



Department of Justice

FOR RELEASE 7:30 P.M. CST

Address by

DEPUTY ATTORNEY GENERAL WARREN CHRISTOPHER

RICE INSTITUTE, HOUSTON, TEXAS

November 2, 1967

Last summer we witnessed domestic violence, which was national in scope and unprecedented in intensity. Riots caused the death of 85 people, injury to more than 3,200, and the arrest of 16,000. Destruction of property far exceeded \$100 million. The riot-related expenses of police and troops also ran into the millions.

More important was the social cost of these disorders. The fear, bitterness and hate they generated cannot be measured with dollars, but surely they represent the kind of loss America can least afford.

The hate-brokers--both black and white--are the beneficiaries of this domestic violence. It is their status that is enhanced by these disturbances; it is their power that thrives on death and destruction. The racism they preach cannot compete in the market place of ideas. Their theories cannot survive rational analysis. Only in an atmosphere of violence can their philosophy of hate gain acceptance.

The extremists in the Negro community welcome these violent outbursts. They fit in with their assertion that the Negro must take to the streets to achieve political and economic power. While these extremists give lip service to the concept of violence as a last resort, violence is the only method they advocate. They have no other program.

White extremists also thrive on riots. Large scale destruction of property, looting, and arson give a false credibility to their assertion that the races can never live in peace. This has long been the philosophy of the radical right.

The white and black extremists reinforce each other but they benefit no one else. They do not aid the Negro in securing his goals. They do not contribute to the community at large. They exacerbate rather than alleviate the conditions which cause civil disorder.

Every civil disorder or riot reflects deep underlying causes and antecedent conditions. The factors which contribute to an eruption of violence in the ghetto have been developing for over three hundred years. The only permanent solution is to eliminate these deep-rooted conditions.

Tonight I do not intend to speak of these underlying causes. The President's National Advisory Commission on Civil Disorders will have a statement on this subject in the near future. I assure you their recommendations will be worthy of the most careful consideration and study. Without forecasting their recommendations, it is already plain that we must take urgent and expensive new measures to open up our society.

Tonight, however, I will limit my discussion to the short-run means of controlling riots. I do so in the conviction that unless we find short-run solutions, we may forfeit our opportunity to probe the deeper causes and to achieve long-term reforms.

It would be misleading to suggest that there is such a thing as a typical riot, any more than there is a typical murder or typical kidnapping. Yet a pattern has emerged over the last three years of domestic violence.

In this pattern, the cycle of violence begins with an incident involving the police. Having racial overtones, the incident is soon distorted by rumors which flood the ghetto. As the rumor spreads, a crowd gathers, and there is an angry confrontation between the crowd and the police.

In a flash of violence, the crowd explodes and launches a spasm of missile throwing and looting. Frequently, this initial violence erupts at widely-separated places, and sometimes it occurs without our being able to identify the antecedent events. Soon thereafter, the violence turns a sinister corner, and arson and sniping ensue.

Our goal is to break this cycle of violence. Best of all, we would keep it from commencing.

To prevent the occurrence of a triggering incident is a tall task indeed. In the slum area of every major city, there are each day hundreds of arrests or other incidents which have a potential for distortion.

Whether an incident begets violence depends, in the largest measure, on the state of communications and understanding between the community and the police. This is sometimes referred to as "police-community relations", but that shorthand expression is a misnomer if it implies a kind of arm's length bargaining, as if between two sovereign powers.

What it must encompass is an open and easy channel of communication and a friendly and sympathetic understanding of common problems. Police and community must talk together. There must be a conversation not a lecture. Fear and hostility must be replaced by respect and understanding.

Community relations is a two-way street in which both police and community bear a deep and challenging responsibility. But in the end, society will depend heavily on already over-worked, woefully-underpaid policeman. Whether a routine arrest may become the spark for a conflagration will so often depend on the quality of the man with the badge.

We need to build excellence in law enforcement but we have not been willing to pay for it. The government estimated last week that it now takes \$9,000 per year for a family of four to maintain a moderate living standard. Yet the average policeman's salary is only \$5,300 per year.

Those simple facts speak with an emphatic voice. No more effective step could be taken to prevent riots than to build excellence in our police forces by paying competitive salaries. I should say in passing that this is a principal purpose of the Safe Streets and Crime Control Act which was proposed by President Johnson and is now pending in Congress.

The spreading of rumors is the second stage in the cycle of violence. There is evidence that rumors have played an important role in every major disturbance in the last three years. Those who riot tend to share a deep-felt animosity, a high level of frustration, and a strong desire to let off steam. Rumors of alleged police brutality and other provocations which fit their preconceived notions are embraced immediately and reinforce the violent pattern of behavior.

During the Watts riot, for example, at the time of the initial incident a woman who was arrested for assaulting an officer was wearing a barber's smock. The totally false rumor was soon circulating that she was pregnant and had been roughly abused by police.

In another major city last summer, a policeman shot a young man who was slashing him with a knife. The rumor soon circulated that the officer had shot the boy three times while he was lying face down and helpless on the ground.

What can be done about these provocative and destructive rumors? First, it is clear that they could not flourish in a city in which there is a high level of communication and understanding between police and community. In such a situation, the rumors would not be believable or believed.

In less ideal circumstances, we must develop special means to dispel and counteract the rumors.

The first imperative is for the local officials to get the facts. A blind, uninformed defense of official conduct can be as inflammatory as the rumor itself. If there is evidence of misconduct by law enforcement officers, a prompt investigation and effective disciplinary action should be guaranteed. If the rumor is without foundation, urgent and extraordinary steps should be taken to communicate the true facts. Frequently, it will be desirable to make all the evidence available to leading Negroes who have the confidence of their community.

For example, in one city a Negro man was found dead in his cell. Word spread throughout the Negro community that he had been shot. To counteract these rumors, the County Sheriff initiated a tour of the cell area and reported to five Negro clergymen whose spokesman subsequently appeared on TV. In a parallel television interview the County Coroner indicated that the cause of death was definitely not the result of any external physical injury. These immediate actions by local officials greatly lessened the possibility of trouble.

The press will play a vital role in the rumor problem. There can be no doubt that, on occasions, over-reporting of inflammatory incidents during the initial stages of a riot have contributed to its growth. Recognizing this fact, ground rules have been voluntarily adopted by local media in several cities for the coverage of stories that are likely to contribute to racial disturbances. One of the valuable rules adopted in some communities has been an agreement to hold for 30 minutes news related to racial violence. Such a rule is designed to give police an opportunity to establish control and preclude entry by others into the troubled area.

While voluntary ground rules are desirable, we think that a complete ban on reporting incidents with racial overtones would be most unwise. If an event is newsworthy, it must be reported to retain the confidence of all the communities involved.

That confidence is an essential foundation for the role which the media can provide in debunking rumors. When public officials have the facts, they should make them available for prompt dissemination by TV, radio, and newspapers. Fast, accurate reporting of the true state of affairs is probably the best antidote to poisonous rumors in the ghetto.

If the police are skillful, if there is communication and understanding between police and community, if the press has been informative rather than inflammatory, if the rumors have been stopped in their tracks - the catalyst may be absent and there may be no explosion.

Should the explosion come, it will be a stern test of a city's preparations, a grim challenge to its capacity to survive. There is no choice but to prepare. When violence erupts, any city that planned only to "play it by ear" will find that it is tone deaf.

A vital part of the advance preparation is an intelligence operation. Once disorder arises, there will be no time to develop sources of information or devise methods for evaluating it. Sources and methods for systematic evaluation should be developed now.

During the critical hours, sound decisions will require that the police identify the volume of riot-connected activity, the trends in such activity, the critical areas, and the deviations from normal patterns.

In Detroit, one of our first acts was to establish an incident barometer so that we could measure each half hour of riot activity against an earlier riot period or against normal conditions.

Advance preparations must also focus on legal questions. Doubt about the legal powers of public officials has often contributed to confusion and delay in a riot situation. Among the legal questions which ought to be resolved in advance are these: By whom and under what circumstances can a state of emergency be declared? What is the power of local officials to prohibit the sale of guns, of gasoline, of liquor? What needs to be done to call for assistance from police forces or fire departments in adjacent communities, from the state police, from the National Guard, or from the Federal Government? And what legal powers do these outside personnel have to detain suspects or make arrests? What legal papers should be drawn in advance?

When a riot comes, the time is past for poring over the law books or enacting new legislation. The responsible officials must be ready to choose quickly, and the legality of the various alternatives must be clear.

The command structure of law enforcement forces must be worked out in advance. Controlling a riot is likely to require the joint efforts of city police, county sheriffs, state police, and perhaps National Guard. The tense scene at a command center will be complicated by the presence of high elective officials.

In the circumstances, it is imperative that riot control forces should be under a single command with a single headquarters, all agreed to long in advance. There is no time for bickering or indecision, no room for confusion or controversy among the leadership.

Advance preparations must include plans for coordination and communications among law enforcement agencies. Some cities have been greatly hampered in riot control because the different law enforcement forces were on separate radio networks with no means of intercommunication. This can produce great delay and duplication when law enforcement is stretched thin and a city can least afford it.

Preparation would not be complete without the development of a tactical plan. Any plan must be flexible, but there must be advance consideration of the following items:

- the deployment of the maximum number of men using the required amount of force but no more than that;
- the sealing off of areas of violence and establishment of perimeter check points;
- the imposition of a curfew;
- the closing of liquor, gasoline, and gun stores;
- the contingent use of water or chemical agents;
- arrest and detention procedures.

In a riot, when looting gives way to arson and arson is joined by sniping, the problem of law enforcement is severely aggravated. We have learned much from our early responses to this deadly and dangerous sniping. It is not a useful technique to employ massive firepower against many high buildings. Nor is it useful to plunge whole areas into darkness on the theory that this provides protection against snipers. These techniques endanger lives and aggravate tensions without being effective.

Effective action against snipers must begin with a realistic evaluation of their location and numbers. Because sniping is a phenomenon of the late riot period, fear and fatigue often combine to produce a vastly exaggerated estimate of the amount of sniping.

Once the location of the sniper has been identified, the best technique developed to date has been to surround the building involved and to go into it to root the sniper out. If sniper fire is to be returned, it should be done by an expert marksman who has visual contact with the sniper.

In the unhappy events of the last three summers, law enforcement has learned valuable lessons in the tactics to be employed in controlling domestic violence. There is not time to discuss them in detail tonight. Earlier this week the Attorney General announced that at the direction of President Johnson a series of conferences will be held this winter to share the knowledge developed. Before winter is out, these meetings will involve police and public officials from every major metropolitan area in the United States.

By way of summary, I have offered these thoughts as ways for a city to enhance its ability to break the cycle of violence which marks a riot.

First, a city should build excellence in its police force by a financial commitment which reflects the true importance of law enforcement to the community.

Second, every effort should be bent to improve the communications and understanding between the community and the police.

Third, we must devise new mechanisms to dispel and counteract the rumors which fan the flames of disorder.

Fourth, intensive advance preparations should be made for dealing with domestic violence. Such advance plans are necessary in the fields of intelligence, legal proclamations and emergency orders, command and coordination of law enforcement agencies, and the tactics and strategy to be employed.

As I conclude, may I note that we hear these days, from sources which should know better, the quixotic idea that riots serve a useful purpose in drawing our national attention to urban problems. Indeed we even hear the riots excused and defended on the ground that they are an articulate cry for help from the ghetto. This is both pernicious and foolish. We can no more condone the violence than we can acquiesce in the conditions which spawn the violence.

The simple fact is that everyone loses when there is a riot. Violence makes it much more difficult, not easier, to address the urgent urban problems. The legacy of hate and bitterness and fear which follows in the wake of violence is an impediment, sometimes a fatal obstruction, to progress in education, in employment, in housing, in all the areas where remedial action is so essential.

The improvement of ghetto conditions through reform in education, employment, and housing is a difficult and demanding road for all segments of society. But there is no shorter route. The avenues of violence and lawlessness all lead to a dead end. If we are to travel this difficult road, we must take every precaution to insure that violence and disorder along the route do not prevent us from reaching our destination together.

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS
1011 15TH STREET, N.W.
WASHINGTON, D. C. 20005

OFFICE OF INFORMATION
382-8521

November 2, 1967

F O R I M M E D I A T E R E L E A S E

The National Advisory Commission on Civil Disorders today issued the following statement:

Reports have been published in the press over recent days describing the Commission as planning, in its interim report, to "lay major blame for last summer's riots on unresponsive city governments." The Commission has arrived at no such conclusion.

The Commission has heard many points of view, from more than 100 witnesses, during the last two and a half months. It has received voluminous other information from its staff and from other sources, which also represent many points of view.

Until all of the available evidence is in, the Commission intends to reserve judgment on all the issues involved.

The Commission has not singled out any individual, any group, any level of government, or any officials of government for criticism or for praise.

Regardless of what may be reported by persons who are -- or who profess to be -- familiar with the operations of the Commission, the facts are these:

--The Commission is still receiving testimony and its staff is still gathering information, all of which will be weighed in consideration of its interim report.

MORE

--The Commission has voted on, and agreed upon, only two recommendations, both of which already have been announced. Those are the recommendations (1) concerning the National Guard and (2) a federally-sponsored series of seminars for local officials on law enforcement and police-community relations.

--The Commission has neither voted upon, nor approved, any other finding or recommendation. Any report to the contrary is untrue.

--Any prediction about what the Commission will or will not include in its report is speculative and premature.

--The Commission disassociates itself from such speculation.

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THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

EXECUTIVE DIRECTOR

November 2, 1967

MEMORANDUM TO THE COMMISSION

Subject: Commissioner Memoranda on Trips to
Disorder Cities; Meetings with Teams

1. Each Commission member has now visited some of the 23 cities being studied for the Interim Report. Commissioner interviews in these cities could provide valuable material for staff research, and some Commissioners have indicated a willingness to provide this material to us. We would greatly appreciate memoranda from Commissioners on their interviews and meetings and on any other points worth noting about those cities. The memoranda would, of course, be used only by our staff.

2. Some Commissioners have said they would like to meet with team members to discuss particular cities the teams have visited. If you are interested, please contact Steve Kurzman (202-382-8601) or Chick Nelson (202-382-6854).

D.G.

David Ginsburg
Executive Director

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THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

Office of Information
382-8521

November 6, 1967

TO EDITORS AND CORRESPONDENTS:

As announced earlier, the National Advisory Panel on Insurance in Riot-Affected Areas will hold open hearings Wednesday, November 8, and Thursday, November 9.

The hearings will be held in the Indian Treaty Room (room 474) of the Executive Office Building, beginning at 10:00 a.m. Wednesday and 9:00 a.m. Thursday.

A tentative schedule for the hearings is as follows:

Wednesday morning: Residents and businessmen from center city areas of New York, Los Angeles, Detroit, and Newark.

Wednesday afternoon: Consumer representatives and State insurance commissioners.

Thursday morning: Federal government agencies and insurance trade associations.

Thursday afternoon: Insurance companies.

Appended is a tentative schedule of witnesses and their tentative times of appearance.

News men with White House press credentials will be admitted to the EOB, via the Pennsylvania Avenue entrance. News men who do not have White House cards must obtain clearance, by name; to do so, they should call the Information Office, 382-8521.

A room (401) will be available for use by reporters. Telephones (dial 9 for local calls, 90 for collect or credit card long distance calls) will be available outside the hearing room and in 401. Newsreel camera set-ups should be completed 15 minutes ahead of time each day.

The Panel is headed by Governor Richard J. Hughes of New Jersey. Other members are former Governor William Scranton, Vice-Chairman; Walter Washington, Commissioner of the District of Columbia; Frank Farwell, President of the Liberty Mutual Company; George Harris, President of the Chicago Metropolitan Mutual Assurance Company; A. Addison Roberts, President of the Reliance Insurance Company; and Frank Wozencraft, Assistant Attorney General.

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THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

November 6, 1967

Tentative Hearing Schedule

National Advisory Panel on Insurance in Riot-Affected Areas

Wednesday, November 8

- 10:00 Mrs. Sylvia J. Downer, insurance broker, Brooklyn, New York; and Mr. Ernest Johnson, Vice-Chairman, Insurance Brokers Council of New York.
- 10:30 Dr. Claude Hudson, President, and Mr. Peter Dauterive, General Manager, Broadway Federal Savings and Loan Association, Los Angeles, California.
- 11:00 Mr. Edgar Brazelton, Jr., President, Booker T. Washington Business Association, Detroit, Michigan, and proprietor, Brazelton's Florist, Detroit, Michigan.
- 11:30 Mr. Stephen S. Thomas, insurance agent, Newark, New Jersey.
- 2:00 Miss Betty Furness, the President's Consumer Adviser.
- 2:30 Mr. Jack Conway, Executive Director, Industrial Union Department, American Federation of Labor and Congress of Industrial Organizations.
- 3:00 Honorable T. Nelson Parker, Insurance Commissioner of the State of Virginia and Chairman of the Select Committee on Insurance Problems of Civil Disorders, National Association of Insurance Commissioners.
- 3:30 Honorable Richard Roddis, Insurance Commissioner of the State of California.
- 4:00 Honorable David Dykhouse, Insurance Commissioner of the State of Michigan.
- 4:30 Honorable Paul Ylvisaker, Director of Community Affairs, State of New Jersey.
- 5:00 Mr. Henry Bison, General Counsel, Retail Grocers Association.
- 5:15 Mr. Ralph Parsons, President, Bedford-Stuyvesant Chamber of Commerce.

Thursday, November 9

9:00 Honorable Robert Wood, Under Secretary, Department
of Housing and Urban Development.

9:30 Honorable Robert Moot, Administrator, Small Business
Administration.

10:00 Honorable Lawrence McQuade, Assistant Secretary,
Department of Commerce.

10:30 National Association of Independent Insurers--Mr.
Vestal Lemmon, General Manager.

11:00 American Mutual Insurance Alliance--Mr. Paul Wise,
General Manager.

11:30 American Insurance Association--Mr. T. Lawrence Jones,
President.

2:00 State Farm Mutual Insurance Company--Mr. T.C. Morrill,
Vice-president.

2:30 Insurance Company of North America--Mr. H. Richard
Heilman, President.

3:00 The Travelers Insurance Company--Mr. Sterling T.
Tooker, President.

3:15 Royal-Globe Insurance Companies--Mr. H. Clay Johnson,
President.

