resisted to the death. The so-called riots in a distorted and hysterical form were a Negro response that said inequality will now be resisted to the death.

The second major cause is unemployment, because it furnishes the bulk of the shock troops. Government figures reveal that the rate of unemployment for Negroes runs as high as 15 per cent in some cities and for youth up to 30 and 40 per cent. It is not accidental that the major actors in all the outbreaks were the youth, with most of their lives yet to live. The slamming of doors in their faces could be expected to induce rage and rebellion. This is especially true when a boastful nation, while neglecting them, gloats over its wealth, power and world preeminence. Yet, almost 40 per cent of Negro youth waste their barren lives standing on street corners.

I propose that a national agency be established to immediately give employment to everyone needing it. Training should be done on thejob, not separated from it. And often without any guarantee of employment in which to use the training.

Nothing is more socially inexcusable than unemployment in this age. In the thirties when the Nation was bankrupt it instituted such an agency, the WPA, In the present conditions of the Nation glutted with resources, it is barbarious to condemn people willing to work to soul sapping inactivity and poverty. I am convinced that one massive act of concern will do more than the most massive deployment of troops to quell riots and instill hatred. I am not convinced that the statesmanship exists in Washington to do it. Hugo could have been thinking of 20th century America when he said: "There is always more misery among the lower classes than there is humanity in the higher classes".

The third is discrimination which pervades all experiences of Negro live. It pushes the Negro off the economic adder after he has ascended a few rungs. It stultifies his initiatives and insults his being. Even the few Negroes who realize economic security do not attain respect and dignity because on upper levels discrimination closes different doors to them. Discrimination is a hound of hell that gnaws at Negroes in every waking moment of their lives to remind them that the lie of their career forward is accepted as truth in the society dominating them.

The fourth cause is the war in Vietnam. Negroes are not only convicted in double measure for combat but they are told the billions needed for remaking their lives are necessary for foreign intervention. Democracy at home is starved to seek a

spurious democracy abroad. Dictators, oligarchies, are given our resources to perpetuate their rule at the rate of $80 million per day, but we cannot afford to spend ten percent of this on antipoverty programs. There has never been an American war opposed by so many. Opposition is not centered to a clear majority of the Americans and mergers with the overwhelming majority of the world. The immoral insane pursuit of conquests against the will of the people has to deminish respect for government. Among those deprived by Government, the disrespect degenerates into contempt and cynicism. In testifying before Senate committee last December, I said: "The bombs in Vietnam explode at home. The security we profess to seek in foreign adventures we will lose in our decaying cities."

There is no need to change a word of that prophesy. Rather, it needs underlining. To war against your own people while warring against another nation is the ultimate in political and social bankruptcy.

Finally, a complex of causes is found in the conditions of our urban life. Crime is well organized in the cities and produces an underclass of great numbers. Rackets are the big business of the ghetto. In any period of unrest they utilize conditions for advantage. O.ganized crime has a protected sanctuary in the slums, often with police tolerance if not connivance. It becomes a normal feature of life, poisoning the young and confounding the adult. It adds in substantial numbers

professional criminals to outbreaks exacerbating the results. When they merge with declassed and dispossessed, all so numerous in the slums, a large anti-social force is assembled. Cities are also victims of the great migrations of Negroes. Although everyone knew in the past decade that millions of Negroes would have to leave the land without schooling, no national planning was done to provide remedies. White immigrants in the 19th century were given free credit in land by the Government. In the early 20th Century many social agencies helped them to adjust to city life. The economy readily absorbed white workers into factories and trained them in skills. There were obstacles and privations for white immigrants, but every step was upward. Care and concern could be found. When the Negro migrated he was substantially ignored or grossly exploited. Within a context of searing discrimination. He was left jobless and ignorant, despised and sorned as no other American minority has been. The result was aptly described by E. Franklin Frazier in the title of one chapter in his book on the Negro family intc the city of destruction, and so it is my great feeling that a massive program must be developed by the Federal Government to bring new hope into being. Among the many vital jobs to be done, the Nation must not only radically readjust its attitude towards the Negro and the compelling present, but must incoroporate in its planning some compensatory consideration for the handicaps he has inherited from the past. It is impossible to create a formula for the future

which does not take into account that our society has been doing something special against the Negro for hundreds of years. How then can he be absorbed into the mainstream of American life if we do not do something special for him now in order to balance the equation and equip him to compete on a just and equal basis? Whenever this issue of compensatory or preferential treatment for the Negro is raised, some of our friends recoil in horror. The Negro should be granted equality, they agree, but he should ask nothing more. On the surface this appears reasonable but it is not realistic for it is obvious that if a man is entered at the starting line in a race 300 years after another man, the first would have to perform some impossible feat in order to catch up with his fellow runner. Several years ago Mrs. King and I journeyed to that great nation known as India. We had the privilege of talking with many, many people. One of the interesting, one of the most interesting experiences was a conversation with the late Prime Minster Nehru. Prime Minister Nehru was telling me how his nation was handling the difficult problem of the untouchables, a problem not unrelated to the American Negro dilemma. The Prime Minister admitted that many Indians still harbored a prejudice against these long oppressed people, but that it had become unpopular to exhibit this prejudice in any form. In part this change in climate was created through the moral leadership of the late Mahatma Ghandi, who set an example for the nation by adopting an untouchable as his daughter.

In part he said it was the result of the Indian constitution which specified that discrimination against the untouchable was a crime, punishable by imprisonment. The Indian government spends millions of rupees annually in developing housing and jobs opportunities in villages highly inhabited by untouchables. Moreover, the Prime Minister said if two applicants compete for entrance into a college or university, one of the applicants being an untouchable and the other of high cast, the school is required to accept the untouchable.

Professor Lawrence Reading, who was with us during the entire interview asked, but isn't that discrimination, Mr. Prime Minister? Well, it may be, the Prime Minister answered, b ut this is our way of atoning for the centuries of injustice we have inflicted upon our brothers and sisters. America must seek its own way of atoning for the injustices she has inflicted upon her Negro citizens. I do not suggest atonement for attonement's sake or because there is need for self-punishment. I suggest atonement as a moral and practical way to bring the Negro standard up to a realistic level. In facing the new American dilemma, the relevant question is not what more does the Negro want, but rather how can we make freedom real and substantial for our colored citizens? What just cause will insure the greatest speed and completeness? And how do we combat opposition and overcome obstacles arising from the defaults of the past? New ways are needed to handle the issue before we have come to a

new stage in the development of our nation, and the one intent of its people. The surging power of the Negro revolt and the genuineness of good will that has come from many white Americans indicate that the time is right for broader thinking and action. The Negro today is not struggling for some bastract vague rights but for concrete and prompt improvement in his way of life. What will it profit him to be able to send his children to an integrated school if the family income is insufficient to buy them school clothes? What will he gain by being permitted to move to an integrated neighborhood if he cannot afford to do so, because he is unemployed or underemployed or has a low paying job with no future? During the lunch counter sit-ins in Greensboro, North Carolina, a night club comic observed that had the demonstrators been served, some of them could not have paid for the meal. Of what advantage is it to the Negro to establish that he can be served in integrated restaurants or accommodated in integrated hotels if he is bound to the kind of financial servitude which will not allow him to take a vacation or even to take his wife out to dine? Negroes must not only have the right to go into any establishment open to the public but they must also be absorbed into our economic system in such a manner that they can afford to exercise that right. The struggle for rights is at bottom a struggle for opportunities. In asking for something special the Negro is not seeking charity. He does not want to languish on welfare

rolls any more than the next man. It may be true that there are some who have lost motivation. One cannot exist in a situation with a legacy of slavery and segregation without some becoming pathological in the process but I would say the vast majority are desirous of working. They do not want to be given a job they cannot handle. Neither, however, do they want to be told that there is no place where they can be trained to handle it. So with equal opportunity must come the practical realistic aid which will equip the Negro to cease the opportunity. Giving a pair of shoes to a man who has not learned to walk is a cruel jest. Special measures for the deprived have always been accepted in principle by the United States. The National Urban League in an excellent statement, has underlined the fact that we find nothing strange about Marshall Plan and technical assistance to handicapped peoples around the world. It is suggested that we can do no less for our handicapped multitudes. Throughout history we have adhered to this principle. It was the principle behind land grants to farmers who fought in the Revolutionary Army. It was inherent in the establishment of the child labor laws, social security, unemployment compensation, manpower retraining programs, and countless other measures that the Nation accepted as logical and moral. During World War II our fighting men were deprived of certain advantages and opportunities. To make up for this, they were given a package of veterans rights significantly called a Bill of Rights.

The major features of this GI Bill of Rights included subsidies for trade school or college education, with living expenses provided during the period of study, veterans were given special concessions enabling them to buy homes without cash, with low interest rates and easier repayment terms. They could negotiate loans from banks to launch businesses, using the Government as an endorser of any losses. They received special points to place them ahead in competition for Civil Service jobs. They were provided with medical care and long-term financial grants if their physical condition had been impaired by their military serv ice. In addition to these legally granted rights, a strong social climate for many years favored the preferential employment of veterans in all walks of life. In this way the Nation was compensating the veteran for his time lost in school or in his career or in business. Such compensatory treatment was approved by the majority of Americans. Certainly, the Negro has been deprived. Few people consider the fact that in addition to being enslaved for two centuries, the Negro was during all those years robbed of the wages of his toil. No amount of gold could provide an adequate compensation for the exploitation and humiliation of the Negro in America down through the centuries. Not all the wealth of this affluent society could meet the bill. Yet, a price can be placed on unpaid wages. The ancient common law has always provided a remedy for the appropriation

of the labor of one human being by another. This law should be made to apply for American Negroes. The payment should be in the form of a massive program by the Government of special compensatory measures which could be regarded as a settlement in accordance with the accepted practice of common law. Such measures would certainly be less expensive than any computation based on two centuries of unpaid wages and accumullated interest. I am proposing, therefore, that just as we granted a GI Bill of Rights to war veterans, America launch a broad based and gigantic bill of rights for the disadvantaged, our veterans of the long siege of denial. Such a bill could adopt almost every concession given to the returning soldier without imposing an undue burden on our economy. A bill of rights for the disadvantaged would immediately transform the conditions of Negro live. The most profound alteration would not reside so much in the specific grants as in the basic psychological and motivational transformation of the Negro. I would challenge skeptics to give such a bold new approach a test for the next decade. I contend that the decline in school dropouts, family breakups, crime rates, illegitimacy, swollen relief rolls and other social evils would stagger the imagination. Change in human psychology is normally a slow process, but it is safe to predict that when a people is ready for change as the Negro has shown himself ready today, the response is bound to be rapid and constructive.

While Negroes form the vast majority of Americans disadvantaged, there are millions of white poor who would also benefit from such a bill. The mora justification for special measures for Negroes is rooted in the robberies inherent in the institution of slavery. Many poor whites, however, were the derivative victims of slavery. As long as labor was cheapened by the involuntary servitude of the black man, the freedom of white labor, especially in the south, was little more than a myth. It was free only to bargain from the depressed base imposed by slavery upon the whole labor market. Nor did this derivative bondage end when formal slavery gave way to the de facto slavery of discrimination. To this day the white poor also suffer deprivation and the humiliation of poverty if not of color. They are chained by the weight of discrimination, though its badge of degradation does not mark them. It corrupts their lives, frustrates their opportunities and withers their education. In one sense it is more evil for them because it has confused so many by prejudice that they have supported their own oppressors. It is a simple matter of justice that America in dealing creatively with the task of raising the Negro from backwardness should also be rescuing a large stratum of the forgotten white poor. A bill of rights for the disadvantaged would mark the rise of a new era in which the rull resources of the society would be used to attack the tenacious poverty which so paradoxically exists in the midst of plenty.

Thank you. That ends that phase.

MR. WILKINS: Thank you, Dr. King. We are very happy to have your statement. Are there questions from members of the Commission?

Congressman Corman?

MR. CORMAN: Dr. King, if you could change one thing in our society, what would that one thing be?

DR. KING: That is very difficult, but I would say that at this time the economic problem, I think, is the most serious problem that we confront. It is very disturbing that we have about 40 million poor people in the midst of the great wealth of our Nation. And if I could change any one thing, I would bring into being a better distribution of wealth. I think there has to be a redistribution of economic power if this whole problem of economic deprivation is to be solved. Now, that does not mean that this will solve every problem. I am not an economic determinant. But I do feel that the economic problem is so basic and the crisis we face in our cities grows out of that problem to such a great degree that it must be grappled with in a very forthright and dynamic way.

MR. CORMAN: If we could look back and try to get some historic perspective as to what kind of progress we have made in racial justice, it kind of seems to be the period between 1895 and 1954 saw that effort made primarily through the courts and from 1954 until 1964 or 1965, perhaps even until

today, going outside of that format to the sit-ins, the peaceful demonstrations, and Federal legislation. I wonder if you would speculate, of course, perhaps correct me if I am wrong in that analysis. It seems to me, what progress we have made has been pretty much along those lines. Where are we perhaps headed in the next decade, in the next three or four decades, and what may we do together to continue progress in a constructive manner?