3:30 Aetna Fire Underwriters Insurance Company--Mr. William
O. Bailey, Vice-president.

3:45 Crum & Forster--Mr. William C. Ridgway, Jr., President.

4:00 Fireman's Fund American Insurance Companies--Mr.
Louis W. Niggeman, President.

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

EXECUTIVE DIRECTOR

November 6, 1967

MEMORANDUM TO THE COMMISSION

Subject: National Governors Conference

A committee of the National Governors Conference has been studying the recent disorders. Enclosed is a draft of a report prepared by the Conference's Advisory Committee on Federal-State-Local Relations entitled "Call and Commitment: Action to Alleviate Civil Disorder and Eliminate Social and Economic Injustice."

DG.

David Ginsburg
Executive Director

Enclosure

National Governors' Conference

OFFICE OF FEDERAL STATE RELATIONS

1735 DeSALES STREET, N.W.

WASHINGTON, D. C. 20036

LES A. BYRLEY,
DIRECTOR

October 6, 1967

TELEPHONE
AREA CODE 202 323 2662

TO MEMBERS OF THE NGC ADVISORY COMMITTEE ON FEDERAL-STATE-LOCAL RELATIONS
ADVISORY COMMITTEE, AND ITS TASK FORCE ON ACTION TO ALLEVIATE CIVIL
DISORDER AND ELIMINATE SOCIAL AND ECONOMIC INJUSTICE

Attached is the draft of October 5, 1967 -- "Call and Commitment:
Action to Alleviate Civil Disorder and Eliminate Social and Economic
Injustice."

This draft takes into consideration those comments and suggestions
received from the Task Force members by October 4.

Obviously we are under severe time restrictions. Thus, any further
comments or suggestions should be telephoned to me at my office by
Tuesday, October 10 -- Hartford, Connecticut, area code 203, 527-6341,
extension 3052.

Because we wanted to get this draft to you at the earliest date,
there are some minor editorial and typographical errors which we will
correct in the final draft.

If it appears that another meeting of the Task Force will be necessary,
you will be advised.

Again, let me express my thanks for your help and encouragement.

Sincerely,



LeRoy Jones, Commissioner
Connecticut Department of
Community Affairs

LJ/vp

Attachment

C A L L
and
C O M M I T M E N T

Action to
Alleviate Civil Disorder
and
Eliminate Social and Economic Injustice

NATIONAL GOVERNORS' CONFERENCE

Advisory Committee on Federal-State-Local Relations

Governor John Dempsey, Connecticut-Chairman
Governor John A. Volpe, Massachusetts-Vice Chairman
Governor Spiro T. Agnew, Maryland
Governor John A. Burns, Hawaii
Governor John Connally, Texas
Governor Buford Ellington, Tennessee
Governor Richard J. Hughes, New Jersey
Governor Warren P. Knowles, Wisconsin
Governor Ronald Reagan, California
Governor George Romney, Michigan

JOHN DEMPSEY
GOVERNOR



STATE OF CONNECTICUT
EXECUTIVE CHAMBERS
HARTFORD

D R A F T

The Honorable William L. Guy
Governor of North Dakota
Chairman, National Governors' Conference
State Capitol
Bismarck, North Dakota

Dear Governor Guy:

This letter formally transmits to you and to members of the Executive Committee a report of the Advisory Committee on Federal-State-Local Relations on "Action to Alleviate Civil Disorder and Eliminate Social and Economic Injustice." Sufficient copies are available for distribution to the entire membership of the National Governors' Conference.

Your Advisory Committee on Federal-State-Local Relations accepted responsibility for this special project pursuant to a resolution adopted on August 26, 1967, by the Executive Committee. Time has neither permitted a detailed analysis of the problems, nor given the Advisory Committee an opportunity to meet with appropriate federal and local officials or with representatives of public and private organizations, as envisioned by the Executive Committee's resolution.

Procedurally, we have pursued an alternate course of action to ensure reasonable compliance with the resolution, and more particularly to place a report before the Governors for their deliberation and possible action.

A Task Force -- Action to Alleviate Civil Disorder and Eliminate Social and Economic Injustice -- was established immediately upon receipt of the Executive Committee directive. It has met frequently over the last few weeks, and has diligently pursued this enormous assignment.

The Task Force has been aided immeasurably by the gracious and considered replies from many Governors in response to my request for their views.

The Advisory Committee has reviewed the work of the Task Force. We support all its findings and recommendations in principle, and urge the National Governors' Conference to take similar action. We further recommend that this effort be continued, and that this report be made available to all major organizations concerned with the alleviation of social unrest and violence.

Honorable William L. Guy

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With such a positive course of action, we can look to the help of many organizations and officials to assist us as Governors in implementing appropriate action programs in each of our states.

Sincerely,

Governor

DRAFT
10/5/67

I. A Call to Action

The crisis of our cities demands a call to action that none can ignore. It issues forth from the ghettos and slums of our nation's cities, large and small. It is the nation's number one domestic problem -- a challenge that must be met as Americans have met other great challenges in the past.

The crisis is exemplified by harsh characteristics of life in blighted city areas, such as poor housing, high unemployment, high crime rate, and limited educational and health facilities. A massive effort is required to halt lawlessness and violence and to alleviate the underlying causes of unrest such as inequality and lack of opportunity.

This effort must involve all segments of our society. It must be commensurate with the vast scope of the urban problem, and with particular attention to the people and conditions in core areas. This effort must proceed in the context of order and respect for law.

Government has a basic responsibility for the economic and social well-being of all citizens. Government has a primary responsibility for the maintenance of order under law. Government must be a catalyst and a leader to achieve these purposes.

Urban unrest is no longer simply a local problem.

Individual city governments, which are in the position of grappling first-hand with the crisis, find the problem too far-reaching to deal with it effectively.

The massive resources, close contact, experimentation, and diversified approaches required for its solution preclude full achievement through federal government measures alone.

The private sector has a major responsibility but its potential impact is limited by the magnitude and complexity of the problem.

The states alone cannot meet the total problem either. They are, however, in the unique position to bring about an effective new focus on the needs of our urban citizens. The states can and must be the agent for bringing together the resources of all levels of government as well as the private sector in the development and implementation of effective urban programs.

States must accept this responsibility.

As Governors, we issue to the entire nation a Call to Action -- a call to all levels of government and a call to the private sector to join in mounting the massive effort to eliminate social injustice and unrest.

II. Commitment for State Action

As Governors, we have the clear responsibility to move immediately to achieve:

- Assurance of order and respect for law.
- Full participation by all people in the processes of government.
- Physical rehabilitation of blighted areas.
- Improved educational and employment opportunities.
- Full availability of effective services to the individual.

As Governors, we recognize that the states must assume the leadership role to achieve these goals.

We are committed to meeting this challenge and fulfilling this responsibility.

Accordingly, we will continue to strengthen State government to assure the development and effective implementation of programs to assure the maintenance of order under law, to alleviate city problems and to demonstrate a full capability to serve and work with other levels of government and the private sector.

We also recognize that State government must assert itself in meeting the problems of participation and involvement by all people, regardless of race or economic condition, in the government process as well as in the planning and development of programs. The most immediate and effective avenue of assuring this participation is through open lines of communication and the guarantee and encouragement of the right to vote. This, for state government, is not only a proper role, but an obligation.

1. State Urban Action Program

Specifically, we as Governors will each develop an Urban Action Program for mobilization of public and private resources for the particular social and economic ills of our state's urban areas.

- The Program will include immediate steps to help alleviate the most pressing ills.
- The Program will assess the impact on blighted areas of various on-going efforts in such areas as employment, health, welfare, housing, recreation, and education.
- The Program will draw upon existing programs and upon methods used elsewhere to develop new means to meet needs.
- The Program will identify areas in which the private sector can and should make a greater contribution.

2. States' Urban Action Center

To assist in accomplishing this, we recognize the need for a new mechanism to bring expert guidance and advice on developing and implementing specific programs to meet our particular needs.

Accordingly, we endorse the States' Urban Action Center. We will work with the Center and fully utilize its assistance in implementing specific programs in individual states. The Center will:

- provide a team of experts in the various program areas to help tailor specific proposals to the particular needs of those in individual states,
- provide "trouble shooting" assistance to individual states faced with special problems in implementing action programs. and

-- receive and disseminate information on steps taken by the several states to implement action programs so that all states may benefit from the experience of each individual state.

This non-partisan Center will complement the mission of established organizations such as the Council of State Governments, the National Governors' Conference, and the Advisory Commission on Intergovernmental Relations.

The Center is designed solely on a service basis for the states. The emphasis of the Center will be on action rather than on study. It will work closely with Governors and their staffs in making effective use of available information, proposals and resources to implement their Urban Action Programs.

III. Urban Action Program Checklist

We have agreed that each Governor will immediately develop an Urban Action Program designed to mobilize all resources in meeting the urban problems of his state. The elements of each Urban Action Program will vary, of necessity, according to the specific needs and circumstances in each state.

The following guide for action has been developed to assist the individual states in preparing their Programs. It draws heavily from the suggestions made by a number of Governors to the Advisory Committee on Federal-State-Local Relations. The checklist includes programs which have already been proven successful in some urban areas and which may be helpful in others. In addition, items are included as proposed responses to known problems which may not yet have been effectively approached.

The Urban Action Program checklist recognizes the necessity of involving all segments of our society in a meaningful response to urban problems. This response cannot be limited to public or private action alone, nor to action by any one level of government. In fact, the diversity of the elements in this checklist illustrates the total commitment needed to overcome urban unrest.

In those cases where effective implementation is predicated on joint action, or when major responsibility does not lie with State government, we agree as Governors to be the catalyst to bring together or urge action by the Federal or local governments, or the various elements of the private sector.

The Urban Action Program Checklist is a valuable resource for every one concerned with urban problems. It is obviously not all-inclusive nor are all items necessarily applicable in all situations. We will continue to build upon it, through the States' Urban Action Center, so that all may benefit from our experiences.

ORDER AND RESPECT FOR LAW

Justice and equality for all Americans is predicated upon the maintenance of respect for law.

Effective law enforcement depends on just, firm and equitable application of laws, including those designed to correct basic social ills.

It is the responsibility of government to control violence, crime, looting and all manifestations of lawlessness. In a like manner, it is the responsibility of individual citizens to respect and obey the laws by which society is governed.

To Assure Order Under Law:

- Provide for rapid and accurate intelligence: establish special intelligence mechanisms to provide information on potential social unrest; monitor effectiveness of ongoing law enforcement as a preventive measure; develop state-wide intelligence and identification system with modern communication linkage.
- Develop interjurisdictional agreements to aid in law enforcement: implement interlocking agreements between local law enforcement units; authorize fire-fighting agencies to pool manpower and equipment; provide for interstate compacts relative to law enforcement.
- Strengthen training and the capacity of state and local police: mandate minimum training for new police officers; provide regular in-service training including practice of community relations concepts; develop an action plan and provide special training for the control of civil disorders.
- Insure maximum coordination between Governors and the National Guard: recognize state manpower needs in National Guard reorganization; clarify National Guard utilization procedures in civil disorders.
- Develop and implement a statewide law enforcement plan to integrate and coordinate improved law enforcement and administration of criminal justice at all levels of government.
- Assure just compensation for law enforcement personnel: provide standard salary minimums; to recruit and retrain personnel dedicated to high professional standards; allow monies for continuing education; develop nation-wide retirement systems to allow flexibility and mobility.
- Provide legal tools needed for effective law enforcement: provide full-time legal staff for large police departments; strengthen laws against organized crime and the use of narcotics.

- Assign responsibility for coordinating activities following a disorder: develop capability of state and local civil defense agencies to coordinate social services; assure smooth resumption of services by regular agencies.

To Correct Social Ills:

- Enact and enforce provisions to protect citizens against consumer fraud and usury: require accurate labeling of prepackaged products; limit installment charges; curb false advertising; crack down on loan shark racket.
- Provide for full enforcement of health, sanitary and housing codes: provide for the use of "receivers" and compulsory repairs; develop model codes for housing; provide financial assistance for code enforcement.
- Strengthen laws relating to juveniles: tighten laws against sales of narcotics to minors; control use of hallucinatory drugs, amphetamines and barbiturates; provide for effective rehabilitation programs.

To Foster Respect for Law:

- Develop effective community relations programs: dramatize the role, value and procedures of law enforcement officials; insure that officers are conversant in predominant language of policed area; encourage police participation in community service program.
- Promptly investigate charges and insure action against law enforcement personnel who abuse their authority: develop complaint mechanisms and internal controls in major departments; assure adequate review by governmental superiors; give full publicity to departmental hearings.
- Provide for prompt arraignment and an equitable system of pre-trial release: develop twenty-four hour courts; provide for non-bail release of offenders with major community ties; provide for public defenders.

FULL PARTICIPATION BY ALL PEOPLE IN THE PROCESS
OF GOVERNMENT

To establish real participation by our citizens in the process of orderly government, accent must be on the use of the ballot by every citizen.

There must also be a regular dialogue between all segments of the community -- particularly with those of the disadvantaged and minority groups. This dialogue is vital if government is to accurately assess and move to meet the needs of its citizens. In turn, our citizens need to know of programs, plans and services designed to provide full opportunity for them.

Likewise, full participation by all citizens in the development of programs leading to effective action must be assured if frustrations are to be overcome.

To Assure full participation:

- Provide for participation by all citizens in the election process: guarantee every person entitled to vote the free use of his franchise; support and encourage voter registration campaigns for all types of elections.
- Foster dialogue between citizens and government: create and support human relations agencies or commissions at local and state levels; encourage dialogue between people of majority and minority groups; establish training laboratories in community relations; establish government neighborhood information centers in urban neighborhoods; operate mobile information units.
- Encourage community improvement groups: provide state aid and technical assistance to such groups at municipal and neighborhood levels to help shape creative and cooperative programs to deal with community ills and to provide a forum for all citizens including the disadvantaged and minority groups.
- Assure representation of all citizens: recognize the responsibility to have the views of all citizens adequately represented in the governmental process; assure direct or indirect representation on official policy-making bodies.

PHYSICAL REHABILITATION OF BLIGHTED AREAS

The environmental deficiencies of blighted areas are important elements of individual frustration and social unrest.

Substandard and deteriorating housing, schools, and recreational areas, community facilities and services occur in large and significant areas of our urban centers. The present level of commitment has not resulted in substantial change.

For the majority of those who live in these areas, flight to new locations is not feasible. Total and comprehensive transformation of these slum areas must be undertaken immediately.

To Accelerate Effective Rehabilitation:

- Marshal public and private resources: effect a complete and basic transformation of blighted areas; undertake comprehensive "new neighborhood" projects including housing, commercial, industrial and recreational facilities; provide incentives to facilitate investment of private capital on a scale commensurate with the magnitude of the problem; innovate programs whereby all public, federal, state, local and private resources are coordinated to bring about comprehensive and multi-purpose facilities which could combine such uses as housing, education, recreation and commercial.
- Provide state financial assistance for urban programs: share local matching requirements of federal programs; seek changes in federal legislation to allow state and local pre-financing of federal urban development programs;

rent receivership laws; aid local governments for adequate collection and disposal of garbage and solid waste; support programs to control the rodent and roach problem; assist programs designed to assure adequate mass transportation.

- Develop mechanisms to insure the opportunity for better housing for the disadvantaged: encourage home ownership and property improvement through tax incentives and banking and investment pools; seek zoning policies to overcome social, economic and racial segregation; support open housing legislation and its effective implementation; require real estate agents to make lists of rental and sale properties available to every client; assure the ability of purchase and maintain insurance in inner city areas.

IMPROVED EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES

In spite of legislation and programs designed to achieve equal opportunity for all of our citizens, true equality of opportunity is not yet a reality for many Americans.

The chance to benefit from a good education and have an equal chance to get a rewarding job have been and still are denied to many.

State government must reassess its present programs, and where necessary, develop new programs and approaches to assure that all citizens are in fact offered the opportunity to receive an education which develops their potential to the fullest and results in gainful employment.

The well-being of all citizens depends on the achievement of these objectives.

To Achieve Educational Excellence for All:

- Provide pre-school children with experience: enable them to benefit fully from elementary school; provide coordinated state assistance for pre-school programs; recruit volunteers who are especially gifted in working with young children.
- Improve elementary and secondary education: provide state aid to help meet the special problem of slum area schools; identify talented youngsters who are not attaining their potential; recruit volunteers to provide additional help to students; establish work-study programs for those who need to work to stay in school; encourage college students and graduates from slum areas to stimulate students to continue their education; establish state-wide teachers reserve to encourage trained but inactive teachers to return to teaching on a full or part-time basis.
- Expand college opportunities: provide state scholarship and student loan programs to assure that no youth is denied the opportunity for a college education because of the lack of financial resources; develop special tutoring programs to help those capable of doing college work who need special help to meet college entrance requirements; work-study programs; create urban college centers or universities-of-the-streets to offer diverse

- Improve and expand vocational education opportunities: review current vocational education courses to assure that they reflect labor market conditions; establish a vocational education system without entrance requirements.
- Expand adult basic education programs: provide facilities in or near blighted areas; time convenient for neighborhood residents; provide child care services.
- Make schools a year-round community focal point: encourage parents to take an active interest in their children's education; use facilities for recreational, cultural and civic activities; use schools and local libraries for special music and reading hours for children and adults; establish additional summer school programs.

To Expand and Improve Employment Opportunities:

- Increase job opportunities: recruit, train and hire slum area residents for public employment; provide tax incentives for industry and business to locate in blighted areas; provide neighborhood counselling to small business in urban areas; encourage industry and labor to expand job opportunities through across-the-board hiring of disadvantaged persons; promote and enforce equal employment practices in both public and private employment; use career fairs to publicize availability of jobs; utilize mobile employment units to bring employment information to the unemployed.
- Increase and improve training programs: establish state manpower training program to supplement federal programs; expand apprenticeship training programs in cooperation with unions; promote apprenticeship training in small establishments; set up mobile units for "instant" testing services to discover aptitudes and potential employability; establish mobile community colleges to provide immediate training in employable skills needed for which openings are available; provide training to develop job counselling personnel; expand use of business and industrial facilities and staff for on-the-job and other training.
- Enhance the opportunity of individuals to participate in training programs and benefit from job openings: provide subsistence allowances for job trainees; provide local day care services to help parents who want to find employment; provide incentives for welfare recipients to undertake training and employment by permitting income plus welfare benefits to total more than the amount they would receive under welfare benefits alone; provide neighborhood vocational counselling units.
- Initiate special efforts to help unemployed youth: develop summer employment programs for disadvantaged young people; develop work-experience type projects in state and federal parks and forests or other governmental operations; provide part-time employment opportunities for school-aged young people during the school year.

FULL AVAILABILITY OF EFFECTIVE SERVICE
TO THE INDIVIDUAL

A more complete and accessible range of social services for those now living in blighted areas must accompany the physical improvement of such areas.

If families now caught in the vicious cycle of poverty and discrimination are to be able to participate fully in the American society, a wide range of health, welfare, recreational and cultural opportunities must be made available.

At present many of these services do not effectively reach disadvantaged citizens. Furthermore, these services are often fragmented and uncoordinated.

To Assure Effective Services:

- Provide convenient and coordinated services: develop comprehensive one-stop government service centers; establish urban extension programs; organize and promote programs to bring together volunteers who want to help those in need; provide for neighborhood day care centers.
- Provide ready access from blighted areas to the rest of the metropolitan area: develop special public transportation for blighted areas; encourage highway development which does not isolate the core areas.
- Meet the unique health and mental health needs of disadvantaged persons: implement rat control programs; develop neighborhood clinics; provide health guide programs; construct community mental health centers.
- Provide adequate consumer protection and education programs: utilize special state agency to investigate consumer frauds, protect against charity frauds, regulate real estate syndicates, protect public from deceptive practices.
- Develop an interstate cooperative training and orientation program: provide help for those who have moved or are planning to move from a rural to urban areas.
- Expand cultural opportunities in blighted areas: make governmental facilities available for exhibitions; finance artistic and historical exhibitions and performances; finance and provide technical assistance to individuals or groups who wish to sponsor cultural events; encourage private resources in the development of neighborhood centers; provide transportation from blighted areas to specific educational and recreational events; utilize unused community lands as cultural or recreational areas.
- Reassess present programs: assure full relevancy to those for whom the program was designed.

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

November 6, 1967

EXECUTIVE DIRECTOR

MEMORANDUM TO THE COMMISSION

SUBJECT: Advisory Panel on Insurance

The enclosed press release will bring you up to date on the activities of the Commission's Advisory Panel on Insurance in Riot-Affected Areas.

The Panel will be holding hearings in Washington next Wednesday and Thursday. Since the Commission will also be holding hearings on Thursday, we have asked members of the Panel, including Governor Hughes, to join the Commissioners informally for lunch.


David Ginsburg
Executive Director

Enclosure

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

OFFICE OF INFORMATION
382-8521

October 26, 1967

FOR IMMEDIATE RELEASE

The President's Advisory Panel on Insurance in Riot-Affected Areas announced today that it is considering a four-part program to help make property insurance more widely available in center city areas.

Governor Richard J. Hughes, the Chairman of the President's Panel, said the program involves:

- "Urban Area Plans": to inspect properties individually and provide insurance if they are in adequate condition (as recommended by the Panel on September 15);
- Industry pooling on a state or national basis: to mobilize effectively the full resources of the property insurance industry, and to spread equitably throughout the industry insurable risks that individual insurance companies are reluctant to accept;
- Possible government backup of the industry pool and of riot losses incurred by members of the pool, first by the states and, if necessary, then by the federal government;
- Possible tax measures: to increase the reserves that insurance companies and industry pools can accumulate to pay for extraordinary losses such as from riots.

The Panel released this tentative outline of a program to focus public discussion and to stimulate suggestions by all interested persons. The Panel is holding open hearings in Washington, D. C., on November 8 and 9, and invited public comments and advice.

The Panel pointed out that both regulation of the insurance industry and the urgent need for restoring blighted areas are primary responsibilities of the states. It said that nothing in its program would alter this traditional pattern. If any federal government commitment is needed, it would be as a supplemental financial backup for a concerted state and industry effort.

The Panel also solicited comments about the especially troublesome insurance problems encountered by small businessmen in center city areas. The Panel noted that insurance coverage against crime seems to present more difficult problems than the other kinds of property insurance.

The target date for the Panel's final report is December 15, 1967.

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THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

OFFICE OF INFORMATION
382-8521

October 26, 1967

FOR IMMEDIATE RELEASE

Governor Richard J. Hughes, the Chairman, issued today the following statement on behalf of the President's National Advisory Panel on Insurance in Riot-Affected Areas.

In addition to Governor Hughes, other members of the Panel, which was appointed by the National Advisory Commission on Civil Disorders, are former Governor William Scranton, Vice Chairman; Walter Washington, Commissioner of the District of Columbia; Frank Farwell, President of the Liberty Mutual Insurance Company; George Harris, President of the Chicago Metropolitan Mutual Assurance Company; A. Addison Roberts, President of the Reliance Insurance Company; and Frank M. Wozencraft, Assistant Attorney General.

* * *

The President, in establishing the National Advisory Commission on Civil Disorders, said, "Let us clear the streets of rubble and quench the fires that hatred set. Let us feed and care for those who have suffered at the rioter's hands--but let there be no bonuses or reward or salutes for those who have inflicted suffering."

Everyone who witnessed the violence that occurred this past summer knows of its tragic effects on people and property. Those who suffered most were the innocent victims who lived and worked in riot-torn areas. Fortunately, a great many of these people had insurance.

Insurance plays a crucial role for individuals in our society. By paying reasonable premiums, an individual can acquire security against the losses resulting from a sudden disaster to his home or business. These premiums, when pooled, create a source of payment to people who have losses; and thus the risk of loss is spread among the broad group of those who have paid the premiums.

One of the questions of greatest concern now is whether responsible people who restore and maintain their property can continue to obtain insurance. The problem is most severe in urban areas torn by riots. But it is present to some degree in all cities.

For a number of years, it has been becoming more and more difficult in our center city areas to obtain adequate insurance at rates which people can afford to pay. The riots have accentuated this critical problem.

The immediate and practical task is to stop this drying up of the center city insurance market. Home owners and businessmen with insurable property must be able to purchase the protection they need.

The National Advisory Panel on Insurance in Riot-Affected Areas has been asked by the President to look into the availability of property insurance in center city areas. Our members include a Governor and a former Governor, the Mayor of Washington, the presidents of a leading stock insurance company and a leading mutual insurance company, the president of a life insurance company that invests heavily in center city property, and an Assistant Attorney General. We believe that out of this composite of private and public experience, a balanced view can result, one that gives full weight to the various interests that must be drawn together to achieve a workable solution.

On September 15, 1967, we issued a statement setting out the first part of our program. We called upon state insurance commissioners and the industry to maintain the urban market. We also called upon them to adopt Urban Area Plans, under which no one is denied insurance without a justifiable reason based on an actual inspection of his property.

We are gratified by attempts that are being made to stabilize the situation. Insurance companies generally are cooperating to maintain the market and to prevent further deterioration. State Insurance Commissioners and other concerned state and local officials are working to develop Urban Area Plans and other programs needed to improve the center city market.

On October 20, 1967, the Executive Committee of the National Association of Insurance Commissioners, at the recommendation of its Select Committee on Insurance Problems of Civil Disorders, took an important step by calling for:

- Federal tax deferral to enable companies to establish more adequate reserves for losses from catastrophes such as riots.

- Consideration of urban area inspection plans (of a kind suggested by the Panel on September 15), and assigned risk pools for property insurance on a voluntary or compulsory basis where helpful to provide the needed insurance market for insurable property.

State regulation of the insurance industry is traditional in America. In 1945, the United States Congress reaffirmed this pattern by enacting the McCarran Act. This Panel does not suggest that the pattern should be changed. We feel strongly that forceful and constructive action at the state and local level, in cooperation with the industry, is essential to resolving urban property insurance problems. If federal assistance is needed, it should be to supplement state and local action, not to displace it.

The Insurance Advisory Panel has carefully considered many proposals, including the following:

- Industry pooling, compulsory and voluntary, on a state or national basis:
 - . to spread marginal risks widely and equitably throughout the insurance industry
 - . to spread the risk of loss from riots.
- State or federal subsidy payments to enable property owners to purchase insurance at lower cost.
- State or federal loans for improvement of property to make it insurable.
- A state or federal insurance corporation to write insurance for urban residents and businessmen who cannot secure adequate coverage at reasonable rates from private sources.
- State or federal reinsurance against the risk of loss from riots.

Each of these proposals raises difficult issues. We feel that it will be useful in focusing public discussions to indicate some tentative views of the Panel. We offer these views in broad outline to stimulate the suggestions of all interested parties.

We are holding open hearings in Washington on November 8 and 9. In addition, we welcome written statements at any time. Constructive

contributions on the part of many people are vital to a solution of these complex problems. Our views are not final, and our ultimate recommendations will reflect the benefit of further study.

There are four major aspects to the program we are considering: Urban Area Plans; Industry Pooling; Government Backup; and Tax Measures.

Urban Area Plans mean that individual properties are inspected and must be insured if in adequate condition. That is why, in September, we recommended the adoption of improved plans with broad coverage to make property insurance more widely available. But as we also indicated at that time, any program adequate to serve the public interest may need to go beyond the Urban Area Plans.

Experience with existing Urban Area Plans indicates that a very large percentage of properties inspected will meet the necessary standards, and will be insured in the regular market.

Some property, however, will remain uninsurable after it has been inspected. This property falls into two broad categories.

The first is property that is uninsurable because it is itself in hazardous condition and the owner either cannot or will not repair it. This property cannot and should not be insured. It should become the target for programs, such as Model Cities, designed to revitalize blighted areas.

There is another kind of property, however, that is also uninsurable, but for reasons that are beyond the owner's control. For example, there is property that is well-maintained itself, but is located near particularly high risks. A building that is in good condition may adjoin a fire trap. Such a building is subject to what might be called an environmental hazard.

We believe it is important to develop a mechanism through which the property owner who cares for his property can acquire insurance without being unfairly penalized because of his neighborhood. The responsible owner should be encouraged to maintain and improve his property, knowing that if he does so he will be able to get insurance.

We are therefore considering whether industry pools should be formed to provide high-risk coverage and to spread this coverage equitably among all insurance companies. Where the inspection report from the Urban Area Plan shows that the property would normally be considered

uninsurable for reasons beyond the control of the owner, an individual company which nevertheless insures the property could place up to 100% of the risk with an industry pool.

There are many ways in which an industry pool can be organized. It can be a voluntary association of insurance companies or it can be compulsory, pursuant to state or federal legislation. At present there are both state and national pools created for various purposes.

State pools have the advantage of tying in closely with patterns of state activity and being closely attuned to local needs. A national pool can have the advantage of mobilizing greater resources and focusing public attention at the national level on problems that affect so many local areas that they should truly be regarded as a national problem.

We believe that it is possible to make either workable. We are well aware, however, of the complexities of pool arrangements and the need to be sure that they will operate on a practical basis.

A basic question with both insurance pools and the regular insurance market is the rate to be charged. Premiums should be adequate for the risk a company is insuring. Insurance can operate on a private enterprise basis only when company income is adequate to pay for the losses incurred. But, premiums must also be commensurate with what the public can afford.

We believe that a constructive approach must start by recognizing that regulation of insurance rates has always been a state function. It falls to the states to take responsibility for premium levels. If it is clear that premiums are too high for people to afford, then--and only then--is a subsidy to be considered.

We recognize that the marginal risks accepted by the insurance pool might well produce excessive losses. If these losses are beyond a level that private companies can absorb, a financial backup by government may become necessary. This would, in effect, spread the risk of environmental hazards throughout society.

We all recognize that primary responsibility for revitalizing center city areas rests with state and local governments. Accordingly, state government should provide for the initial financial backup.

State participation could well be sufficient to neutralize the above average risk of the pool. Only if this is inadequate to the task should an ultimate

federal financial backup be considered. It must be recognized, in this connection, that if the federal government is to be asked to subsidize, it cannot ignore the underlying premium levels and risk exposure that directly affect the amount of the subsidy.

It is important at this stage to make a clear distinction between two problems: One, the need to make insurance available to responsible owners of homes and businesses in our center cities; and two, making sure that the possible losses from this market do not exceed what the individual company or industry pool can reasonably be called upon to bear. Only after the industry and states have initiated affirmative action to solve the first problem of making adequate insurance available, should the possibility of federal government financial backup be considered with respect to the second problem.

Any government program in this area must be carefully evaluated from the standpoint of realistic estimates of cost. Only then can it be determined whether taxpayers can afford the program, and whether the funds required could be better utilized in other ways.

We are also very much aware of another aspect of any program--how to get it started rapidly and effectively. Initiating programs which require action of fifty separate states, or even a handful of states, may take considerable time. It is sometimes more expeditious to organize a national framework within which the states can then operate.

We have not yet decided whether national action is necessary to assist the rapid development of such programs. There are indications that forward-looking states and a cooperative industry may be able to accomplish their task alone. Problems are undoubtedly more urgent in some urban areas than in others. We are giving careful consideration, however, to the problem of getting the program quickly under way.

So far, we have been viewing the insurance industry pool as a means of insuring property that companies individually would not insure. The pool could also serve a second purpose. It could spread the risk of losses from catastrophic riots.

We strongly believe that insurance companies should continue to include protection against riots in their standard insurance policies. As we reported earlier, the insurance industry is well able to bear losses of the magnitude of those sustained this summer. Some companies are concerned, however, about the possibility--however remote--of larger

losses. They want insurance against this kind of unlikely possibility just as other businessmen want insurance against other unlikely risks.

To protect against such possibilities, and to make sure that the insurance industry meets its responsibility to provide insurance for center city areas, the industry pool could provide financial backup in the event of excessive riot losses. This backup would apply to riot losses on all insurance written in the regular market by members of the pool, and not just to that small portion of their business that is actually placed in the pool.

Beyond the level that the pool can reasonably be expected to bear, government financial backup might then be provided. Here again, the backup should first be provided by states. Only if state capacity is inadequate should federal backup be considered.

In addition, state and federal governments might defer taxes on reserves accumulated by insurance companies and industry pools, to increase the industry reserves available to meet catastrophic losses.

We must recognize that any such tax measures involve a government subsidy. The questions again become, what does it cost and is this the most effective program for the amount of money involved?

If federal tax measures are needed, they could be carefully conditioned on investment of the reserve in appropriate federal bonds. The bonds would constitute a ready asset on which the companies could draw to pay catastrophe losses. The bonds should be non-interest-bearing and non-transferrable. This would reduce the cost of the tax measures.

In addition, availability of any government financial backup--either by direct government payments or by income tax deferral--could be limited to companies meeting certain conditions. For example, to be eligible for government financial backup for riot losses, a company would have to agree to participate in an Urban Area Plan and in an industry pool for insuring property exposed to environmental hazards.

Any government program should be designed to phase out after it has done its job of assisting industry to meet the current problems of the center city insurance market. Under any program, industry should have an incentive to develop the capacity in a reasonable time to handle this market without government assistance.

* * *

When the President established the Commission on Civil Disorders, he asked the newly appointed members a series of questions. Four of these questions have been important guides for the Insurance Panel's work:

- Who suffered most at the hands of the rioters?
- What can be done to help innocent people and vital institutions escape serious injury?
- How can groups of lawful citizens be encouraged, groups that can help to cool the situation?
- What is the proper public role in helping cities repair the damage that has been done?

We believe that the program we have outlined, which we will continue to study and further develop, can be an important part of the answers which the Commission on Civil Disorders will provide to these questions that the President has asked.

The program would offer incentives for property improvement to owners. It would enable the private insurance industry to provide an adequate insurance market. It would encourage the reduction of environmental hazards which now make property uninsurable. And finally, it would provide a structure for cooperation by the public, the insurance industry, and all levels of government in solving the insurance problem.

We welcome comments on the outline that we are presenting today.

There are other matters related to this program on which we are also working.

For example, the President recently directed the Department of Commerce to head up a pilot program for bringing private industry into center cities to provide manpower training. The Panel has been assured by leading property insurance companies and trade associations that they will be fully behind this cooperative effort.

There are, as well, many approaches being considered by this Panel and in the Congress, for providing additional protection to small businessmen in center city areas. We recognize the especially troublesome insurance problems which these businessmen encounter, and are considering how these problems might be met within the framework of our basic outline.

'At the heart of the small business problem is the high cost of burglary and theft insurance. For a number of reasons, such coverage has never developed as a general form of insurance at low rates in the way that fire and extended coverage have.

Perhaps a pilot program should be designed to assist the store owner to take measures reducing his risk of loss from crime, with an element of subsidy to help essential businesses in ghetto areas to purchase crime insurance. Or the amount that such a program would cost might be better spent to attack the root problem of crime itself. We especially welcome comments on the insurance aspects of this problem.

Our report in December will contain a good deal of information which will be useful to those who must implement the program we are propounding.

Our responsibility will be discharged, we believe, if we can clarify the roles which many people and groups will have to play to solve this problem. It would be too much to expect that everyone will agree with our conclusions; but we do hope to provide a framework for responsible accommodation of differing points of view.

Our goal is to design a practical and effective program for protecting the public's right to adequate insurance. Our aim is to add to the effort that in the President's words, "can set in motion forces of change in great urban areas that will make them the masterpieces of our civilization".

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

EXECUTIVE DIRECTOR

November 6, 1967

MEMORANDUM TO THE COMMISSION

Subject: Meeting and Conference Schedule,
November 9-12

THURSDAY, NOVEMBER 9

Hearings, Room 446, Executive Office Building.
(A detailed schedule of witnesses is attached as
Appendix A.)

10:00 a.m.	The Family in the Ghetto.
12:15 p.m.	Informal lunch with members of Commission's Advisory Panel on Insurance in Riot-Affected Areas.
1:45 p.m.	The Administration of Justice During Civil Disorders.

(No dinner meeting. We hope that Commissioners will
be able to use the evening to review materials sub-
mitted for discussion at Friday's business meeting.)

FRIDAY, NOVEMBER 10

Business meeting; opening of Poughkeepsie Conference.

9:30 a.m.	Business meeting of Commissioners, Pan American Room, Statler Hilton Hotel. Lunch in meeting room.
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- 2 -

2:50 p.m. Charter bus leaves Statler Hilton
for Andrews Air Force Base.