DR. KING: I think, Congressman, the problem now is that we are moving into a new era of struggle. I think your assessment of the historical development is quite correct. We have certainly seen two turning points over the last several years, one was a legal turning point which culminated with the Supreme Court's decision of 1954, and I often refer to the other as the psychological turning point in which thousands and thousands of people got in motion and sought to implement laws that were on the books that had been set forth by the courts. I think what happened during that period was that we were really struggling to get rid of segregation, legal segregation, and the syndrome of deprivation surrounding the system of segregation, and the fact that we confronted a good deal of brutality in the process caused many people to be aroused, and I would say the vast majority of Americans were sincerely outraged when we confronted the brutality of a Bull Connor in Birmingham or the brutality of a Jim Clark in Selma, Alabama, and I do feel that

there were many people who were willing to go along with the civil rights struggle at that point because it was essentially a struggle for decency.

I think we have come to a new era. In one era the struggle came to an end with Selma and the civil rights voting and a new era came into being. That is a struggle for genuine equality; not just a struggle to end segregation in accommodations or the right to vote but a struggle for genuine equality and I must confess that the so-called lost allies are people who really never gave themselves to this phase of the struggle anyway. T.S. Elliot said on one occasion that there is no greater heresy than to do the right thing for the wrong reason and I think a lot of people were doing the right thing but for the wrong reason. They were really against Bull Connor and against Jim Clark, but not for genuine equality for the black man. And this is where we are in the struggle at this time. For to stay murder is not to ordain brotherhood. And I think we are in a much more difficult phase of the struggle for two or three reasons. First, the gains that we made over the last period, the period that I referred to, did a great deal to rectify longstanding evils of the south but they did very little to improve the lot of the millions of Negroes in the teaming ghettos of the north. In other words, they did very little to penetrate the lower levels of Negro deprivation in our ghettos. I think the second problem is that what must be done now will cost the nation something. It did

not cost the Nation one penny to integrate lunch counters. In fact, businessmen profited by the integration of public accommodations generally. It didn't cost the Nation anything to guarantee the right to gote. Now, we are dealing with problems that will cost the Nation billions of dollars if they are to be solved. The gains over the last 12 years were purchased at bargain rates and now we are dealing with problems that will cost the Nation something in real dollars and cents. And certainly, it is much easier to integrate lunch counters than it is to eradicate slums. It is easier to guarantee the right to vote than it is to create jobs at a guaranteed annual income. Yet, these are the very things that I think have to be done if we are to solve the problems today. So, I see it as a struggle for genuine equality now dealingwith issues not clearly mirrored in the Constitution. We were dealing over the last several years with issues that were constitutionally guaranteed by the 14th or 15th Amendment. The Constitution guarantees the right to have access topublic accommodations but it doesn't guarantee the right to have a decent sanitary house in which to live. It guarantees the right to vote but doesn't guarantee the right to have an income. So, we are dealing with issues now that are not clearly mirrored in the Constitution. They are not civil rights issues but human rights issues and, therefore, they are much more difficult and I think people of vision and understanding and courage will have to

see this and recognize that we are in a struggle now for genuine equality. Now, I believe firmly that we have got to work together in this and I say we, I mean black and white together, because I don't see any separate black path to power and fulfillment that does not intersect white routes nor do I see any separate white route to power and fulfillment short of social disaster that does not recognize the necessity for sharing that power with black aspirations for freedom and dignity. So there is a need for redistribution of economic and political power but all of these must be done with creative togetherness in the days ahead.

MR. CORMAN: Thank you very much. Let's move back for one little tag end of this era from 1954 to 1967. I am sure you are familiar with the details of the Civil Rights Act of 1966, which did not become law. There has been some contention from witnesses here who are sympathetic to the civil rights efforts that we should not pass any more laws. We have all we need. Others feel that perhaps there is still need for some legal tools to implement some basic civil rights, that that job has not yet been finished. I wonder if you would comment on that for us.

DR. KING: Yes. I absolutely feel that it is necessary to pass new civil rights laws. The only stipulation that I would place at this point is that they must be vigorously implemented. I would agree with anybody who says we should not

pass any more laws if we are just going to pass something to lift the hopes of the people and then allow these hopes to become blasted hopes as a result of the last not being implemented. And this is, I think, what we face in so many instances now, that people have lost faith in the legislative process because there has been a gulf or gap between laws passed and the implementation of the laws. So I would say that we need new civil rights legislation on various issues, but it must be vigorously implemented and I think the bill that was before Congress last year and this year also is a case in point. I see no more dangerous development in our society than the constant growth and building and development of predominantly Negro central cities ringed by white suburbs. This does nothing, will do nothing but invite social disaster, and yet if we do not get a Federal housing bill that is vigorously enforced, this trend will continue. There is no doubt about the fact, there is no doubt in my mind, that we need very strong legislation on the whole question of proper administration of justice. Some encouraging things happened in the State of Mississippi the other day. Maybe it was a first step in a thousand mile journey toward the goal of justice in that racially torn situation, but I don't think anyone should have any illusions that great revolutionary attitudinal changes are taking place in Mississippi and other places in the black belt south. The fact is that the men who were convicted the other day were convicted on the basis of a

Federal law and to this day the State of Mississippi has not tried them for murder. So that the state law is still based on a double standard of justice, and I think it is very necessary to have a Federal law that deals with the whole question of mal-administration of justice. But I also tag on that once more the need to pass laws that are going to be implemented and if they aren't going to be vigorously implemented don't pass them because they only increase the frustrations and the cynicism that we find existing in so many areas.

MR. CORMAN: Thank you.

MR. WILKINS: Senator Harris?

SENATOR HARRIS: Thank you, Mr. Chairman.

First, Dr. King, I want to say I think your last comment, particularly, where do we go from here, chaos, is a very careful exposition of our present crisis and some very detailed suggestions of what we might do about it and I am honored that you would come here. In addition to these suggestions you make here and in that book aboutwhat might be done in the field of education, housing, and other areas like that, I want to ask you what for me is a tougher question and I will give you an illustration of it. A good friend of mine, young friend, holds a Ph.D. degree from Harvard. He is a black man, played football there. He is consultant to three different agencies of the Federal Government now, has a better house than I do, makes a good deal more money than I do. He is the kind of person

and this is a part of the problem, he is the kind of person who is making it in white society to the degree that he is the Negro invited to the cocktail party when you need to have a Negro present. All that has got him to the place where he says that you now feel such hostility that I no longer will accept appearances or speeches before mixed audiences. I will only speak before black audiences any more. As I travel around the country I found a good many like him. No enlargement of the economic or other opportunities will affect him. What about this matter of discrimination in white attitudes? He says, for example, I have determined that I spend about a third of my time being made aware of the fact that I am a Negro and I think that is too much of a waste of my time.

What could be done in addition to these other things you have said that might change attitudes and commence to eliminate discrimination?