4:00 p.m. Air Force flight from Andrews to
Poughkeepsie.

6:00 p.m. Arrive Poughkeepsie.

6:30 p.m. Arrive, The Homestead, check into
hotel rooms.

7:00 -
8:15 p.m. Reception, Poughkeepsie Golf &
Country Club.

8:30 p.m. Dinner, The Homestead.

(A complete schedule for the Conference is attached as
Appendix B.)

SATURDAY, NOVEMBER 11

Media Conference, The Homestead, Poughkeepsie.

9:30 a.m. -
4:30 p.m. Roundtable sessions, The
Homestead.

5:00 p.m. Air Force plane returns to
Washington (with stop in New
York City) for Commission
members unable to remain
through Sunday.

- 3 -

6:30 p.m. Reception and dinner, Altamonte
Inn, Millbrook, New York.

(A complete schedule for the Conference is attached
as Appendix B.)

SUNDAY, NOVEMBER 12

Media Conference, The Homestead, Poughkeepsie.

9:45 a.m. -
4:00 p.m. Roundtable sessions, The Homestead.

4:00 p.m. Conference ends.

(A complete schedule for the Conference is attached
as Appendix B.)

4:30 p.m. Air Force plane returns to
Washington (with stop in New
York City).

D.G.

David Ginsburg
Executive Director

Enclosures

APPENDIX A

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

HEARING SCHEDULE, THURSDAY, NOVEMBER 9
ROOM 446, EXECUTIVE OFFICE BUILDING

- 10:00 a.m. The Family in the Ghetto.
- Dr. Hyman Rodman, Merrill-Palmer
 Institute, Detroit.
- Dr. John Mogey, Professor of
 Sociology, Boston University.
- Dr. Eliot Lebow, National Institute
 of Mental Health; author, Talley's
 Corner.
- 12:15 p.m. Informal lunch with members of the
 Commission's Advisory Panel on
 Insurance in Riot-Affected Areas.
- 1:30 p.m. The Administration of Justice During Civil
 Disorders.
- 1:30 -
3:00 p.m. The Problem.
- Honorable John Conyers, Jr.,
 Congressman, First District,
 Michigan (accompanied by Leon
 Atchison, Rep. Conyers'
 administrative assistant in
 Detroit).

- 2 -

Honorable John C. Emery, Judge,
Recorder's Court, Detroit;
Chairman, Legal Aid and Defender
Association, Detroit.

Ronald Goldfarb, attorney; consultant
to the Commission.

3:00 -
5:15 p.m.

Program Proposals.

Honorable Cyrus Vance, formerly,
Deputy Secretary of Defense;
President's representative in
Detroit during the disorder; member,
Board of Directors, Lawyers Committee
for Civil Rights. (The Report on
Detroit prepared by Mr. Vance and
sent to each Commissioner in
September has a section on the
Administration of Justice that
Mr. Vance recommends as background
to his testimony (Report, pp. 41-47;
62-65).)

Thomas Sheridan, attorney, Los
Angeles; Executive Director and
General Counsel, McCone Commission;
Chairman, American Bar Association
committee on the administration of
justice during disorders.

A representative from the Department
of Justice.

EVENING. No dinner meeting. We hope Commission members will
be able to use the evening to review materials sub-
mitted for possible discussion at Friday's business
meeting.

6:30 p.m. Reception and dinner, Altamonte
Inn, Millbrook, New York.

(A complete schedule for the Conference is attached
as Appendix B.)

SUNDAY, NOVEMBER 12

Media Conference, The Homestead, Poughkeepsie.

9:45 a.m. -

4:00 p.m. Roundtable sessions, The Homestead.

4:00 p.m. Conference ends.

(A complete schedule for the Conference is attached
as Appendix B.)

4:30 p.m. Air Force plane returns to
Washington (with stop in New
York City).

D.G.

David Ginsburg
Executive Director

Enclosures

National Advisory Commission on Civil Disorders
Media Conference.
(The Homestead, Poughkeepsie, N.Y., November 10-12, 1967)

FINAL AGENDA AND TOPICS

Friday, November 10:

- 4:00-6:30 p.m. Conference participants arrive at The Homestead.
- 6:00 Limousines available for transportation to reception.
- 6:30-8:15 Reception at Poughkeepsie Golf & Country Club.
- 8:30 Dinner and conversation with the Commission at The Homestead.

Saturday, November 11 - "The Media in the Riot City"

9:30 a.m.-12:30 p.m.

Television Roundtable (Chairman: Burke Marshall).

I. Problems of liaison and communication between media personnel and police, city government, and ghetto leaders.

- 1) How to establish effective lines of communication between television editors and official police sources; how to make these channels operative when a disturbance begins; how to keep in touch with the activities and ideas of city officials.
- 2) Problems of communication for reporters covering riots: getting to the police; checking out official information; communicating the situation to editors.
- 3) The problem of rumors: methods of checking reports of disturbances and verifying information - (a) within the ghetto; and (b) with police and city officials; techniques for identifying and separating out genuine news items; how hard should a story be before it gets on the air?

II. Opportunities for and problems of self-imposed restraints.

1) Are any restraints on the reporting and broadcasting of news ever justified? Should "news judgment" in reporting on riots include elements of self-censorship, or should television just tell what happened?

2) If restraints are justified, then

(a) what general guidelines should be followed?

(b) what approaches should be made to such specific problems as (i) agitators who rely on media reports of their speeches and press conference statements to foment disturbances. Can we report these yet avoid making public figures out of fringe agitators? (ii) rumors (even verified ones) that disturbances are planned for or will take place at a particular time and location. Are reports of impending trouble legitimate news? (iii) small, potentially explosive incidents in ghetto neighborhoods. Does it make any difference to the course of a riot how television reports such incidents - for example, whether such incidents are bulletined immediately or delayed for scheduled newscasts? (iv) portrayal of riots and minor disturbances in other cities. Does prominent display of such events contribute to the development of trouble at home?

3) Codes, guidelines, embargoes: the problems and possibilities of delaying reports of actual events; experience with existing codes and guidelines.

9:30 a.m.-12:30 p.m.

Newspaper and Periodical Roundtable (Chairman: Richard T. Baker)

I. Problems of liaison and communication between media personnel and police, city government, and ghetto leaders.

1) How to establish effective lines of communication between newspaper and periodical editors and official police sources; how to make these channels operative when a disturbance begins; how to keep them open and effective under riot conditions; how to keep in touch with the activities and ideas of city officials.

2) Problems of communication for reporters covering riots: getting to the police; checking out official information; communicating the situation to editors.

3) The problem of rumors: methods for checking reports of disturbances and verifying information - (a) within the ghetto; and (b) with police and city officials; - techniques for identifying and separating out genuine news items.

II. Opportunities for and problems of self-imposed restraints on the reporting and display of news.

1) Are any restraints on the reporting and display of news ever justified? Should "news judgment" in reporting on riots include elements of self-censorship, or should the newspapers just report what happened?

2) If restraints are justified, then

(a) what approaches should be made to such specific problems as: (i) agitators who rely on media reports on their speeches and press conference statements to foment disturbances. Can we report these yet avoid making public figures out of fringe agitators? (ii) rumors (even verified ones) that disturbances are planned for or will take place at a particular time and location. Are reports of impending trouble legitimate news? (ii) small potentially

explosive incidents in ghetto neighborhoods. Does it make any difference to the course of a riot how newspapers report such incidents? (iv) reporting of riots and minor disturbances in other cities. Does prominent display of such events contribute to the development of trouble at home?

- 3) Is any code among local newspapers standardizing elements of coverage (a) workable? (b) acceptable? (c) desirable?

12:30-1:30 p.m.

LUNCH

1:30 p.m.-4:30 p.m.

Television Roundtable (Chairman: Burke Marshall).

I. The media in action during a riot: deploying the forces.

- 1) The problem of competitive pressures and duplication of effort and coverage.
- 2) Crowding of men and camera equipment as a factor contributing to the development of a riot.
- 3) Possibilities and difficulties of pooling techniques: would any sort of pooling arrangement, especially for television cameras, be feasible and acceptable?
- 4) Working relationships among reporters and policemen at the riot scene: how can they be improved and made more effective?
- 5) Training journalists to cover riots.

II. Making editorial judgments about coverage.

- 1) Major editorial decisions that must be made before, during, and after a riot.
- 2) The role of the editor in assigning, analysing, and putting the reporters' work on the air; what gets on the air and why; and where in relation to the rest of the news?
- 3) The dilemma of the journalist in publicising and inadvertently glorifying snipers, fringe agitators, and others who contribute to the exacerbation of a riot. Problems presented by describing law enforcement officials as either ineffectual and unable to control the situation, or overly brutal.

1:30 p.m.-4:30 p.m.

Newspaper Roundtable (Chairman: Richard T. Baker)

I. The media in action during a riot: deploying the forces.

- 1) The problem of competitive pressures and duplication of effort and coverage.
- 2) Crowding of men and equipment - particularly photographers - as a factor contributing to the development of a riot.
- 3) Necessity of pooling techniques and arrangements. Will they work? Will editors subscribe to them?
- 4) Working relationships among reporters and policemen on the riot scene: how can they be improved and made more effective?
- 5) Training journalists to cover riots.

II. Making editorial judgments about coverage.

- 1) Major editorial decisions that must be made before, during, and after a riot.

2) The role of the editor in assigning, analysing, and ultimately printing the reporters' work.

3) The dilemma of the journalist in publicising and inadvertently glorifying snipers, fringe agitators, and others who contribute to the exacerbation of a riot. Problems presented by describing law enforcement officials as either ineffectual and unable to control the situation, or overly brutal.

6:30 p.m.

RECEPTION AND DINNER AT THE
ALTAMONTE INN at Millbrook.

Sunday, November 12 -- "Effectiving Continuing Coverage
of Urban and Racial News."

Morning Session (9:45 a.m.-12:15 p.m.)

Television: Roundtable I
Newspapers & Periodicals: Roundtable II.

Afternoon Session (1:30 p.m.-4:00 p.m.)

Television: Roundtable II.
Newspapers & Periodicals: Roundtable I.

Roundtable I: (Chairman: Burke Marshall - morning)
Richard T. Baker - afternoon)

A constructive role for the Press in
race relations.

1) Hiring, training and using Negro reporters -
a discussion of the role of the Negro reporter
in covering racial riots, Black Power and the
self-organization of Negroes, and actual civil
disturbances.

2) The problem of a positive role for the
media beyond reportage and editorial comment.
Can the media, by special articles/programs/
and projects, help to improve race relations
and stifle riots? Could the media not just
report on the Negro revolution, but help to
develop constructive white attitudes toward
it? Is such a role a legitimate one for the
media?

12:15-1:30

LUNCH

Roundtable II: (Chairman: Richard T. Baker -morning)
Burke Marshall - afternoon)

Getting into the ghetto and getting the
news out.

1) The ghetto as part of the city: conveying
to the rest of the city an understanding of
conditions and life inside the ghetto; where
the media falls down now; how to improve

- 8 -

coverage; what to report on besides crime, violence and civil disturbances?

2) Coverage by the media of run-of-the-mill Negro news (e.g. social news: weddings, deaths, reports on PTA and community club meetings in Negro neighborhoods). Does the failure of newspapers or television to report fully on routine news of the Negro community contribute to a sense of alienation among Negroes and aloofness of disinterestedness among whites? What can be done to improve the situation? Should Negro newspapers have any role in this area?

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(A brief paper will be presented at the beginning of each roundtable topic to help focus the discussion).

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THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

Office of Information
382-8521

November 7, 1967

TO EDITORS AND CORRESPONDENTS:

The National Advisory Commission on Civil Disorders will meet in executive session Thursday, November 9, in the Executive Office Building to hear testimony on the problems of the family in the ghetto, and the administration of justice during civil disorders.

Scheduled to appear are Dr. Hyman Rodman, Senior Research Associate of the Merrill-Palmer Institute, Detroit; Dr. Elliot Liebow, Acting Chief, Special Projects Section, National Institute of Mental Health Study Center; Dr. John M. Mogey, chairman of the Department of Sociology and Anthropology, Boston University; Judge John C. Emery, Jr., of the Recorder's Court, Birmingham, Michigan; Rep. John Conyers, Jr. (D-Michigan) and his administrative assistant in Detroit, Leon Atchison; Ronald Goldfarb, attorney, Washington, D.C.; Thomas Sheridan, Executive Director of the McCone Commission, Los Angeles; Stephen Pollak, Special Assistant to the U.S. Attorney General, and Cyrus R. Vance, former Deputy Secretary of Defense and a Director of the President's Committee for Civil Rights Under Law.

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

EXECUTIVE DIRECTOR

November 7, 1967

MEMORANDUM TO THE COMMISSION

Subject: Survey Paper on Short-Term Domestic
Program Options

Enclosed is a memorandum summarizing possible program options in each of the economic and social program areas being studied by the staff.

It is intended to serve as one of the bases for discussion at the Commission meeting on Friday, November 10.

D.G.

David Ginsburg
Executive Director

Enclosure

SURVEY PAPER ON SHORT-TERM
DOMESTIC PROGRAM OPTIONS

This survey paper presents preliminary information on domestic program recommendations. It reflects the work which is contained in drafts of "Major Program Area Papers" now underway. These were described in the memo distributed to the Commissioners at the dinner meeting October 23.

This paper covers the following subjects:

1. Jobs
2. Education
3. Welfare
4. Reorganization and the Need to "focus in" on the Ghetto
5. Community Involvement
6. The Role of Private Enterprise in the Inner City
7. Youth
8. Enforcement of Existing Laws
9. Rural-Urban Migration
10. Role of Women's Groups
11. Urban Planning and Rehabilitation
12. Consumer Protection

In each of these areas, this paper focuses on immediate action options for possible inclusion in the

Commission's interim report. It does, however, also discuss measures of a more basic character to consider for the final report. Decisions made now on short-term measures must be made with attention to the longer-term policy directions that the Commission may want to preliminarily endorse, or is considering, for its final report.

The three main program areas considered in this paper are jobs, education, and welfare. Major recommendations are made in each of these areas. These recommendations form the beginning of a total approach likely to have an effective impact in helping to alleviate the basic social and economic grievances which underlie civil disorders. The fourth subject covered here involves the overall reorganization of government programs to "focus in" more sharply on inner city problems and needs. The other areas discussed are covered in less detail and, in a sense, should be seen as supplementary components to the kind of a total social action program which the Commission (now or next summer) may want to recommend.

1. JOBS

The staff is currently developing materials on federal programs to expand the job creation concept of the Neighborhood Youth Corps on a major scale for adults as well as youth. This program, in essence, is grounded

on the premise that all who are willing to work ought to be given an opportunity to do so. By way of background, facts concerning the high unemployment and underemployment of the ghetto are described in the "Major Program Area Paper" on job creation now in process.

The Senate's consideration earlier this year of the Clark emergency employment amendment to the Economic Opportunity Act is highly germane to any consideration of proposals in this area. The history of this bill is summarized as follows:

1. Basic Facts:

On October 4 the Senate defeated 54-28 a \$2.8 billion, 2-year "Emergency Employment Program" which had been approved by the Committee on Labor and Public Welfare. This program would have authorized \$1 billion in fiscal 1968 and \$1.5 billion in fiscal 1969 to initially create public service jobs for the "hard-core" unemployed.

2. Administration:

Program operators could have included either public agencies or private organizations, including profit-making organizations under contract. Preference was given to sponsorship similar to the structure of the Concentrated Employment Program (CEP) under which the community action agency serves as coordinator in most cases. However, the Secretary of Labor was given authority to fund independent projects in a given city, even if not part of the package developed by the prime sponsor.

Financial assistance was permitted up to total costs of local programs. A high proportion of project costs were to be devoted to participants' wages.

Local initiative was stressed. Local sponsors were directed to achieve maximum cooperation from local public officials residents of the areas served, and representatives of business and such private organizations as labor, civil rights, and social welfare groups.

3. Scope of Program:

Labor-intensive projects were authorized in the fields of health, public safety, education, recreation, streets, parks, and municipal maintenance, housing and neighborhood development, conservation and beautification.

"Dead-end" jobs were to be discouraged (hardly a binding requirement.) Private enterprise involvement was emphasized and the Secretary was authorized to provide financial assistance to organizations providing information and technical assistance.

4. Wages:

Wages were to be the highest of (a) the federal minimum wage, (b) the most comparable State or local minimum wage, or (c) the prevailing wage rate in the area for similar work.

5. Action on Clark and Prouty Amendments:

Republicans on the Committee with the exception of Senator Jacob K. Javits (R.-New York) opposed the program as did the Administration. The Republicans said the proposal was hastily and poorly conceived. The Senate also rejected, but

by a much closer vote of 47-42 as opposed to 54-28 on the Clark Bill, a compromise proposal by Senator Prouty. Under Prouty's plan, \$875 million would have been authorized for fiscal 1968 for emergency employment activities. Some of the funds would have been earmarked for current manpower development training programs, some earmarked for incentive payments to businesses for any above-normal costs associated with the training of the hard-core unemployed and the remainder reserved to create "meaningful" public service jobs for the jobless.

One of the major issues to be dealt with by the Commission is whether the federal government should devote substantial resources to new job creation programs and activities. In order to put this question sharply, a general proposal in this area is presented below.

The proposal urges consideration of a new job creation program in the range of \$500 million to \$1 billion in the first year. The administration estimates that \$1 billion would finance the creation of 400,000 public service jobs. They further estimate that 310,000 additional jobs for Negroes would bring the nonwhite unemployment rate down to the national average.

We recommend that very general guidelines be established whereby two-thirds of these funds would be for public service jobs (hospitals, schools, sanitation and clean-up, recreational aides, health

para-professional trainees) and one-third for private sector job creation.

In regard to private sector job creation, the Commission needs to decide whether to permit these funds to be used for wage subsidies, i.e. to compensate employers for the marginal disutility of hiring the disadvantaged. This approach is already being tried in a number of areas, thus there already is experience with techniques to do this. However, the federal government's on-the-job training program (OJT) limits employer subsidy payments to training costs alone.

While this two-thirds/one-third split probably should be flexible, the Commission might state a strong preference for private sector job creation. We believe private sector job creation is to be preferred because there is less chance that "dead-end" jobs will be created in the private, than in the public, sector. But -- and this point is important -- the set-up time and administrative difficulty is probably greater with private sector job creation. Therefore, we favor urging the Secretary of Labor to give "priority" to private sector jobs and then giving him the discretion to adjust the two-thirds/one-third ratio to do this.