DR. KING: Well, I think we do have to face the fact that attitudinal changes are going to be much more long range than structural changes in the society. I think there are certain structural changes that can be made immediately if the society has a will to do it. Attitudes will take longer. The process of education, the actual living together of people, and I think we find, I think we will have to analyze something of the dilemma of the Negro middle class and in this present period to understand what is happening to your friend.

I think E. Franklin Frazier did it quite well in the book entitled, "Black Bourgeoisie", and his thesis was that many members of the Negro middle class found themselves rejecting the heritage or the culture of the masses of Negroes and sought to identify solely with the values of the middle class of white society, and yet they were rejected by the middle class of white society by and large, so they ended up out in the middle with no cultural roots and often that led to a self-hatred and a kind of conspicuous consumption that often led to substanceless values and this has often happened. It doesn't happen to every member of the middle class but it often happens and I think the problem that one has to deal with in grappling with this problem is to seek not to get away from being middle class, because that is an economic thing and also an educational thing which most people should be striving to gain, but to somehow make it a middle class of substance, of substantive values.

But I do feel as far as the attitudinal changes, that is going to have to come through education. It is going to have to come through a kind of creative living together and as the barriers of the external society are broken down, unconsciously these prejudices will be eliminated.

One day people will come to see integration not as a problem but as an opportunity to participate in the beauty of diversity, but it is going to come after, it seems to me, a period of breaking down on a prior basis the external barriers,

whether it is in housing or all of these other areas.

SENATOR HARRIS: Thank you, Mr. Chairman.

MR. WILKINS: Thank you.

Dr. King, our General Counsel, Mr. McCurdy, has some questions.

MR. MC CURDY: Dr. King, when you and I talked a couple of weeks ago out in Cleveland, we talked about some of these things that I told you the Commission would be interested in getting and your views on in order to help them. I just want to put a question or two to you on -- your answers may help us to understand why people riot and then to help us find some cures for the causes, causes of the riots, to eliminate causes of the riots, because most of us think that we know what causes riots.

Somewhere along old theories have exploded, for instance, in New Haven, and Detroit where they say conditions were not conducive to a riot. Then there have been other cities particularly in the south, where they have been predicting riots for years but there have been no riots and I know that you have had a wealth of experience both in the north and south.

We find that the vast majority of the riots and those that have been the most violent have occurred in northern cities rather than in the south and that those that have been of the most violent of nature such as Newark, Detroit, Los Angeles, some of the others, occurred in states that apparently have the

most progressive race relations.

I was wondering why this is so and what your views are on that.

DR. KING: I think we have two or three factors here and I absolutely agree that you can't point to any one thing as the cause or the basis for riots. I think you always have a plurality of causes and different situations bring about different results. But I do think there are some guiding things we can see here.

First, people who are completely devoid of hope probably don't riot. Progress tends to whet the appetite for more progress. This is just a historical fact. And I would suspect that the people who riot are people who were maybe inspired by something that may have happened in the south through a civil rights deal or through a Supreme Court decision. They had just enough hope left to feel that maybe there was an ultimate way out but there was a mixture of hope and despair, and I think that this is probably true in almost every case.

I think that would be an interesting study on this kind of schizophrenic mixture of hope and despair, a despair about the intolerable conditions, but a hope that grew out of something else elsewhere that gave them the feeling that things could be concurred.

I think the other thing that we must face is that no matter what city we have in mind, there is a great gulf between

white society and black society. No matter how progressive the city has been, there is still a gulf economically, a gulf in the housing sense and a gulf in every other area, so when we talk about progress in any city we have to say that it has been relative progress and we have to say that there is still this great gulf between white society and Negro society and I think we could point out New haven as an example.

Certainly, there has been progress, there have been significant programs there and the Mayor of New Haven is certainly one of the most progressive and courageous mayors, I think, in America. But the gulf is still there and I can't put the responsibility on the Mayor, whether he is in New Haven or any other city, because I think the problems are so great in our country that no city can solve its problems and no state can solve the problems. It has got to be the Federal Government. They don't have enough money in the states.

And I think we could go right on back to -- I will give you another example, if my good friend Chief Jenkins will permit me to talk about our home town, which I love dearly. I think Atlanta is certainly the most progressive community in the south in race relations and yet the gulf between Negro and white society is tremendous. It is unbelievable. And a very good example is the fact that Atlanta has the lowest rate of unemployment of any major city in the country. It is about 2.2 per cent. But when you come to the Negro community, the unemployment rate

is between 12 and 14 per cent, almost the highest in the country. And Negroes have the finest homes in Atlanta of any city in this country, but almost 300,000 Negroes live in Fulton County. When you think of the percentage of Negroes who are still poverty stricken and the percentage of Negroes who still live in poor housing conditions, then it is very great.

So, I think we have to see that there is great frustration in the Negro community over these gulfs, these gaps within the society, and I do not see any city escaping this because every city has the problem. Even though some cities may be a little more progressive and they may have more enlightene mayors than others, they still have this problem of the great economic gulf and that brings about a great gulf otherwise.

I think we have to see also that the general tension of our society today makes so many black people feel that they are not respected, that they don't count, that they are not considered worthful by the larger society, and I saw this very clearly in Watts when I went out during the riots. I saw that it was a quest for attention, for voice, and for power all of which Negroes may not have and most Negroes don't have. They feel they have become invisible to the larger society. They don't have voice nor power. And I remember that day in Watts I was talking with a fellow and he said we won, and I kept asking him what in the world he meant. I said, now, 30 some people have been killed, about 36, and 34 Negroes. You burned down

your own community. The stores where you have to buy groceries and what have you, can't get milk for the children. He said, but we won. And I said, what do you mean? And he went on to say we made them pay attention to us. And I could see from that that there is almost a suicidal quality in the riots. It is almost a way of saying I would rather be dead than ignored, and as long as people feel that they are ignored by the larger society, as long as they feel that they are invisible to the larger society, there is a danger that they will engage in these violent explosions out of sheer anger, and I think these seeds are in all of our communities. I don't think any city can feel that it is exempt or nothing can happen there in terms of a riot. I think they are there. And it just takes one incident, usually a police activity, to precipitate it. But the problems, the conditions are in all of our communities that bring riots into being.

MR.MC CURDY: Thank you, Doctor. I just have one more short question. We have had testimony before the Commission that one of the causes of riots is disrespect for law and order. And it is widely held and believed by some people that the doctrine of civil disobedience has contributed to this climate, thereby contributing to riots.

Would you comment on that?

DR. KING: Yes. First, I don't believe this at all. We haven't practiced any civil disobedience on a major scale

in America. I do feel -- I believe in civil disobedience and I will say why in a few minutes, but the interesting thing is we haven't practiced it yet. We have broken laws but they were state laws in the south generally that were in conflict with the Constitution of the United States. So it may have been civil disobedience concerning a local law, but it was civil obedience to the Federal law of the land, and I don't see any activity that we have had on a major scale that represented civil disobedience.

Now, I do feel that those who say that civil disobedience has created the climate for this overlook what those who believe in civil disobedience are saying. And I think it is very necessary to see that those who believe in it, and I do believe that when conscience tells you a law is unjust, you have the moral responsibility and the right to break it, the only thing I say is that you also have a moral responsibility to accept the penalty. I think we must see that there are just laws and unjust laws, there are just situations and conditions and unjust conditions, and it is my great belief that moral men have the responsibility and the right to obey just laws, but I don't think they have a responsibility to obey unjust laws.

Now, one would say who determines that? I think there are ways to determine when a law is unjust. One way is,it seems to me, a law is unjust, an unjust law is a code which a majority inflicts upon a minority that it does not impose upon

itself. An unjust law is also a code that a majority inflicts upon a minority that that minority had no part in bringing into being or executing because they may have been denied the right to vote, or what have you.

Now, when one breaks an unjust law, or practices civil disobedience, it is my firm belief that he should do it openly, he should do it cheerfully, he should do it non-violently. I don't believe in anarchy and I think there are those who are anarchists. They will put on sheets and they will hide and run and do very terrible violent things. I consider that uncivil disobedience, not civil disobedience.

He who breaks a law that conscience tells him is unjust and willingly accepts the penalty in order to try to arouse the conscience of the community on the injustice of the law or theinjustice of the social situation is at that moment expressing the very highest respect for law, and this is nothing new. There is nothing new about this in history. If Socrates hadn't practiced civil disobedience, maybe academic freedom wouldn't be a reality. If the Jewish men, Shadrach, Meshach and Abednego, hadn't practiced civil disobedience, if the Christians hadn't practiced it to the point of being thrown to the lions on the chopping block, and I submit that if what Hitler did in Germany was legal, in quotes, and it was illegal to aid and comfort a Jew in Hitler's Germany -- I believe firmly, if I had lived in Hitler's Germany, with my humanitarian concern, I

would have aided and comforted my Jewish brothers. If I lived in South Africa -- I would have joined the late Chief Latuly in breaking those laws and it comes right down to, in fact, what was a greater expression of civil disobedience than the Boston Tea Party and this was revered in all our schools.

Those who practice creative non-violent civil disobedienc when the civil situation demands it are really expressing the highest respect for law when it is a just law and I think they in the final analysis may be the saviors of society and I don't think this can be the cause or considered the cause of outbreaks, of riots because, first, we haven't had it practiced yet on any major scale, and secondly, it has been advocated only in non-violent, love-in, even, terms rather than in violent negative destructive terms.

MR. MC CURDY: Thank you very much, Dr. King. Thank you, Mr.Chairman.

MR. WILKINS: Are there other questions?

Mr. Abel?

MR. ABEL: Mr. Chairman -- Doctor, you mentioned at the outset of your presentation the fact that in a lot of our slum areas we do have so-called racket elements, problems of that description. I am wondering is there anything being done on the part of the community, the people, segments of the community in the slums, to clean up this sort of situation? You mention it is done many times even with the casual approval and support

of the police officials and other people of higher stature.

Is there any movement any place around the country to first clean out these elements and bring some respect in that category?

DR. KING: Well, here and there, there are groups that develop a great concern about this problem and they seek to tackle it. I think the problem is that we end up dealing with the symptom rather than the cause and as long as we deal with the symptom rather than the cause, the problem won't be solved.

The fact is that these crimes, these rackets, are controlled not in the ghetto but outside of the ghetto and I don't want to get on any of the main streets of our society, but there are some nice name streets in our society where the syndicates operate. They are very respectable people and we arrest the dope addicts and fellows running around the ghetto selling it but we don't arrest those who really keep dope going in our society, the rackets going in our society, because it goes very high up and it is very profitable and to stop it would temporarily shake up to structures of power in our country, and I don't think it is going to be solved until we come to see that principalities and powers are in control of these very profitable rackets that are taking place in the ghettos of our Nation and Negroes are being exploited and other poor people are being exploited day in and day out about it.

I think we work in areas where we can but we must

recognize the source of the problem and realize that it is more than this fellow who out of humiliation, out of an attempt to escape, becomes a dopt addict. But what is it that causes that huge force that makes so many profits to be able to continue to carry on that kind of trade in the ghetto? And I think this is going to take a much larger movement than a small group in a particular community.

MR. ABEL: The reason I ask, at least as I view it with the reports you see occasionally, periodically in the press, news media, it is not only a situation that is exploiting the people there but it is used again to give a bad name to the whole community.

DR. KING: Yes.

MR. ABEL: And implies to the public at large that everybody in the slum area is a dope addict or numbers writer, prostitute, what have you. This is one thing -- if there is anything being done to maybe from within the areas expose this or let's say, we want it cleaned up once and for all and controlled.

DR. KING: Yes.

MR. ABEL: I think that would be an important contribution.

One other point you make. I raise this as a question again for information. You make reference to the passage of the civil rights laws and voting rights laws, integration. These

measures, as you term them, are not costing any money. Now, we get to this period where it is going to take some money. I am wondering if your group or any of the other groups have tried to evaluate the cost of the slums as they now exist, what it costs society, the Federal Government. You mentioned earlier state responsibilities, community responsibility, governs the Federal Government. What it costs us to maintain the slums in the conditions they are now in the way of relief contributions, the way of deterioration, of business establishments, homes, the values of property, all of these things that are actually a cost to society, but we are not looking at them as such, as against what it might cost us to pass the proper appropriations to make a meaningful improvement in the slum or ghetto areas. Do you have any ideas?

DR. KING: I am sorry, I don't, Mr. Abel. I don't have -- studies have been made on this but I don't have them readily available to me, but I would say in general terms that I think it costs much more to keep slums in existence and welfare in existence as it is presently structured and all of the other things that grow out of this, including riots. Just think of what it cost Detroit, or any other city, and the Federal Government, even, for a riot like that to take place. I think it would be much less, at least it will be less, I am not saying it shouldn't be done if it is far more, but I think it would be less.

I think with $20 billion a year for the next ten years we could get rid of slums completely in this country. We could transform the welfare system and many of its dehumanizing qualities into a guaranteed annual income for those who are not able to work because of age or physical disabilities. In that also we could allow people to help rebuild their own communities. So that there are many possible programs that I believe could fit into a $20 billion a year program over the next ten years. And I think this would be less than many of the things that we find existing as a result of slums and all of theother ills of the ghetto.

MR. ABEL: Don't you think we could maybe convert a lot of people to the need for taking action if we can put together and show again when it comes to these people who are always understanding the costs of everything but never the values, just what our problem is and relate it to, 1. a clean area, a progressive area, a healthy area, as contrasted to what we have today?