Nevertheless, in the final analysis, speed is of basic importance for unemployed and frustrated ghetto residents.

We are also investigating ways of improving the organization, effectiveness, and ghetto relevance of existing federal manpower programs, such as MDTA, the Employment Service, OJT, Job Corps, NYC and others.

2. EDUCATION

The "Major Program Area Paper" on education which is now being edited explores two basic approaches to ghetto education-school integration and compensatory projects. A number of action alternatives are discussed in that paper. Among the most promising are:

(1) Increasing the impact of Title I of the Elementary and Secondary Education Act of 1965 in ghetto schools through (a) an adjustment in the allocation formula to pinpoint ghetto needs, (b) increased funds (possibly as much as double the current one billion), and (c) additional Title III funds to encourage comprehensive school planning in conjunction with the use of Title I funds.

Since Title I is the most important short-term program in this field, details on its background and operation are in order here. Following are excerpts from the draft "Major Program Area Paper" on this subject.

1. Description of Title I:

Title I provides funds for compensatory education projects in school systems in which 3 per cent or 100 children come from families with incomes under \$2000 (or over \$2000 when that income comes from AFDC payments). Funds are allotted on the basis of the number of eligible children times the state's average per pupil expenditure.

2. Impact of Title I:

In the Fiscal Year 1966, nearly a billion dollars was spent on Title I projects with 8.3 million children in 17,481 of the 27,929 eligible school districts participating in 22,173 projects ranging from hot meals to remedial reading.

-Sixty percent of the money was spent for programs for children in grades 1 through 6

-Over half the programs included instruction in reading or the English language

-Non-public schools received 6 percent of the funds.

-New staff positions totaling 381,700 were added, 200,000 for part-time and full-time teachers and 180,000 for sub-professionals and other non-teaching professionals.

-The average per pupil expenditure was \$119 with expenditures ranging from about \$31 in Hawaii to \$233 in California.

3. Evaluation:

The National Advisory Council on the Education of Disadvantaged Children which was established to evaluate Title I reached the following positive conclusions about its operation. In its January 31, 1967 report the Council found that Title I:

-was making it possible to "remove extreme hunger and unnecessary sickness as barriers to education for hundreds of thousands of children."
(p.1).

-has promoted more individualized instruction by enabling schools to add teaching and supportive personnel.

-has made a promising start in improving school libraries.

-has raised the morale of the teaching staff.

-has enabled poor schools to purchase badly needed equipment.

At this time the Council found that the major problems tied to Title I were:

-uncertainty about the future availability of funds hindering planning efforts.

-too little parent and community involvement.

-too many cases of poorly planned desegregation.

-the possibility that "in concentrating special attention upon the disadvantaged many of whom are Negroes, the local administration of Title I programs could have the effect of encouraging the maintenance of segregation."

This proposal is the largest of the education proposals made in this paper, although the discussion of year-round schools at the end of this section is another major option which could involve substantial cost.

(2) More federal aid to schools which eliminate segregation under the Equal Education Opportunities program established by Title IV of the Civil Rights Act of 1964. The Title IV program currently provides technical assistance, training, and grants to schools dealing with the problems of desegregation. This aid is generally focused in the South, but we believe the program has equal relevance for the short-term in the North. Further research on this program is presently in process to tie down costs and recommended funding levels.

(3) Strong endorsement by this Commission of community participation in education through community representation on school boards, teacher aides, open schools or whatever other pattern is appropriate to the area under consideration.

(4) We have also developed proposals to promote individualized instruction through the use of Neighborhood Youth Corps members and College Work-Study students as tutors. A brief description of the need for action in this area and experience along these lines, is presented below:

An HEW study of pre-Title I compensatory education programs found that on the whole evidence about the impact of compensatory programs is ambiguous, but that:

A strong impression gained from this examination of compensatory education projects is the great value of effective individualization of instruction.

In one particular tutoring program studied, Homework Helper in New York City, pupils in the fourth through sixth grades were tutored after school by senior high students. The high school students tutored four afternoons a week under the supervision of a master teacher and received training on the fifth. The program was initiated with a grant from the Ford Foundation primarily to provide employment for high school students but it has had significant educational impact on both the pupils and the tutors. The pupils who received four hours of tutoring showed a gain of six months on reading tests compared to a 3.5 months by the control group. An even more dramatic finding was that:

In the 6 months of the research, the mean score of the tutors improved 3.4 grade levels while the mean score of the control group improved 1.7 grade levels.

The tools for reproducing this program already exist in every major city in the country through the Neighborhood Youth Corps and the College Work-Study program. A December, 1966, memorandum to NYC sponsors suggested tutorial

programs as possible work stations and in some cities NYC students are already working in the schools or in after school education programs. But in many cases NYC job assignments are far less stimulating. Colleges and universities could be encouraged to assign more students participating in the College Work-Study program to tutorial projects.

(5) A similar proposal concerns the recruitment of Vietnam veterans as teachers for the ghetto schools. Following is background information on this proposal from the draft "Major Program Area Paper" on education.

In June, 1968, this nation will be faced with the first large influx of young men returning from military service in Vietnam. Many of these men will face a violent period of readjustment from integrated life of the battlefield to the still segregated life of the ghetto. A partial solution to both of these problems may lie in encouraging returning veterans through counseling and financial aid to enter college to prepare for careers in teaching and other social action fields.

By combining the GI bill and the College Work-Study program of financial aid it may be possible for these men to earn \$3,670 more a year while attending college for four years.

(6) Finally, we believe serious consideration should be given to recommending year round education. This can be done by combining summer school programs and the addition of education components to government sponsored

summer camps. Although this may not be short-term, we are presently assembling materials on this area.

3. WELFARE

The "Major Program Area Paper" on welfare examines action options under three federal government public welfare programs:

- Aid to Families with Dependent Children (AFDC and AFDC-UP for unemployed parents)
- Day care; and
- The work experience program under Title V of the Economic Opportunity Act.

Among the action alternatives explored in the paper are the following:

(1) Strengthening AFDC-UP (Aid to Families with Dependent Children-Unemployed Parents) by making it mandatory for the states to participate in this program as was recommended by the Advisory Council on Public Welfare. The AFDC-UP program is described briefly below:

1. Purpose

To qualify under this program, a mother need not have been deserted by or divorced from her husband, as under AFDC. The great advantage of the U.P. program is that it reaches the family while it is still intact.

In an interview, the Chief of the Family and Child Services in HEW strongly emphasized the need under this program to reach out and assist men and boys. She stressed that the state and local welfare agencies have always been in a good position to know about the absent father. UP is a program which can deal with his problems too.

2. Coverage (Only 22 States have AFDC-UP)

Despite the obvious advantages of AFDC-UP since 1961 when it was instituted, it has been put into effect in only 22 jurisdictions. They are: Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Kansas, Maryland, Massachusetts, Michigan, Nebraska, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Utah, State of Washington, West Virginia, and Wisconsin.

The draft research paper on this program concludes as follows:

It might be desirable for the Commission to consider introducing into the Social Security legislation a provision making AFDC-UP mandatory. This suggestion was first on a list of short-term proposals in the Report of the Advisory Council on Public Welfare, headed by Fidele F. Fauri, Dean of Social Work, University of Michigan. (The report, an excellent and under-used document, is entitled "Having the Power, We Have the Duty." It was issued in June, 1966.)

An attempt should also be made to urge or stimulate the states to increase the numbers of recipients covered in those states which have adopted AFDC-UP.

Another possible tack which this Commission could take would be to simply recommend a general effort to reach the unemployed male, Dr. Richard Cloward, of the Columbia University School of Social Work, emphasizes the urgency of this need:

The real problem is the unemployed male-- and he only gets on the relief rolls when he is old or physically disabled.

His status doesn't change; he's still made a moocher, whether he lives off his wife's welfare check or off her paycheck.

(2) Eliminating excessively restrictive eligibility requirements for AFDC, also recommended by the Advisory Council on Public Welfare (the Fauri Council referred to above.)

(3) Eliminating state residency requirements for AFDC.

(4) Developing other methods for establishing eligibility for welfare to eliminate objectionable welfare eligibility requirements.

(5) Recommending expansion of the Neighborhood Family Day Care program using AFDC mothers. (Under this program mothers provide day care in their homes for children other than their own,)

(6) Requiring welfare agencies to publicize the terms of all benefits and services and providing enforcement of basic guarantees such as the right to a hearing in connection with each agency action on an individual's claim.

(7) Expanding Head-Start to a year round program.

(8) Allowing participants in the Title V work experience program to retain a portion of their wages as a work incentive without having it deducted from welfare payments.

Another major category of recommendations we are considering (and which was urged by the Fauri Advisory Council) is adoption of uniform national eligibility definitions and benefit levels under federal public assistance programs (AFDC, the aged, the blind, the disabled). Following are the recommendations of the Advisory Council on Public Welfare:

1. General Proposal

The new program would require that adequate financial aid and social services be available to all who need them as a matter of right. To make this possible a new pattern of Federal-State cooperation is proposed. The Federal Government would

set a nationwide standard, adjusted by objective criteria to varying costs and conditions among the States, and assume the total cost of their implementation above a stipulated State share. The States would thus be freed to concentrate their efforts on meeting human needs, relieved of the present multiple Federal program requirements and the constant pressure to find new sources of State financing. The required components for participation in this new program are described below.

2. Assistance Standards

A floor of required individual or family income would be established for each State in terms of the cost of a modest but adequate family budget for families of various sizes and circumstances as established by objective methods of budget costing. This would constitute the minimum level of assistance which must prevail in that State.

3. Eligibility for Aid

All persons with available income falling below this established budget level would be entitled to receive aid to the extent of that deficiency. Need would be the sole measure of entitlement and irrelevant exclusions such as those based on age, family composition or situation, degree of disability, presumption of income not actually available to the applicant, low earning capacity, filial responsibility, or alleged employability would not conform with requirements of this program. Provision for immediate emergency aid when needed would also be required.

4. Eligibility Determination

Applicants for aid would establish their initial eligibility by personal statements or simple inquiry relating to their financial situation and family composition, subject only to subsequent sample review conducted in such manner as to protect their dignity, privacy, and constitutional rights.

Finally, we are also doing preliminary research pulling together materials on family allowances. It is our view that a carefully structured program in this area, with a reasonable needs test and with a work incentive feature, is the most appropriate direction for the Commission to move in the long-run in the welfare field.

4. REORGANIZATION AND THE NEED TO "FOCUS IN"
ON THE GHETTO

Having now considered the three largest domestic public service expenditure areas of importance for the ghetto, we turn briefly to general discussion of the need for reorganization to "focus in" domestic program funds and staff on central city needs.

Too many federal programs (such as FHA, the Employment Service, and the activities of the Small Business

Administration) substantially by-pass urban ghettos. There is a need to give major attention to reorganization within the Executive Office to develop an instrument closely responsive to the President to monitor federal programs and see to it that the President's principal domestic policy objectives are fulfilled.

This is not to say that many federal programs do not already respond to conditions in the cities, nor is it to say that all federal programs should be so aimed. But we must recognize that the ghetto has been by-passed and overlooked under many programs and that the time has come to rectify, insofar as we can and as quickly as we can, the effects of this neglect. We suggest:

(1) An "Office of Domestic Programs" should be established in the White House to monitor domestic programs and to serve two principal executive staff functions -- information and coordination.

(a) Information:

It should provide data on the distribution and impact of federal funds,

along with relevant economic and population statistics by area for various cities, states, localities, and census tracts.

(b) Coordination:

Its second major function should be field operations. In effect, this would be an alternative to the arrangement now being discussed to have new federal regional field offices established by the Bureau of the Budget.

With this kind of an arrangement, the President would have close to him a unit which could speak for the Administration, impressing upon the agencies the urgency of fulfilling what the President considers the central objectives of his Administration.

This is not a new idea. Senator Muskie has a similar bill which he has been pushing, and which he calls an intergovernmental relations office. The Jackson sub-committee some years ago held hearings at which many witnesses urged that this be done. Richard Boone, of the Citizens' Crusade Against Poverty, in testimony before this Commission, made a similar recommendation. Other task forces and reports have commented along the same lines. Moreover, when the Office of Economic Opportunity was set up, many felt it should have primarily staff functions. This, in fact, may now be happening.

witness the trimming by the Congress at the present time of the OEO's operational responsibilities.

(2) Related to this reorganization recommendation the federal government should underwrite and encourage the development of what are today called "Social Observatories" in the inner city. These would be essentially research agencies (some perhaps connected with universities) which would have as their purpose understanding the problems and needs of the ghetto community and probing in depth, both with additional surveys and focused research, the problems of their particular area.

The NIMH as well as certain other agencies of the federal government are already in a position to make grants for these "Social Observatories." What is needed is greater emphasis on their role and importance and also steps to tie them to the Executive Office reorganization as proposed here.

5. COMMUNITY INVOLVEMENT

The research staff now has in process an overall paper on politics and civil disorders. It covers:

(1) Political Structure: Are Negroes and other minorities kept from representation in city governments by various devices and strategies? If so, what should be recommended by the Commission in this connection?

(2) Political Instruments for Alleviating Community Tensions: What kinds of instruments (other than the police) are available for easing community tensions? For example, we are looking preliminarily at the role of Human Relations Commissions, the possibility of establishing new grievance machinery (perhaps modeled after labor mediation services); and the ombudsman idea.

(3) Community Involvement Under Action Programs: These two subjects lead into, and are closely related to, various existing political instruments and approaches now used to bring the poor into the processes and business of government.

The basic theme of our work in this area is that we must recognize and deal with the fact of deep political alienation in the ghetto. We need to work to overcome this problem by giving ghetto residents greater assurance that their grievances will receive fair hearing and that their views will be taken into consideration in designing and operating public service programs for the inner city.

Researchers working in this area are presently considering recommendations of increased funding for programs which provide flexibility in designing projects, rather than strict national standards and models which may not, or do not, fit local needs and political conditions. We are exploring how the legitimate political energies of the Negro poor in the ghetto can be made a constructive part of our political machinery.

Finally, the role and structure of neighborhood centers and special slum neighborhood health, legal aid, and other ghetto activities are being explored as areas for proposals on community involvement in domestic public service programs.

6. PRIVATE ENTERPRISE IN THE INNER CITY

Under this heading, we are considering programs through the Small Business Administration (SBA) and Economic Development Administration (EDA) to encourage more ghetto-resident owned and staffed businesses. Ways of involving insurance companies, banks, and other big

business in solving the economic problems of the ghetto are also under consideration. We expect to coordinate our efforts in this area with the work of the Commission's Task Force on private enterprise activities in the ghetto and also to draw heavily on the hearings on private enterprise investment, October 22-23.

7. YOUTH

Richardson White, Jr., of the University Research Corporation is examining the self-policing and community policing roles of such youth groups as the "White Hats" in Tampa, the "Rebels with a Cause" in Washington, D. C. and the "Blackstone Rangers" in Chicago. His research (a report on which is due Friday, November 10) will be the basis for recommendations on ways to develop year round systems to deal with tension and grievances among the ghetto's young people and to develop cooperation between groups of ghetto youths and law enforcement agencies.

8. ENFORCEMENT OF EXISTING LAWS

Adequate enforcement of existing laws offers another possible approach to solving the ghetto problems. Immediate action alternatives for increasing the impact of existing laws includes:

(1) Additional funds and cease and desist authority for the Equal Employment Opportunity Commission established under Title VII of the Civil Rights Act of 1964 (Legislation to give the Commission cease and desist authority passed the House in 1965 but failed to gain support in the Senate. The Administration supports a similar version introduced in the 90th Congress, and it is given a good chance for ultimate enactment.)

(2) Stronger enforcement of Executive Order 11246 requiring federal contractors to provide equal employment opportunities.

(3) Revisions in E. O. 11246 to strengthen it, particularly as regards labor unions. A memo to Governor Kerner from William L. Taylor, Staff Director to the U.S. Commission on Civil Rights, urged action in this area:

Federal nondiscrimination requirements concerning employment on government contracts or on federally assisted construction contracts should be changed to apply more directly to the policies and practices of labor unions. This could be accomplished by amending Executive Order 11246 to require government contractors and federally assisted construction contractors to obtain from labor unions with which they have collective bargaining agreements written assurances that the unions will take appropriate affirmative action to assure to minority group members equal access to union membership, including participation in apprenticeship programs.

Under the Executive Order, as it now stands, there is no effective remedy against a union which, through its own discriminatory practices, prevents contractors from complying with the Order's nondiscrimination requirements. The proposal would have a particular impact on opening up opportunities in certain construction trades where nonwhites either have no representation or only token representation. Although construction trades do not account for a statistically large number of jobs, effective action to open up opportunities in these trades would be of great symbolic importance and would represent clear evidence of forward movement in ending job discrimination.

Going beyond the job area, we have given thought to the proposition that the Commission should take a strong stand on open housing. This is not to say that open housing (even if it could be made to work) is an alternative to "gilding the ghetto." Rather, the availability

of "a way out" is essential, although the decision on whether to use it is a personal one.

We have done some preliminary research and have a Major Program Area Paper" in process which will detail what has been, and can be, done in this area as embodied in existing or recently proposed federal, state, and local open housing laws. Going beyond the pure enforcement approach, we are also considering a major federal technical assistance program whereby funds would be provided to help implement open housing on a voluntary basis by providing expertise at the community level to ease adjustments in this highly sensitive area.

Other and more limited short-term measures might also be considered in the open housing area. For example, the famous "stroke of the pen" order (E. O. 11063, containing anti-discriminatory requirements affecting some housing financed under Federally supported programs) could be expanded and its enforcement could be strengthened. Another area for consideration in this context is the Defense Department program (a quite successful one) to integrate off-base housing.

9. RURAL-URBAN MIGRATION

The Commission has indicated strong interest in the evidence that rural-urban migration exacerbates economic and social problems in the ghetto. Proposals on this subject were made by several witnesses at recent Commission hearings. Most of the proposals involve basic improvements in living conditions and economic opportunities in the South to stem the flow (always remembering that the choice is a personal one) of rural Southern migration to urban ghettos.