DR. KING: Yes. I think you are quite right there.I thin if women could see this is very practical terms and see that the cost is often greater, I think it would bring about some changes in their thinking on this whole question.

MR. WILKINS: Mr. Thornton?

MR. THORNTON: Dr. King, the thing that has impressed me on some of the visits that we have made to Detroit, Newark and

Los Angeles and other areas has been in the so-called ghetto areas as to responsible Negroes, it has been said the increase in crime rate that we read so much about, hear so much about, that it is crime of Negro against Negro, and that there is a lack of law and order and that one of the things that they are indicating that they would like to have high on their priority list is law and order in the Negro communities. Could you -- would you make a comment on law and order as such?

DR. KING: Yes. Well, I certainly believe in law and order. The problem is that often people use this as an excuse not to establish justice, and I have almost gotten to the place now where I don't even use the phrase law and order, but I use law and justice, because there can be no order in the true sense devoid of justice.

Now, there are legitimate gripes that people have in the ghetto concerning the crimes Negroes commit toward other Negroes or towards anybody, for that matter, and we want to see something done about that. Something should be done about it. And I think we in leadership positions in the civil rights movement and in the churches must go all out to try to keep our people from engaging in any kind of criminal act, whether it is dope addiction, whether it is physical violence towards another human being, alcoholism, or anything else. And, I think we have a job to do at that point and we must not use the sociological causes as an excuse not to try to do what we can to control it.

But I do think we always have to go back to this question of the conditions that cause these crimes and while some people may just have criminal instincts and will engage in crimes because of the general disarray in our society, the general frustration of this period, and I think we do see a rise of crime not only in the ghetto but in the suburbs, they may be white collar crimes but they become crimes just the same, and there is a general rise of crimes in our society and we have to see that.

As I say,as we condemn crimes and as we take a stand and try desperately to give people the sense of belonging that they need so that they won't commit crimes, we have got to see the conditions and work very hard to remove these conditions because often people engage in criminal acts, even violent crimes, because of the self-hatred. They have been so rejected by the out group, rather, the in group, that they turn this violence inward and this hatred and everything else and as long as the intolerable conditions exist we do face the danger of these developments taking place.

So, I think we do have a "both-hand" job. We have a job of trying to preserve what one would refer to as law and order in all of our communities, but we must work passionately and unrelentingly to remove the conditions from our society which cause people to neglect to follow the lawful path.

MR. THORNTON: Thank you.

MR. WILKINS: Miss Peden?

MISS PEDEN: Dr. King, you have visited with us many times in ~~Chicago~~ Louisville and your brother is one of our outstanding citizens there. ~~Two faces of your $20 billion~~ program or ~~suggestion of ten years~~. First, what would be your suggested priority if we had $20 billion to invest in this for the next ten years? How would you say we should go about spending it?

DR. KING: It would almost have to be a kind of three-fold program, because I think if we just put it in one, we will neglect something else.

I think, first, we ought to have in this program, jobs or income for every American citizen. That ought to be the first thing and I would say in the three-fold development that should be the priority, jobs or income. A job should be provided for everybody desirous of work and with the impact of automation and cybernation on another level, we are going to have to do something like this when 40,000 jobs are getting a way every week. We have got to constantly make changes within the total economic order. And I would say jobs or income, and the jobs may be in various areas.

For instance, most of the hospitals, 95 per cent of the hospitals of our country are understaffed. Through the Hill-Burton Act, two things could very well be done through an act of Congress. That is lift the minimum wage of those already working in the hospitals because they are the most -- some of our most

deprived citizens making the lowest incomes almost in our society, but also providing larger staffs for these hospitals and that could bring into being another two or 300,000 jobs.

We could increase just to create jobs the postal deliveries every day, two or three times. That would bring in another 500,000 jobs.

There are many places where these jobs can come into being. They don't have to be public works programs. Most teachers are overloaded in our public schools and they have to do a little of everything, take the children out on the playground, so many things that they need not be doing, they should be giving themselves to creative academic work and programs. So that every teacher needs a teacher aide and these are things that could provide the jobs that I am talking about, and I put on the other hand, or income. I do think there should be a guaranteed minimum income for every American family. So where there can be a guaranteed job, there must be a, should be a guaranteed income and there will be people, because of age and other factors, and constant transitions may be in the economy, who may not be working but they need an income. A man, a person needs an income to live. So that would be the priority in this kind of $20 billion, jobs and income.

Now, along with that, our slums must be eradicated. Our communities must be rebuilt that are presently so deprived and so degrading. And I would think that in this program the

Federal Government should make it very clear that those who live in these communities should have opportunity to rebuild their own communities, and that would have to carry with it a strong, it seems to me, almost punitive element concerning the right to build.

The great problem that we face is that we are shut out completely almost from the building trades, and this happens in almost every city in this country. Negroes have skills, we built the steady docks and the stout mansions and all of the other things in the days of slavery in the south and now we are being told that we can't build. And, if we are going to be able to really get the jobs or income, we have got to get in the building market. This is where you have a lot of big money, six, seven, eight, $9 an hour, yet we are out of it north and south and can't get in. We are almost hopelessly locked out. We get in an apprentice training program here and there, but it is just a token number.

So, I think there has to be some guarantee on that, that urban renewal will now become for the people, by the people, and of the people, with the people. So these would be priority programs.

I think education has to be a factor in this also. That would be the third aspect. Our schools need to be improved greatly and I would say just offhand, as I look at it, it should become in this kind of program a law, so to speak, that

our schools would have to spend at least a $1000 per year per pupil, especially in deprived areas. What happens is that in ghetto schools you are getting, say, $333 per year and you get to a suburban school and they are spending $950 per year per pupil. The last study I made in Chicago revealed that about $333, about, were spent a year per pupil in ghetto schools and in predominantly white schools right on the edge of the ghetto it went up to $560 and in many of the suburban schools it went as high as 900 some dollars. There should be greater uniformity. Dr. Conant has convinced most people that all of our schools are devoid of the kind of quality they should have and I would see in this kind of $20 billion program something that makes jobs and income a reality, gives people an opportunity to engage in urban renewal programs, by, for and with the people, and also a program to tremendously lift the educational life of all of the people of our Nation. I see jobs and income as the short range program, education as the long-range program.

MISS PEDEN: Dr. King, ~~Doctor~~, do you think that within the time that, it would take to develop ~~such a program was being built~~ that we could ~~will~~ offer a person enough hope for the future, say over this ten-year period, that we would not have recurrences of major civil disorders that we have had?

DR. KING: I think it would go a long, long way towards giving new hope to those who are now frustrated and in great despair. I think this kind of program would do that. And if it

is a program that is sincerely launched and begins to make real changes possible, in the lives of these people. For instance, I don't see right now even in the midst of the hopeless conditions of the climate in the Negro community for any kind of massive guerrilla warfare or insurrection, but I do think if conditions continue to get worse, this is a real possibility, that those who are preaching guerrilla warfare and insurrection which is armed, organized revolt, will get a greater hearing. I think if we can solve some of these problems, launch a program that is massive, and it could no longer be token because that will exascerbate tensions and deepen the frustrations, that if it is a massive program, I think it will greatly increase hope. There is nothing more dangerous than to build a society with a large segment of people in that society who feel that they have no stake in it, who feel they have nothing to lose. And the minute you begin to give people a stake in the society through these kinds of programs, I think it will do a great deal to increase the hope and diminish the civil disorders.

MISS PEDEN: One final short question, Mr. Wilkins. I know Dr. King has had some opportunity to see the OEO community action programs in most of our areas in the Nation. I wonder what is your observation and yourfeeling about the participation of thepoor in these programs?

DR. KING: I think we have had some very significant

programs in various communities, and they have had broad participation on the part of the poor. On the other hand, I must honestly say that two things must be rectified about the poverty program if it is going to be effective. First, it has got to have more money. It is not good to announce a war on poverty and finance a skirmish, and I think this is what has happened and it has really increased frustrations a great deal.

The other thing is,I find too much politics involved in some aspects of the poverty program. In other words, too many, and I am not accusing everybody, but too many mayors and others seek to use the poverty program to perpetuate their political power and to shore up their political patronage ability, and consequently the people themselves are not able to grow and develop and achieve the dignity in the process.

Finally, the greatest program that I have seen alive in the poverty program is certainly Operation Head Start in the State of Mississippi, DCGM. It is the greatest in terms of grass roots participation. I have never seen anything like it, and that program was cut off for political reasons, mainly because Mr. Stennis and Mr. Eastland didn't like it, because people in it were getting a new sense of dignity and other things and I have to honestly say I didn't like this myself, and many other people didn't and I have seen a great deal of cynicism and bitterness grow with the Negroes in Mississippi as a result of cutting a program like this off.

So, I think we have got to have a lot of changes in the poverty program and I must say that I had the same experience in Chicago. The Department of Education gave us a grant of $109,000 to carry out a program. They gave it through the Southern Christian Leadership Conference to carry out a program to train in basic literacy and consumer education and basic skills persons -- it was a kind of job-oriented adult education program. You trained people for jobs and we were doing that very well. It was a beautiful program. We started out getting people who had never worked before, who were on welfare, getting a job for the first time. And because this came through our organization and it was moving that well, some calls went in from Chicago to Washington and it was immediately cut off and we were told that it couldn't come through us. It had to go through something else, namely, City Hall in Chicago, and it destroyed totally the grass roots effects of that program and the creative job that was being done and which was giving so many people a new sense of dignity and destiny.

These are some of the things,I think, must be improved if the poverty program is going to be an effective program that will give new hope and a new sense of self-respect to the people.

MISS PEDEN: Thank you, [redacted].

Thank you, Mr. Chairman.

MR. WILKINS: Chief Jenkins has a question, but I want

to point out to the Commission that we are already into the time of the next witness. But please go ahead, Chief.

CHIEF JENKINS: If I may say, Dr. King, I appreciate everything you have said here today. I especially appreciate your report to this Commission that we are making progress in Atlanta. We still have a long way to go but we are continuing to move in that direction,and to remind you that you know your father was my good friend and adviser for many years, so we are still working on it.

MR. WILKINS: The Chairman views with a more than growing concern the growth of the Georgia axis here as well as a California axis this Commission has been pestered by a California axis. They have been throwing the ball back and forth. And now, we have Georgia in here.

Dr. King, I want to thank you for your testimony and I want to encroach a little on the next witness' time because I think you can help this Commission with two questions that are constantly being placed before us and with which our staff and our writers have to grapple as well as members of the Commission. And you mentioned two of them in your statement, very eloquent and very touching statement.

You referred to the few Negroes who achieved. And then, you referred to the riot in Detroit despite the fact that great aid had been given to Detroit.

Now, these are two of the questions that this Commission

has met constantly for the last two months. The first is, what percentage of the Negroes have achieved? Those of us who argue that we need massive relief for the vast body of Negroes are met with the assertion that so many Negroes have achieved. One witness finally admitted that he had totally neglected to consider the million and a half Negroes who have entered the trade union movement since 1935 and now occupy and earn blue collar wages in some of the basic industries like rubber and tires and steel and so forth. This entrance of the Negro into the blue collar wage scale has oriented them more towards the middle class rather than towards the other class and yet we forget the million and a half Negroes who have done this since 1935.

The other day there was a comment on this by one of the dissidents who said that if Walter Reuther won a new contract for UAW, the Negroes wouldn't gain anything anyway because they had the cheapest jobs. Well, the cheapest jobs in the UAW pay $3.30 an hour, and this is not exactly poverty wages. So, I would say out of the million and a half UAW members, at least ten per cent are Negroes, perhaps more. So, this is a considerable body of wage earners who don't come under that category.

How do we meet the assertion or the implication which arises constantly that the Negroes who have achieved above the poverty level represent only a token or is this true?

DR. KING: I think there are one or two things here that we have got to look at. No matter how many Negroes have achieved,

and I would certainly accept the number that some others gave as a valid one --

MR. WILKINS: Excuse me. I am sorry. We don't have any numbers. I was hoping to get some numbers from you. Even Franzier doesn't give any numbers. Frazier simply dismisses the Negro middle class as being -- he implies it is a sort of a crust or infinitesimal number that doesn't amount to anything.

Now, we have to refute this argument. I think it can be refuted and I would just like to refute it.

DR. KING: That is what I am afraid of. I am afraid we can't refute it. I think we have got to face the very honest fact, and that is that the vast majority of Negroes in our country are still poverty stricken and that the middle class is still very small in comparison to the total Negro population.

MR. WILKINS: Well, is that 20 per cent, 30 per cent, 40 per cent, 50 per cent, 70 per cent? This is what I am trying to get at, you see. You say the vast majority. Who do you mean?

DR. KING: I would still feel that between 80 and 90 per cent of the Negroes of our country are either in what you may consider the lower class or the under class.

MR. WILKINS: I see. 80 to 90 per cent.

DR. KING: I would feel that --

MR. WILKINS: Thank you very much.

DR. KING: I would feel that the Negro middle class is still within ten or less per cent of the Negro population.

MR. WILKINS: I understand. All right.

Now, the other question is the matter of Detroit. Detroit came just ahead of the creation of this Commission when the riot was fresh in the minds of not only the public, but members of this Commission and others, and we had a big delegation from Detroit here. Some 20 members came with the mayor. Every segment of the Detroit political hierarchy was here and they talked at great length, took a whole afternoon, until 7 or 8:00 o'clock that night.