Another and less expensive approach is the establishment of information centers and related services for Southern Negroes considering migration to the North. Existing programs and federal agency recommendations in this area will be summarized in the "Major Program Area Paper" on this subject, now in preparation.

10. ROLE OF WOMEN'S GROUPS

Under Commissioner Peden, work has been done by the Program Research Staff to contact women's groups regarding their role in closing the communications gaps between

the ghetto and the rest of the urban community. We are particularly interested here in the work of the "WICS" (Women in Community Service) and plan interviews with a number of leaders of this and related groups. Our present feeling is that the Commission might consider referring to the work of groups in this field and urge greater recognition of, and participation in, these highly useful efforts.

11. URBAN PLANNING AND REHABILITATION

Although the subject of improving physical conditions in the ghetto is essentially long-range and is now being considered by two other recently established Presidential Commissions, there are short-term action options which might be considered in this field. We have some selective work in process in this area. In particular, we are exploring and will soon report to the Staff Director on the use of code enforcement and related financial assistance to improve the physical conditions of ghetto communities.

In this same general context, we are also convinced that major efforts in neighborhood sanitation services can be short-term and are both visible and important. This area is being considered and tied in under this heading.

12. CONSUMER PROTECTION

A "Major Program Area Paper" on the subject of consumer protection recommending specific actions at the federal, state, and local levels is in process and will be completed for submission to the Staff Director by November 15. It will place emphasis, among other sources, on the Commission's hearing on this subject, November 3, 1967.

A FINAL NOTE

We have planned the priorities of our work so as to prepare materials first on the basic and most costly domestic program areas -- jobs, education, and welfare -- which are treated in some detail and in a substantive way above. Many of the other areas in which the Commission

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may want to make recommendations are discussed in this memorandum in summary form with references to work now underway. We have done this to elicit your reactions to work now in process, so that they can be taken into account in the final stages of these projects.

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

EXECUTIVE DIRECTOR

November 7, 1967

MEMORANDUM TO THE COMMISSION

Subject: Attitude Survey Meeting

Enclosed is a memorandum of the staff conference with survey research scientists held in Washington on October 27, and a list of those who attended. The participants reviewed existing research in race relations attitudes and suggested new areas for supplementary inquiry.

D.G.

David Ginsburg
Executive Director

SUMMARY OF
OCTOBER 27 MEETING OF SURVEY RESEARCH SCIENTISTS
ACTIVE IN STUDIES OF NEGRO-WHITE ATTITUDES

The purpose of the meeting was to review existing research in attitudes toward race relations and to define areas for new research which might be organized through the Commission.

Currently available research includes:

1. Cleveland: A study of 9 poverty areas this past spring revealed that there is a distinct difference between the attitudes of those who believe in protest behavior and those who would restrict themselves to orthodox political activities such as voting and belonging to a political party. People who approve of protest forms such as peaceful picketing approve also of an escalated scale of actions up through and including mass violence. The survey, which covered 500, mostly Negro, indicated that 26 percent of the Negro respondents approve of violence as a means to correct what they consider grievances. Since the study excluded anyone under age 21, the percentage of Negroes that approved of violence is considered low.

Seventy-one percent of the Cleveland respondents thought that their 1966 disorders had done more harm than good. The negative reaction was attributed to the failure of the Cleveland city government to improve ghetto conditions after the riot. Twenty-nine percent of the Negroes thought the riots accomplished something by heightening black awareness.

2. Los Angeles: A 1965-66 survey mainly in the Watts area, showed that 15 percent of the sample claimed to have participated in the riots. (indicating that 50 or 60 thousand took part). One-third of the Negro respondents still spoke favorably of the disorders three to five months after quiet returned to Watts. The Negroes thought

the disorders brought sympathy and more attention to their problems. The disorders were widely regarded by those polled as a protest or a rebellion. The actions had a purpose and targets for attack were not randomly selected. A substantial number of those interviewed felt another riot would occur and between 10 and 15 percent considered violent protest preferable to either negotiations or even non-violent protest.

The Los Angeles study brought out the feeling of the Negroes that Watts involved a black-white confrontation. Social class did not relate to activities during the disorders. There was no tendency for lower class or poorly educated to dominate during the disorder. The most active people during the riots were young males with an urban background. They tended to be born in the West, with 1950's Los Angeles arrivals more active than either pre-1950 or post-1960 immigrants.

The respondents showed considerable hostility toward police and local merchants. People who were most active during the disorders also showed the most distrust for elected officials, the welfare department, the police, and the employment service. They evidenced no distrust of the Poverty Program because at the time of Watts, it was too small to be of any influence one way or another.

The most active people during the disorder uniformly sympathized more strongly with the Black Muslim movement and claimed to have witnessed or experienced police abuses more than less active members of the community. The activists saw revolt and violence as the best means for Negroes to achieve their goals. A large proportion of the sample empathized with rioters and do not morally condemn their actions.

Of the whites in Watts, 90 percent trusted the police but 15 percent of the Negroes who were arrested trusted the police and only 40 percent of the Negroes who were not arrested trusted the police. Some 70 percent of the whites felt that they had other avenues than the vote. Whites in Los Angeles trust people and institutions at a rate double that of Negroes.

The percentage of Watts whites who bought guns because of the riot was 10 percent, as was the number of whites who purchased guns in Pacific Palisades, a suburb 20 miles from Watts.

(Some members of the Commission panel felt that among whites, the levels of acceptance for violence as a last resort would probably be as high as that of the Watts blacks.)

One observer wondered why the poverty stricken whites of Appalachia do not react to their condition in the manner of Watts blacks. It was suggested that a crowded ghetto alienation escalates much faster, just as contagion spreads an epidemic disease. The scientists who did the Watts survey felt that the uprising in Watts reflected concern by the residents; that they still had hopes while in Appalachia apathy reigns.

3. The Riot and Non-Riot Cities Study: The survey attempted to create a dissatisfaction index through interviews with 1000 whites and Negroes in each city plus a survey of 30 to 40 opinion leaders on the city administration's "style" in dealing with problems. The city which showed the highest rank on the dissatisfaction scale was Cleveland which did have a riot. But the city lowest on the scale, Dayton, also suffered an outbreak of disorder.

In one city, 9 percent of the Negroes thought outsiders caused the disorder, while 34 percent of the whites believed the agitator theory. In another city, 7 percent of the Negroes accused outsiders, 56 percent of the whites. Only 9 percent of the whites believed police brutality existed compared with 40 percent of the Negroes. Such varied perceptions are seen as an almost unbridgeable gap in some cities between whites and blacks.

In San Francisco, 63 percent of the Negroes thought the riots helped, reflecting an attempt by the city to do something, while in Cleveland, only 29 percent felt that the riots brought changes. There, as noted earlier, the response to the disorders was minimal.

Based upon the opinion leaders' analyses of city administration styles, three types of reactions to racial tensions and disorders were recognized:

1. Massive Denial: Generally, this says the city has no real problems other than the trouble stirred up by agitators and conspirators.

Insincere Acknowledgement: A city administration admits to problems but substitutes a public relations snow storm for real action. Down in the ghettos the people recognize the insincerity.

3. Sincere Effort: A government says it is aware of the problem, tries to do something, admits that the situation is difficult, the solutions not readily at hand, but at least maintains communication with the ghetto.

It is the opinion of the researchers that the ghetto prefers massive denial to insincere acknowledgement since it is easier to deal with an obvious enemy. There is less hostility toward number three, sincere effort. Because Cleveland officials relied upon massive denial, even black militants forsook protest for legitimate political campaign work this summer. All Negroes could unite to elect a black mayor against the common enemy of massive denial.

This survey is now being expanded through a grant to study ten cities, north and south. Indigenous people will handle interviews and the studies of administration "styles" will continue. One looked for result is quantitative and qualitative data on trigger events, the incidents which when fitted into a "hostile belief system" result in civil disorder. There seems to be a sequential nature to triggering events. A study which shows the frequency of such incidents might be useful for predicting disorder. The panel rejected the immunization theory of disorders. There is no guarantee that having had one outburst a city will not experience another; evidence already exists where a city has been hit more than once. Some disorders do discharge tension; others do not.

4. Houston, Watts and San Francisco: This study comprises 7400 interviews and includes observations during riots. Rumor is a prevalent factor in the process of riot and particularly inaccurate rumors. For example, in Houston's disorder 57 percent of the Negroes believe the police fired first but this is not true. Another finding is that before the riot only 20 percent of the Negro population claimed to have experienced police abuse; after the riot a large majority assert they have personally undergone abuse. Before the Texas Southern University shootings most Negroes felt the mayor was doing a good job in race relations. Afterwards his reputation fell sharply.

The survey found that integration is not a prime goal in and of itself. Better schools, housing and jobs rated more important. Women were more angry than men and people who considered themselves very religious seemed much less likely to complain about grievances.

Young males appeared most likely to participate in violence. Twenty-eight percent of the Negroes asserted they had participated in some form of protest, 58 percent thought violence was okay if in self-defense; the problem was who was to define self-defense.

Again, there was absolutely no direct relationship between economic status and education and participation in street demonstrations. At the extremes, unemployed and the white collar group, high proportions believe in violence.

5. Anti-Defamation League Survey: During 1963-64, 1100 Negroes were surveyed regarding their attitudes toward the civil rights struggle and toward whites and Jewish whites in particular. Only a few major civil disorders had occurred at the time but 50 percent of the sample thought the riots did good. One-third of those questioned denied that violence would hurt the civil rights movement. Social position provided no indication of how a person felt about violence.

At this point in history, 1964, 98 percent of those who expressed a dislike for anyone, disliked Malcolm X and the Muslims. Most of the sample showed a conservative and optimistic hope for the future.

To isolate the number of people who could be classified as pro black nationalist, four questions were asked -- Do you favor a separate territory for blacks? Would you refuse to fight for the U.S.? Do you approve of Malcolm X? Do you approve of the Muslims? Only three people answered affirmatively to all four questions and only 3 percent came up with yes on two of the four. To the investigators this showed that black nationalism did not have much of a hold at the time.

The anti-white index read higher for younger Negroes but within similar education levels, Negroes when compared with whites showed less anti-semitism. Militant responses generally came from younger, urbanized, northern born males. They were also voters, read newspapers, showed social involvement. They were plugged into the world. The more militant members of the 1964 sample were not misfits or frustrated. They tended to be an elite in education and economic position. Militants showed the least prejudice towards whites. The survey probably undersampled youth.

6. Detroit: Starting a week after the riots, the survey covered 400 people. One target was to find who participated and to what extent. The survey, which is not complete, hopes to use cohort verification to see that a man actually did what he says he did during the riot. The riot itself is considered a tremendous stimuli which changes people. Many who said they looted in the beginning, were by the waning days of the disorders trying to quell the disturbance. The research hopes to measure how a person feels towards himself because such knowledge will enable one to predict how the individual will react toward a riot situation.

The Detroit social scientists conclude that the alienation of rioters differs from that of criminals. The rioter's sentiment is more akin to dissatisfaction, once they believed conditions were going to improve. They haven't withdrawn, they still care.

After some discussion it was agreed that, for the purposes of the Commission, a national survey of attitudes by whites and Negroes would not be easily applicable to the problems of individual cities. On the other hand, a

survey of one city could be misleading in terms of another one. It was also generally agreed that the white attitudes ought not to be ignored in any study.

The seminar stressed the importance of actions and operations oriented research. The research material should lead to programs that increase communications between the police and the ghetto, the local government and the ghetto, the whites and the Negroes.

It is important to learn how whites can be taught to distinguish between disorder and legitimate grievances. A survey might determine what are the limits of agreement between the black and white communities such as full employment and on such issues a joint effort could be made. How much can a mayor or corporation president move his constituents?

Of prime importance was the question of variations in white resistance to change, and white response to increased pressure from Negroes. If we can assume white resistance or intransigence toward Negro drive for improvement what offers leverage for changing white attitudes. Are there any super ordinate goals that will supersede the competing goals of Negroes and whites.

What does power mean to Negroes, do they simply want to be heard or do they want more?

Research should examine youth attitudes and aspirations since young people have figured so prominently in civil disorders.

More definitive information on who took part in disorders and their specific roles was considered worth investigating. Means to assure that people did what they said they did are necessary.

From a police standpoint it was suggested that the appeal of forceable restraint and repression to whites ought to be measured. Similarly a survey of police attitudes was deemed vital as a good many of the panelists felt part of the problem was how does one keep the police from rioting.

Other questions considered worth asking: What were-- the patterns of destruction and how selective were rioters? What was the socio-economic status of the looters? What was it for the fire bombers? Who wants to move out of the riot areas? While often rioters have been found to be people with jobs, how satisfied were they with their jobs, did they feel they were being discriminated against in matters of promotion and income?

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

EXECUTIVE DIRECTOR

November 8, 1967

MEMORANDUM TO THE COMMISSION

We have sent to you under separate cover complimentary copies of some books published by Doubleday. They are:

Taming Megalopolis (Vol. 1):
What Is and What Could Be,
Edited by H. Wentworth
Eldredge.

Taming Megalopolis (Vol. 2):
How to Manage An Urbanized
World, Edited by H. Wentworth
Eldredge.

The Guaranteed Income: Next
Step in Socioeconomic
Evolution?, Edited by
Robert Theobald.

DG

David Ginsburg
Executive Director

November 10, 1966

TESTIMONY OF RONALD L. GOLDFARB
TO THE PRESIDENT'S ADVISORY COMMISSION ON CIVIL DISORDERS

Ours is a country which honors the rule of law. Alexis de Tocqueville remarked over 100 years ago that the law and its professionals compose the true aristocracy of the United States; that the authority and influence of the legal system "are the most powerful existing security against the excesses of democracy . . . Scarcely any political question arises . . . that is not resolved, sooner or later, into a judicial question . . . The spirit of the law . . . penetrates . . . into the bosom of . . . all people . . .". Today still, Americans are taught that we are a government of laws and not of men.

Although this country was conceived in revolution, it has always prided itself on its ability to accommodate to change peacefully. With one unpardonable exception, which in large measure accounts for the problems we face today, the most basic American ideals have presumed the reality of the rule of law.

When a substantial part of the community appears no longer to be committed to the rule of law, it is a matter of grave concern. Thus, any investigation into the causes and cures of riots must give particular attention to the administration of justice.

The Commission staff will address itself to two questions regarding the administration of justice: [REDACTED] [REDACTED] we will deal with those unsatisfactory aspects of the administration of justice, civil and criminal, which may lead to riots, [REDACTED] we will attend to the special problems of coping with emergency episodes of mass disorder. The former issues pertain to making a better world; the latter aim at dealing with one upset part of the world as we presently find it. Above all, we will deal with the question -- how can the administration of justice be perfected so as to assure community peace and order consistent with honoring cherished constitutional liberties affecting the poor, urban Negro?

This country recently has begun to pay serious attention to the role of the law in ghetto life. This has been reflected in important recent Federal legislation, in Supreme Court decisions dealing with criminal law, in the poverty program and in the civil rights movement. Each of society's problems apply to the disadvantaged generally; but all have had particular impact upon the Negro. To a significant degree, and not without good reason, he has been made to feel that the law is not there for his benefit, but that it is there to operate against him. We now have the grim proof that when people do not believe that the administration of justice is truly what those words promise, the law will not remain their recourse for disputes and conflicts. Instead, they will rebel.

For the present, however, we must concern ourselves with the short-range problems -- with the symptoms, if you will, and not with the disease. Order and respect must be restored in the ghettos before grander tasks begin.

Our system of criminal justice is, at best, imperfect. And at that it is essentially a system which presumes to deal in a calculated way with single acts of crime. Its aims are to apprehend and prosecute individuals; essentially, they are neither preventive nor restorative aims. Thus, it should come as no surprise that this system fails when confronted with emergency situations arising out of mass disorder where the overriding goals must be to protect people and property and to restore peace and order consistent with constitutional law.

The participants, the processes, the very laws themselves are inapt in coping with mass riots rooted in social protest.

Thus, it is crucial to re-evaluate the administration of justice and determine what adjustments may be made in times of emergency to assure the swift restoration of order within a legal system that deals with people, who encounter it feeling that society has failed them, without affirming those convictions.

This is a particularly sensitive task dealing with important values whose balance at the best of times is delicate. Administering justice in normal times is awkward, sometimes it does not work, sometimes it is unfair. Infusing the process with masses of people in times of stress must inevitably strain the endurance of the best system. The

element of individualization which is so central to our notions of justice becomes near impossible in times of mass disorder. The adversary process, the essence of our trial system, must be sacrificed to some degree if the system is to work in these times. Special care must be used to assure that while we are meeting proper community demands for order we are respecting civil liberties, and not creating a ceremonial system of justice or a police state.

If this terribly perplexing and particularly sensitive task is to be met, the best thought must be given now to planning emergency programs for the administration of justice in times of mass disorder.

Our recent riots were the result of a long history of deprivations, often under color of law, of the American Negro. A vast range of long-term solutions have been proposed -- creating jobs, improving education and housing, increasing political participation, and others. But whatever the priorities may be, it is clear that the perfection of the administration of justice must be a key ingredient in whatever long-range plans are undertaken. However, the first task is to insure that the rule of law does not completely break down or aggravate conditions during times of stress. Unlike all other causes of riots, injustice within the system of justice itself may become at once a cause of riots as well as a reason for their continuation. Investigations of recent riots indicate that this typically is just what did happen.

Because of lack of planning there were no personnel and facilities to cope with the mass influx into the administration of justice

precipitated by the rioting. There were not enough police to insure order or administer the early stages of the criminal justice process. Lawyers were not available to prosecute and defend cases. There were not enough magistrates and judges. The bail system was perverted and this exacerbated conditions. There was mass incarceration but inadequate detention facilities to deal with it. As a result of this chaos, the system failed to insure peace and order or the conviction of the guilty; it also allowed violations of the constitutional rights of the individuals who became enmeshed in the process.

There were mass arrests -- 4,000 in Watts, 7,000 in Detroit -- of people -- both innocent and guilty. Most were charged with minor offenses like loitering and curfew violations. In Cincinnati about a quarter of the arrests were for investigative detention (illegal under Ohio law). Police and prosecutive efficiency was jeopardized; some of the guilty went free; and egregious injustices were committed upon both guilty and innocent individuals. There were mass arraignments in which large groups of defendants were lined up in courtrooms and processed dozens at a time. One judge did not even repeat his charge to each group of prisoners appearing before him. He would state to each new group: "You heard what I said to them, the same thing applies to you".