Now, the question we are met with here, why in a city like Detroit, which received more aid than any other city in the United States,did a riot of this proportion happen? And why was it that among the rioters, some very considerable percentage, 30 to 35 per cent, were found to be employed, not unemployed? And I understand your answer to another question and I agree with it fully, that there is a great gap no matter what city you talk about, but where a city is making an effort to close that gap as much as Detroit was making, with more money than any other city -- if any city appropriated a $100,000 to close a $20 billion gap, that is nothing, but Detroit was doing more than any other city -- how, they ask us, do you have a riot in a city like that? I would like to get your assistance on how we might answer that question.

DR. KING: My only answer, I go back to the fact that there are seeds in every community for a riot, no matter where it is, no matter how progressive it has been, no matter how much it has received in Federal aid. The seeds are there because no program has been massive enough and I think the answer is right there, that no matter how much aid was given, it wasn't massive enough to grapple with the enormity of the problem. I don't have the figures on the amount of Federal aid, but I am sure it did very little to really bridge the gulf. It may have helped here and there, but it just wasn't massive enough.

MR. WLIKINS: Well, it was something like, if I recall correctly, around $200 million of outside Federal money that came into the City of Detroit alone. Now, bearing in mind your answer to Mrs. Peden's question, as to what priorities you would give over a ten-year period, $20 billion a year, and if I recall correctly, your answer was, and she followed it up with a question, well, do you think the initiation of this program would still stop riots or would we still have riots, and your answer was, I think that any program of sufficient size sincerely carried on,would hope to arouse hope and allay the riotious intentions and give a chance to operate, but it has to be more than a token as I understand you.

DR. KING: Yes.

MR. WILKINS: It has to be more than a token. So that would fit in with the massive definition you have, right?

DR. KING: Yes. And I don't think you can segmentize, isolate a community in solving the problem. I think it has got to be a massive Federal program that touches every community. It is a massive national program because if we say that one community got this and another community that and the others didn't, in other words, there must be a massive program that begins to make structural changes in the society, and I don't think it will have an impact unless it is that massive.

MR. WILKINS: I understand. Now, I want to ask you one final question. You referred to the untouchables in India and to Mr. Nehru's pointing out that it was unconstitutional to do this against them, and so forth and so on, and we all know that India has made a very great effort in the matter of the untouchables, but do you -- in our country also discrimination against Negroes is illegal, unconstitutional. Regardless of whether the practice may be, it is in the law just as it is in India with respect to the untouchables.And yet, India has not solved the untouchable problem as any Indian will tell you, even though it is now outlawed to discriminate against them.

Would you say that with what -- your earlier answer to a question, I assume would apply here, but I would like to hear you say it, that there must be vigorous enforcement of this policy and not merely the enunciation of it in constitutional documents? Else we will fall in the same trap that India has fallen in with the untouchables, is that so?

DR. KING: Yes, absolutely. It has to be, there has to be very vigorous enforcement. I might say, though, that I must honestly confess that I feel India has made much more progress in dealing with the problem of untouchability than we have in dealing with the problem of racial injustice here. I am not saying that it is totally solved, but India has really made discrimination against an untouchable not only a crime that you talk about but a crime that is really punishable by imprisonment, and someone said to me not long ago -- it might have been Madam Pandit -- that there may be people with prejudices against untouchables in India, but you could not find ten people in the whole of India that would state it publicly.

MR. WILKINS: No.

DR. KING: Now, the problem of India is, as you know, widespread poverty and that is why they haven't been able to bring the untouchables up that far economically, because of the overall poverty of the total country, but I think in terms of discrimination, outright discrimination, they have made much more progress than we have dealing with this problem. I must very honestly say that.

MR. WILKINS: Especially with respect to employment, but I bear in mind your statement that the Indians have built great housing projects in the areas in which untouchables predominantly live. I think that was your language.

DR. KING: Yes.

MR. WILKINS: Which means that if they have solved it, they have solved it through bringing equality behind the wall of segregation which still exists if it is still in the areas where untouchables predominantly live. I think we need a few court orders and jail sentences for discrimination here in order to catch up with the Indians psychologically, philosophically, as far as enforcement of laws is concerned, but I think it is the -- the untouchable problem illustrates in a sense the terrible problem of this Commission. No matter what we say or what we recommend, riots and civil disorders and discrimination and injustice and inequality will be simply arrested or halted here and there, and will not be eradicated. That is without the suggestion you have made, massive overturning and rededication of our resources. We can't hope to do anything except recommend, for example, what they recommended in 1919 after the Chicago riot. It is still a good report. It is an excellent report. It fits today. But, our problem is almost insurmountable.

DR. KING: Well, I am not devoid of hope at this point. I am still hoping against hope and I don't think it is insurmountable. My real problem is that I don't know if our Nation has the will. I know we have the resources and I don't think we have to go through these civil disorders. Other countries have problems but they haven't gone through as many civil disorders as we have. Some of the other countries grapple with

their economic problems -- I was in Scandinavia once or twice last year and was amazed once more to see they don't have any slums. They don't have any unemployment. Nobody needs medical care who can't get it. They don't have any poverty. And I looked at these small countries and said if they could do something to grapple with the problems of poverty and all of this, a country with a Gross National Product of $780 billion this year can do it.

I just say that finally, I don't overlook the fact that there will have to be a revolution of values and we have got to be as concerned about the ends for which we live as about the means by which we live because if we are not concerned about the ends for which we live, we won't do the necessary things to make changes possible.

I think it can take place but we have got to reorder our priorities and I know you have a very difficult job as a Commission, but I hope you will say to us from top to bottom that we are in dire need of a reordering of priorities and if we can do many of the other things that we have done as a Nation, we can deal with this problem.

It isn't an insoluble problem. It can be solved and I stress this need for massive programs to solve it.

MR. WILKINS: Thank you, Dr. King, and on behalf of the Commission, I not only would like to thank you, but I would like to ask you to pray for us because we do have a tough problem.

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Mr. Wilkins. We will be following our agenda the rest of the afternoon. After our present guests, we will have Mayor Yorty of Los Angeles.

Our next witness is Mr. Berkeley Burrell, President of the National Business League, a nationwide organization devoted to improving the lot of Negroes in the United States by aiding the growth and development of Negroes in business enterprises. He is a businessman himself, has served three terms as Chairman of the District of Columbia Chamber of Commerce prior to his election as President of the National Business League, and has also served on the Board of Directors of the Metropolitan Washington Board of Trade and the Housing Development Corporation.

Appearing with Mr. Burrell is Mr. Matthew Clark, Associate Director of Research and Development of the National Business League Project Outreach, and Mr. Henry Miller, National Secretary of the National Business League.

Mr. Burrell, we are very pleased to have you and Mr. Miller and Mr. Clark with us this afternoon, and you may proceed.