Confusion reigned. Individuals arrested in Plainfield, New Jersey, were arraigned in Elizabeth, presumably because the Plainfield magistrate was on vacation. Prosecutors had complaints against persons who had not

became a problem from Plainfield to Elizabeth, public defenders found the courts interviewing prisoners for whom written complaints had not been prepared.

Delays were common. In Detroit it took from two to four days to arraign defendants, and at one point the backlog of un-arraigned defendants rose to over 2,000.

The lines were makeshift, inadequate, and inhuman. In Watts people were taken up by a mobile police department bus with barred windows. The buses followed patrol cars picking up persons for different reasons throughout the area. Some of them were drunk and unable to control their bodily functions. The windows of the buses were closed and the atmosphere inside was stifling. Often a bus would travel three or four hours before it reached an area where booking and mugging stations were set up. Everyone in the buses, including very young children, were photographed and entered in "mug" books.

In New Haven, there was a 36 hour hiatus in arraiving prisoners because it was a Sunday and no processing was done. The confusion there was illustrated by an incident in which a defendant was picked up in a paddy wagon for walking on the street in violation of a curfew, an offense for which the local magistrate had been releasing people on their own recognizance. On the way back to the police station, the paddy wagon stopped to pick up three other men arrested for breaking and entering. At the police station all four were charged with breaking and entering and bond was set at \$1,000 for each. Eight days later, still erroneously charged, the first man was released on \$500 bail.

He had to appear in court four times before his case finally was dismissed.

This kind of system is unstable as well as ineffective and unfair. In Newark, certain mass indictment procedures (special grand juries had been spending a minute and a half per indictment) are being subjected to law suits. No doubt this will occur in other places as well.

The most common complaint about the administration of justice emanating from last summer's riots concerned bail practices. Release on recognizance did not take place; and bail was uniformly set extraordinarily high considering the nature of most of the charges. Thus, just about everyone arrested -- however pathetic or innocent -- was jailed.

In Detroit, bail for property offenses ranged from \$10,000 to \$50,000. Persons charged with serious offenses (assault) were held on bond of \$200,000. Bond for curfew violations was rarely less than \$10,000 and sometimes was as high as \$15,000 to \$25,000. Some judges instructed the sheriff not to release an arrestee even if he could afford high bail without checking with the judge who had set the bail, presumably so he could set it higher. The supposition was that anyone who could make high bail was a riot leader.

Some judges applied the policy of high bail so inflexibly that husband and wife would both be held on \$10,000 bond, while their children were at home alone.

When bail finally was reduced to relieve the strain on the Detroit detention facilities, the only criteria used were: (1) the type of offense; (2) the existence of an arrest record. No apparent consideration was given to the one proper criterion for release -- whether the defendant would show up for trial.

In Cincinnati, the practice of releasing persons on their own recognizance was abandoned allegedly because of the lack of personnel to investigate and recommend such release.

In another city (Plainfield) bail for minor offenses such as littering and failure to give an account ranged from \$350 to \$1,000.

In Watts, the district attorney asked for no pretrial releases because he had no way to develop information about who should be released and he feared that, if released, the defendants would return to the riot.

The inclination to determine bail on collateral considerations was reflected on the bench as well. "As I look out of the window I can see that we are under heavy security guard," said Los Angeles Municipal Judge Irwin J. Whran, who was hearing misdemeanor cases. "We know what we have gone through. It has reached the point of international repercussions and bail of \$1,500 is not excessive."

In Newark, one judge was reported as saying: "In spite of all the pressure there has not been one kid released back to feed this riot. It has to be very clear that where there is rioting, people are going to be locked up."

These conditions served to fan the flames of the riot instead of "cooling" things off. As people were incarcerated for failure to make bail, the rioting community became all the more explosive because the people outside were wondering what happened to their relatives and friends inside. There was no real need for these massive jailings. In Newark where neighborhood legal services officials persuaded the local judge and prosecutors to allow an ROR program, over 700 prisoners (75% of the total) were interviewed and released with 48 hours. In New Haven, a great many arrestees were released on their own recognizance once the five local bail bondsmen reached their equity limit. Only 30 of 621 defendants who were released were rearrested.

Perhaps more than any other factor, bail practices during the riots served to enrage the community and lend to the disintegration of the administration of justice process. The proper purpose here should have been to limit and contain violence while at the same time demonstrating the community's intention to be fair. The bail system, which is questionable in ordinary situations, is clearly a failure in emergency riot situations.

Immediate and special needs for counsel during riots obviously are critical.

In Rockville, Illinois, attorneys were appointed only in cases where the sentence could include a prison sentence. Yet in cases where there was only a fine, defendants who could not pay were incarcerated

to work off the fine at the rate of \$5.00 a day.

In Plainfield and Atlanta there were reports that lawyers refused to defend rioters or, if they wanted to get out of cases, would quote overly high fees.

In Detroit, some observers have reported that judges made too little use of volunteer lawyers and relied too heavily on the criminal court "regulars". Some critics charged that this was done for patronage purposes or because the regulars would more often plead defendants guilty while the volunteers demanded trials.

In Detroit some judges appointed attorneys at the rate of \$200 a day to represent all defendants (usually 70-100) needing counsel in a given courtroom. This was done in the interests of economy as the standard fee of about \$30 per arraignment would have cost the community thousands of dollars more per day. As a result though, there was no time to consult with defendants or to give truly adequate representation.

The experience in Watts showed that being represented by an attorney made a big difference. A check of over 300 cases handled by attorneys showed that the conviction rate was less than 50% and the imprisonment rate 25% to 30% -- figures below the general average. Apparently private counsel operating independently of the criminal court power structure conducted much more effective defenses than did the public defenders who, it has been said, encouraged masses of defendants to plead guilty.

One of the great tragedies of last summer's mass influx of defendants into the administration of justice process resulted from the use of grossly inadequate detention facilities.

In Detroit prisoners were crammed into garages and rooms without space or sanitary facilities. In some instances water was run over the stone floor to inhibit prisoners from lying down, assuming they could find room to do so. One defendant reported that there was not even room to sit on the floor and that they were kept penned like this without food or toilet facilities for days. Eventually a box of bologne sandwiches was thrown into the room.

In another city, buckets were used as toilet facilities.

Frequently, prisoners were moved from one facility to another and lost contact with their family and lawyers.

In Newark where masses of arrestees were brought to a local armory it often took days to locate prisoners. Their families were panic stricken. Lawyers could not locate their clients and frequently were barred from seeing them when they could find them. There was inadequate food, water, and toilet facilities.

The problem of sentencing is always particularly perplexing, requiring inspirational insights yet calling into play deep-seated predilections of individual judges. If this aspect of the decision-making process is difficult in times of reflection it is particularly confounding in times of great stress. There is evidence that many judges determined sentences less upon criteria concerning the individual crime or the criminal but in

resulting from the haste with which the trials were conducted. The pressure of the times and the lack of time or personnel to allow consideration of the individual aspects of cases contributed to the tendency to sentence categorically, en masse and for ulterior purposes having to do with the riots in general.

One Cincinnati judge testified that he determined at the beginning of the riots to give the maximum penalty to anyone convicted of riot connected offenses. He testified that 99.7% of those convicted were sentenced to penal institutions regardless of the individual aspects of the cases.

In Watts those who were sentenced close to the time of the riot received higher average sentences than did those who were tried months later for similar offenses after officials had time to cool off and reflect.

While, as the complaint has been made, there was plenty of press coverage of the rioting, the media paid little attention to the official treatment of the rioting. The criminal justice system always must be subjected to public scrutiny; it would be intolerable were this not the case during emergency situations when extraordinary procedures are employed. History has provided an ample number of sad examples of justice disintegrating in secret.

In Detroit, for example, many of the riot trials were not open to the public. The only persons present in the courtroom were the judges, lawyers and defendants. National television cameras were kept from the door. The fixed bayonet. However, justice is a public affair and the maintenance of justice at times was maintained on the procedure of the suspect.

* * *

These sad illustrations amply demonstrate that the American legal system broke down in many crucial respects during the recent riots. Much planning will be necessary in order to avoid a repeat of this kind of episode next summer. The firm application of law to quell riots coupled with the maintenance of true respect for the human dignity of all persons encountering the system is a demanding task.

Community planning for an emergency administration of justice program should involve along with agents of the local bench, bar, district attorney's office, parole office and other relevant government agencies representatives from community programs like civil rights and OEO organizations, welfare groups and law schools.

These individuals should devise their local program as soon as possible and disseminate it to key participants. Individuals who are not part of any establishment but who are representatives of the Negro ghetto should be consulted to determine the legitimate demands of the potential subjects of such a program and to assure that their attitudes are reflected in the plan.

The involvement of the broadest segment of the community in the problems of resolving riots is crucial. American communities react admirably to natural disasters; they react frighteningly to social disasters. An important part of any community emergency plan must be to educate local leadership to appreciate that a riot is a community disaster and that all parts of the community must help to end its wrath. In the past, a riot has been the signal for a pitched battle between

essential to the emergency drawing on old arguments. One of the basic features of this emergency program must be to discourage this attitude and to encourage community participation in the quelling of riots in the most feasible way.

There is a role for many groups in the community other than those which are traditionally resorted to in times of riots. When a women's group in Detroit examined conditions in a local jail they were so shocked that they recommended it be closed down. In Newark, law students were used by courts as investigators to verify key facts about arrests enabling the city to establish a pretrial release program. Juvenile agencies could be tapped for assistance in assuring special care of juveniles arrested during riots. Church groups could be used as impartial observers, both to assure the rioted community that affairs are being brought under control and to assure the rioting community that their people are being treated fairly. Other private, public interest community organizations (the Red Cross, for example) could be used as general observers of the operation of the emergency justice program and to help carry out emergency functions like securing transportation to get released defendants home, communicating with outsiders, and helping provide food and special medical needs. An interesting suggestion has been made to include amongst the observers a behavioral scientist to expand our knowledge and insights into the nature and causes of riots.

The point is that there are many roles that can be filled by others than police and the Army. Aside from personnel, manpower to field

these functions, the participation of these groups might generate a new perception of the problems of riots and provide some necessary new sophistication for their resolution.

Constitutional rights must be protected in times of stress because our criminal justice system embodies these ideals and the nation is committed to them. Furthermore, only by treating the people involved in disturbances fairly, if firmly, can we start along the long road toward a permanent and proper solution of this country's major domestic problem. As a practical matter, because of the legal abuses which occurred last summer, civil rights and other attorneys will be prepared if there is a nexttime to flood the courts with legal devices to redress injustices to members of minority groups. Carefully conceiving community programs now to administer justice during future emergencies can do much to avert this, to protect the general community and to respond to the legitimate demands of those driven to riot.

After this, of course, a much larger task remains.

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

EXECUTIVE DIRECTOR

November 13, 1967

MEMORANDUM TO THE COMMISSION

Subject: Notebooks for Interim Reports
Drafts, Staff Papers and Analyses

We have sent to you, under separate cover, three notebooks to hold interim report drafts, staff papers and city analyses. These notebooks were discussed at the Commission dinner on November 2. From now on, we will mail two copies of each draft or paper -- one for your general use, the other for insertion into the proper notebook.

Claudette Johnson has sent to each of your secretaries a memorandum on the use of the notebooks.

D.G.

David Ginsburg
Executive Director

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

November 13, 1967

MEMORANDUM

To: Secretaries to the Commissioners

I have mailed to you this morning a set of three notebooks entitled, "Interim Report," "Staff Studies and Action Programs," and "City Analyses". Would you please show them to the Commissioners?

The "City Analyses" notebook has two enclosures: The analyses of Cambridge, Maryland, and Plainfield, New Jersey. (Copies of these were also sent to the Commissioners on October 28).

Each notebook has an outlined title page referring to the reports that will eventually be sent for that notebook. When sending the reports to the Commissioners, I will always send two copies-- one for the Commissioner's use, and the other to go immediately into the notebook. I will indicate to you each time which notebook materials go into and where.

Please note that my new-- and, I trust, permanent-- telephone number is 202-395-3542. My mailing address remains 1016 16th Street, N.W.

Claudette Johnson

Claudette Johnson

CITY ANALYSES 1967

1. ATLANTA, GEORGIA
- * 2. BRIDGETON, NEW JERSEY
3. CAMBRIDGE, MARYLAND
4. CINCINNATI, OHIO
5. DAYTON, OHIO
6. DETROIT, MICHIGAN
- * 7. ELIZABETH, NEW JERSEY
- * 8. ENGLEWOOD, NEW JERSEY
9. GRAND RAPIDS, MICHIGAN
10. HOUSTON, TEXAS
11. JACKSON, MISSISSIPPI
- * 12. JERSEY CITY, NEW JERSEY
13. MILWAUKEE, WISCONSIN
14. NASHVILLE, TENNESSEE
- * 15. NEW BRUNSWICK, NEW JERSEY
16. NEW HAVEN, CONNECTICUT
- * 17. NEWARK, NEW JERSEY
- * 18. PATERSON, NEW JERSEY
- * 19. PLAINFIELD, NEW JERSEY
20. PHOENIX, ARIZONA
21. ROCKFORD, ILLINOIS
22. TAMPA, FLORIDA
23. TUCSON, ARIZONA

* New Jersey Group

STAFF STUDIES FOR ACTION PROGRAMS

- I. CIVIL RIGHTS ENFORCEMENT
- II. CONSUMER PROTECTION
- III. EDUCATION
- IV. MANPOWER
- V. POLITICAL STRUCTURES
- VI. PRIVATE ENTERPRISE
- VII. RURAL-URBAN MIGRATION
- VIII. TAX INCENTIVES
- IX. URBAN RENEWAL AND REHABILITATION
- X. WELFARE
- XI. YOUTH

INTERIM REPORT

- I. INTRODUCTION
- II. SUMMER-1967
- III. HISTORICAL PERSPECTIVES
- IV. MEANING OF RIOTS
- V. ACHIEVEMENTS
- VI. COMMISSION'S INTERIM PROGRAM GOALS
- VII. RECOMMENDATIONS: COMMUNITY ORGANIZATION
- VIII. RECOMMENDATIONS: PUBLIC SAFETY
- IX. RECOMMENDATIONS: ACTION PROGRAMS

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

EXECUTIVE DIRECTOR

November 13, 1967

MEMORANDUM TO THE COMMISSION

Subject: Bibliography

Enclosed is the summary of fifty important books dealing with the Negro in American cities that we had prepared for the Commissioners by Mrs. Dorothy Porter of Howard University. I have also distributed copies to the Special Assistants and to key members of the staff.

DG.

David Ginsburg
Executive Director

Enclosure

November 14, 1967

Honorable John Lindsay
Mayor of New York City
New York, New York

Dear Mayor Lindsay:

Enclosed are copies of statements made by the following
witnesses who appeared before the Commission on November 2
and 3, 1967:

Mr. William M. McCandless

Mr. Clarence G. Adamy

Mr. Earl Johnson

I am sure you will find these statements interesting
and useful.

Sincerely,

Merle M. McCurdy
General Counsel

Enclosures

a/s

Identical letters sent to all Commission Members except Gov. Kerner
and Chief Jenkins, both of whom received copies of McCandless and
Adamy statements only.

~~MMX~~ met

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

EXECUTIVE DIRECTOR

November 16, 1967

MEMORANDUM TO THE COMMISSION

Subject: National Governors' Conference

Enclosed is a report of the National Governors' Conference's Advisory Committee on Federal-State-Local Relations entitled "Call and Commitment: Action to Alleviate Civil Disorder and Eliminate Social & Economic Injustice."

A draft of the report was sent to you on November 6.

D.G.
David Ginsburg
Executive Director

Enclosure

TREASURY DEPARTMENT
Washington

FOR A.M. RELEASE
THURSDAY, NOVEMBER 16, 1967

REMARKS BY THE HONORABLE STANLEY S. SURREY
ASSISTANT SECRETARY OF THE TREASURY
BEFORE THE
MONEY MARKETEERS

AT
OSCAR'S DELMONICO RESTAURANT, NEW YORK, NEW YORK
NOVEMBER 15, 1967 - 7:00 P.M., EST

THE UNITED STATES INCOME TAX SYSTEM -- THE NEED
FOR A FULL ACCOUNTING

The United States income tax system is a powerful factor in our society, in our businesses and in our households. Viewed in the aggregate, its importance for fiscal policy purposes has been demonstrated in recent years, notably in the 1964 revenue reduction -- and we hope again this year through the tax surcharge. American business is intimately aware of its importance in the particular, and tax planning is an integral part of business planning. About 90 percent of our adult population is involved in filing an income tax return and 75 percent in paying an income tax -- a coverage broader than in any other country.

An income tax system of such strength and breadth of application warrants a full accounting. It would seem but obvious that we should be fully aware of its content and scope, so that we could intelligently pass judgment on its effects. This being so, it is all the more surprising that there are gaps in the accounting that now obtains. These gaps exist both at the Governmental level, in the way our Budget reflects the income tax, and at the level of the individual business, in the way financial accounting handles the impact of the tax. These gaps have serious implications for our understanding of the tax system.

F-1081

We may start with the way our income tax is reflected in the Federal Budget in aggregate terms. The Administrative Budget and the Cash Budget both treat tax receipts on a cash basis. This being so, the degree to which changes in income tax or other rates are currently reflected in the Budget depends upon the timing of tax payments. Recent changes in that timing, notably graduated withholding, estimated tax payments for corporations, and currency of deposit for withheld taxes and excise taxes, have considerably narrowed the gap between legislative changes in rates and the impact of the changes on the Administrative and Cash Budgets. The National Income Accounts Budget reflects taxes on an accrual basis, except for non-withheld individual income taxes which are on a cash basis. These variances in the Federal Budget statements of revenues have made it difficult for the general public to readily comprehend the aggregate economic effect of the tax system. The problem is heightened by the fact that the Administrative Budget does not cover the taxes earmarked for various trust funds, such as Social Security taxes and highway taxes, while the other two Budgets do include these revenue sources.

Each of the Budgets conveys some information and a thorough analysis would make use of all of them. Many people, however, think of "the Budget" in terms of one set of figures; this one set of figures is usually that in the Administrative Budget, which is probably the least useful for general economic analysis.

The recent Report of the President's Commission on Budget Concepts seeks to develop one comprehensive measure to reflect aggregate revenues. Its recommendation for the revenue and expenditures part of the Budget would include all revenue sources -- both general revenues and trust fund revenues -- and would place reporting of the income tax revenues on an accrual basis. The Commission states that the use of an accrual basis for the corporate tax and other taxes could be done at this time, while its application to the individual income tax requires further study. These changes in Budget reporting will permit a better public understanding of the economic weight of our taxes. The changes will thereby contribute to a more informed consideration of what will be our major fiscal policy issue in the Post-Vietnam period -- how the revenues released by the reduction in military expenditures should be distributed between tax reduction and aggregate civilian expenditures.

The President's Commission on Budget Concepts also made recommendations regarding the Budget treatment of expenditures, but one aspect was not considered. The aspect not considered -- and this is reflected in all discussions of expenditures -- concerns the Government expenditures made through the tax system. At first blush, such a phrase -- Government expenditures through a tax system -- seems almost meaningless. A tax system presumably concerns itself with raising revenues rather than spending funds. But a closer analysis of our present tax system would reveal real substance to the phrase. Through deliberate departures from accepted concepts of net income and through various special exemptions, deductions and credits, our tax system does operate to affect the private economy in ways that are usually accomplished by expenditures -- in effect to produce an expenditure system described in tax language.

Let us take a simple example: The Federal budget for the Department of Health, Education and Welfare has line items detailing expenditures, including trust fund expenditures, for old age assistance. But that budget contains no line item for the \$2.3 billion expended through the tax system to aid the elderly -- under the special \$600 exemption, the retirement income credit, the exclusion of Social Security retirement benefits, and so on. The HEW budget also has line items for medical assistance expenditures, but no line item for \$100 million expended through the tax system by reason of the special exemption for sick pay paid to employees.

The budgets of the Commerce Department and the Transportation Department contain line items for expenditures under Federal programs for aiding business. But there are no line items for the very large amounts, reaching over \$1 billion, expended through the tax system either as tax relief, incentives, or assistance for a variety of business activities: for example, financial institutions, through special deductions for reserves; Western Hemisphere Trade Corporations, through special rate reductions; shipping companies and life insurance companies, through special deferrals.

The budget of the Interior Department has line items for natural resources programs, but no line items for the large amounts, also over a billion dollars, expended under the tax system to assist our natural resources industries, including timber, through expensing of certain capital costs, expensing in excess of cost under the treatment of depletion, and special capital gain treatment. The budget for the Agriculture Department has line items representing programs to assist agricultural activities, but no line items for amounts, over a

half-billion, expended under the tax system through the expensing of certain capital costs, the availability of the cash method of accounting even if inventories are used, and special capital gains treatment of livestock.

The absence of line items in the Budget for these tax expenditures -- this lack of a full accounting for our tax system -- has many facets. To begin with, it lessens public understanding of significant segments of our tax policies. For the most part there are no line items in the Internal Revenue Service Statistics of Income delineating these items, so that in the absence of special studies the amounts involved are simply unobtainable. Indeed, many of these "tax expenditure" programs cannot be found in the Internal Revenue Code, so that unlike direct expenditure programs where the budget trails are relatively well posted, the "tax expenditure" trails are very often obscurely marked.

A large part of the tax benefits for the elderly rests on a very brief and cryptic administrative ruling of the Internal Revenue Service excluding Social Security retirement benefits from income, without citation of any authority for the result; much of the benefits for financial institutions rests on administrative rulings stating how the reserves against debts owed to banks shall be computed; a large part of the benefits to agriculture and natural resources also find their origin and even some of their current expression in administrative rulings and regulations.

When Congressional talk and public opinion turn to reduction and control of Federal expenditures, these tax expenditures are never mentioned. Yet it is clear that if these tax amounts were treated as line items on the expenditure side of the Budget, they would automatically come under the close scrutiny of the Congress and the Budget Bureau. But the tax expenditures are not so listed, and they are thus automatically excluded from that scrutiny. Instead, since they are

phrased in tax language and placed in the Internal Revenue Code, any examination to be given to them must fall in the classification of "tax reform" and not "expenditure control". There is a vast difference between the two classifications.

It can be suggested therefore that we need a full accounting for these effects of the tax system. The approach would be to explore the possibility of describing in the Federal Budget the expenditure equivalents of tax benefit provisions. We should not, of course, overlook the difficulties of interpretation or measurement involved here. Thus, just which tax measures can be said to fall in this category -- in other words, which tax rules are integral to a tax system in order to provide a balanced tax structure and a proper measurement of net income, and which tax rules represent departures from that net income concept and balanced structure to provide relief, assistance, incentive or what you will for a particular group or activity. Also, once a tax item can be identified as falling in this second category, we must then compute its expenditure equivalent. Presumably this would be the amount of revenue lost, i.e., "spent," under the special tax treatment, and in a number of situations revenue statistics would have to be improved to give us this information.

This discussion is not to be taken as saying that all tax relief measures are bad -- or that all are good -- just as it is not intended to state that all Federal expenditure programs are bad or all good. This is not a qualitative discussion of tax preferences or, as some say, tax loopholes.

I might here digress to note that one reason tax reform is so difficult may be the hard, unfeeling way we go about it. The very word "loophole" has a jarring ring. I commend

to your attention the delicacy of the following paragraph from a recent Canadian Budget speech of last year:

"In recent months there has been evidence of increasing abuse of the section of the Act providing special tax treatment for deferred profit sharing plans. In 1960 and 1961 my predecessor, then the Hon. Member for Eglinton, with the worthiest of motives, introduced a section in the Act to provide for these plans, which he described as an important piece of social legislation. Since then various businessmen and their professional advisers have exploited this well-intended but vulnerable section in various ways."

Nor is my discussion intended to say that tax relief deliberately programmed as a direct expenditure item would look the same. Indeed, a possible consequence of describing tax preferences as expenditure equivalents is that more efficient ways to achieve the objective may be developed. I cannot think of any responsible HEW or Budget Bureau official who would put together an expenditure program of assistance to the elderly that would in any way resemble the crazy-quilt pattern of our tax treatment of the elderly. Under that treatment half of the tax revenues spent go to people over age 65 on retirement whose annual income is over \$10,000 and hardly any goes to people in that age group who continue to work for their maintenance and whose incomes are far lower. Nor can I think of an agricultural expert who would put together a farm program under which the benefits would become greater the wealthier the owner and the less he relied on his farm activity as the source of his income. Indeed, I suspect that cost-benefit experts assigned to measure the efficiency of tax expenditure programs would have a fascinating time. Appropriate budgetary recognition of these tax expenditures would facilitate such cost-benefit studies.

At this point a word on the investment credit may be helpful to illustrate a different kind of tax device. This credit is a feature of our tax law designed to improve rates of return and to increase investment. We believe it is a sound provision which serves to achieve a better balance in a tax system which would otherwise impinge too heavily on the level of private savings and investment.

Perhaps it could be cast as a direct government expenditure, and the English have recently taken this approach. But there are very definite advantages in handling the sums involved through the tax system. The computation of the credit depends entirely on tax concepts, such as the basis for depreciation and depreciable lives, and being in the tax system its effect is limited to firms which, at least over the long run, expect to make profits. Also, by being in the tax system it remains quite neutral with regard to the investment to which it is applied; it does not involve extensive government decisions as to which investments are particularly meritorious. It is spread very broadly over all business, agriculture, finance, the professions and so on -- the whole gamut of American enterprise.

Let us turn from the accounting at the Federal Budget level for aspects of our tax system and consider the accounting at the taxpayer level. We must, of course, recognize that American accounting practices, the requirements of the Securities and Exchange Commission, and above all the integrity and experience of our accounting profession, have combined to give the American public a very considerable amount of reliable data regarding the operations of our business concerns. This is a long cry from an accountant's statement recently submitted to our Internal Revenue Service representative in one of our European Embassies with respect to the balance sheet of a concern in that foreign country. The statement said that the balance sheet was:

"Prepared from the official books (of the economy) together with data made available (to the accountant) with regard to secret surplus reserves originating from profits that were not disclosed to the ... Government. These secret reserves consist of cash balances at two local banks; marketable securities held by these same two banks as guaranties to overdraft accounts, and an overstatement of the liability regarding commissions payable to the London agent."

It is not this situation that I am now discussing, for fortunately we do not face in the United States this kind of lack of full accounting regarding the profits picture of a corporation, and hence its tax picture. Rather, I would like to consider the question of how a properly, and of course honestly, prepared financial statement should account for these special tax expenditure programs I have been discussing.

The Accounting Principles Board of the American Institute of Certified Public Accountants has recently issued an Exposure Draft of a proposed Opinion on financial accounting for income taxes. One aspect of that Opinion relates to how business firms should, in their financial reports, handle the 7 percent investment credit. The present accepted accounting for the credit affords an option: the company may, in computing after-tax profits, simply treat the tax reduction provided by the credit as a reduction in the current year's tax expense, or it may amortize that reduction over the life of the asset giving rise to the credit. Apparently about 80 percent of the firms use the first option, that of direct reduction (sometimes called the "flow-through" approach). The proposed Accounting Principles Board Opinion would eliminate the optional approach and require the second method, that of amortization or the "deferred method." The result of the deferred approach would be to show lower after-tax profits, since the tax reduction resulting from the credit is spread over future years. The Opinion also considers the accounting for various other tax reduction provisions, and here also applies "deferred accounting."

The Treasury Department has a substantial interest in the manner in which business concerns report their Federal income tax liabilities on financial statements. The proposed Accounting Principles Board Opinion raises a crucial issue whose resolution is of vital significance to the public understanding of our tax system. Just as it is important to know at the level of the Federal Budget what is happening with respect to the aggregates under our tax system with its many special tax provisions, it is equally important to delineate as clearly as possible the effects of those provisions on individual firms.

The Treasury's concern with respect to the proposed Opinion has nothing to do with income tax collections -- the corporations affected will pay the same amount of tax annually whichever approach is adopted. Rather, our concern is with the proper representation in the financial statements of these corporations of the effect of the tax system.

While the statutory corporate income tax rate is 48 percent, it is clear that the effective corporate tax rate on American business as a whole is considerably less than this. The reduction results from decisions on the part of the Congress to achieve this lower effective tax rate on American business in general and on special industries in particular. The accounting approach suggested in the proposed APB Opinion would, however, in the aggregate, substantially overstate the current tax liability of American business and present an inaccurate picture of our tax system. Since the tax liability would be substantially overstated in the aggregate, it would obviously also be overstated individually for the vast majority of United States corporations.

The preferences incorporated within the tax law clearly result in an effective corporate tax rate for many taxpayers that is less than 48 percent. Financial accounting should recognize this -- both because it is the fact, and because the stimulative effects resulting from the tax reduction should not be obscured.

Special care must be exercised with respect to the investment credit because of its magnitude and because most companies would have to change their existing practice in

response to the position taken in the Accounting Principles Board Exposure Draft. Presumably, this would result in a massive restatement of earnings whose effects on the economy, while difficult to measure, could be serious. Furthermore, a mandate to defer the benefit arising from the investment credit could well blunt its effectiveness in promoting modernization and expansion.

For these reasons the Treasury Department responded to the request of the Accounting Principles Board for comment on its Exposure Draft with a letter expressing its serious concern over the approach taken by the APB in its proposed change in the method of accounting for the 7 percent investment credit. We believe our comment underscores the need for further study of the financial accounting for income tax liabilities at the level of the individual firm.

There are thus considerable gaps in the present accounting for our income tax system. It may be helpful to relate this description of these gaps to a current matter -- the use of tax incentives to meet our social problems.

America faces many social problems that desperately require solution. A major part of these problems centers around the plight of our cities and their disadvantaged residents. One aspect of suggested solutions involves an increase in moderate and low income housing, with special emphasis on housing located in these areas. Another involves providing jobs for the disadvantaged, through manpower training programs and greater employment in business activity within these areas or the aided movement of the inhabitants — to jobs outside the areas. Participation by private enterprise, especially large concerns, is considered helpful to achievement of these goals. But it is said that the likely rate of return from business activity involving that participation may not be adequate to enlist that participation. Hence it is proposed in some quarters that the rate of return be increased by some form of tax reduction in exchange for the participation desired. The tax reduction suggested generally involves a large credit against tax or special deductions.

This is one illustration of the tax incentive approach in the setting of social reform. Other illustrations may be found in other social objectives -- pollution control, aid to education, assistance to rural areas, and so on.

Certainly no one can quarrel with these social objectives. In the past tax incentives were generally sought -- and at times obtained -- on the ground that a particular industry needed support. The crucial question of why that support was in the public interest was barely spelled out, if at all, and the details of proof were held to a minimum. But today the public interest objective is in the forefront, and needs no proving. And it is generally taken for granted that private enterprise participation will always be helpful. What is not shown is why the tax route is to be preferred over other means of inducing the desired participation of private enterprise.

The immediate leap to the tax solution serves only to stultify thinking about these social problems. Once the leap is made there is no opportunity to explore the details of the problems. Yet a great many useful questions can be asked: For example, as to low income housing in urban areas and jobs for the urban disadvantaged, just why has private enterprise not undertaken these tasks in the past? Is it that the immediate return is insufficient, or is it that the participation has been seen as only sporadic? What forms of private enterprise are best suited to the tasks? Is it a large industrial concern or a small indigenous business locally owned; is it manufacturing activity or service activity; is it an experienced builder or a concern new to the building field but with management know-how in other business fields? More crucial, what measures are needed to induce the participation -- what rate of profit, what assistance in financing, what guarantees against loss, what assurance of a continued market, what other forms of protection against the risks that have hitherto restrained participation, and so on?

With these questions answered as best we can, the task is then imaginatively to search the arsenal of possible Governmental action -- if Government assistance is needed -- to see which forms of Governmental action can be most responsive, effective and efficient. Here also the immediate leap to the tax route can only prove stultifying, for it tends to foreclose consideration of all other avenues of assistance. And yet experience has taught us that with respect to Governmental assistance to a particular group or activity, the non-tax route is far more likely to yield the better answer at a lesser cost. Moreover, the tax answer once enacted may well inhibit further useful thought about the problem. It would seem far better to let HUD or Commerce or Labor or HEW gain experience and flexibility through non-tax solutions that can be varied and tested, than turn much of the task over to the Internal Revenue Service, which has no background of experience to use and for whom an increase in experience in the social area will not yield the productive return that it would in the other Departments.

Our progress in space exploration is not built on tax incentives, but on direct relations between Government and business that bring forth the required participation by private enterprise. Our capsules are not propelled into space by the Internal Revenue Code.

In large part those who leap to the tax route recognize all this. But they assume that the non-tax solutions will involve large Government expenditures and they fear that the appropriation door is shut or will not open very wide. Whatever may be the validity of those assumptions and fears as to any particular program, there is no reason to conclude that because the front door of appropriations is closed or narrow, the back door of tax reduction will open wide.

Those who are concerned with the level of government expenditures are cognizant of the two doors to the Federal budget. They readily understand that a decrease in revenues through a tax expenditure has the same impact on the Budget deficit as a direct increase in expenditures. Chairman Mills of the House Ways and Means Committee, for example, has said he considers such tax incentives as "a form of back door spending." He thus fully recognizes it is the door of his Committee that is being knocked on as the entrance to the Budget through tax incentives, rather than the direct route of government assistance. And he can also recognize if that door opens for one or two tax incentives, it must inevitably stay permanently ajar for the wave of tax incentives that would follow.

Chairman Mills is on sound ground. For here also we reach the aspect of full and proper accounting. Our experience with the tax incentives of the past should give us pause before we add a new tax-route expenditure and then keep it buried in the Code away from public scrutiny. We have learned that the tax incentive of the moment becomes the tax reform target of many tomorrows. What can be said about tax incentives for these urban problems can also be said about tax incentives for our other social problems -- pollution control, college education within the reach of all who are qualified, development of rural areas and new towns, assistance to depressed areas, and so on. It is almost demeaning to our collective wisdom to say that every one of these problems will yield and yield only to the universal solvent of a tax incentive. And if they did, how would we solve the loss of our tax system that this maze of tax incentives would mean?

All of this is not to be taken -- and this must be underscored -- as saying the Treasury Department stands aloof from society and its problems. The Treasury clearly recognizes that a negative answer as respects the tax route equally does not solve a problem. It therefore has joined -- and continually will join -- the other Departments and agencies in the active search for constructive solutions involving other forms of governmental assistance or action.

Indeed, the Treasury has found that the way to obtain imaginative and broad thinking about these social problems -- to obtain real brainstorming -- is to tell the groups concerned to forget their stereotype, first impulse solution of a tax incentive, to close the Internal Revenue Code, to bar their tax lawyers from the meeting -- and then get down to the real task of analyzing the problems and thinking about the possible solutions. The results are always positive. Once the blinders of a proposed tax incentive solution are removed and the whole horizon of approaches is opened to exploration, we begin to appreciate that there are many constructive measures that can be taken outside of the tax system.

Our social problems are causing very large demands to be made upon the Federal Government. We are a wealthy nation and we certainly should be able to solve these problems. But even with our great wealth the solutions for all these problems will come more readily if our planning is efficient and sound. There are limits to the ways in which we can use our resources and those limits require careful expenditure control. Such control in the planning of a particular program, even one with a high priority, means other useful programs will not have to be starved.

We must therefore recognize that our tax system should not be used as a back door through which the dollars are to flow free from this careful planning. We need a much higher degree of accounting for the dollars that the tax expenditure programs which grew up in the past are now absorbing. We also should be careful not to leap to a new set of uncontrolled tax expenditure programs through a new set of tax incentives. This is especially so when there are adequate non-tax measures at hand with which to attack these social problems. As a consequence, closing the back door of tax incentives does not mean that no solution will be provided. Rather, it means that the doors and windows are opened for constructive thinking about these other measures. This is the way to both social progress and a sound tax system.

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

EXECUTIVE DIRECTOR

November 16, 1967

MEMORANDUM TO THE COMMISSION

Subject: National Governors' Conference

Enclosed is a report of the National Governors' Conference's Advisory Committee on Federal-State-Local Relations entitled "Call and Commitment: Action to Alleviate Civil Disorder and Eliminate Social & Economic Injustice."

A draft of the report was sent to you on November 6.

D.G.
David Ginsburg
Executive Director

Enclosure