

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

EXECUTIVE DIRECTOR

February 1, 1968

MEMORANDUM TO THE COMMISSION

Subject: Interstate Compacts

The Chairman has asked me to forward to you a copy of the letter he received from the Attorney General setting forth Justice's views on interstate compacts for sharing national guard troops during disorders.

DG.

David Ginsburg  
Executive Director

Enclosure



Office of the Attorney General  
Washington, D. C.

SEP 2 1967

Honorable Otto Kerner  
Chairman, National Advisory  
Commission on Civil Disorders  
Washington, D. C. 20506

Dear Mr. Chairman:

You have requested my views on the possible use of interstate compacts to control riots and to alleviate disastrous conditions resulting from riots through the provision of aid from one contracting State to another. Such compacts might provide for military or non-military aid, or both. Provisions for military aid, I assume, would make National Guard units of a State available for riot-control duty in other contracting States. 1/ Provisions for non-military aid would make available, on an interstate basis, resources (including personnel) for fighting fires, feeding and sheltering stranded persons, administering medical care to injured persons, detaining and processing prisoners, and the like. In responding to your request, I believe it is important to distinguish between these two possible types of aid.

For reasons stated below, I do not believe that interstate compacts are an appropriate means of providing for the additional military force that may be needed to suppress rioting in a State

1/ As a practical matter, such compacts probably would not provide for interstate movement of civilian police forces to deal with riots. When a riot in a State gets beyond the State's ability to control with all its own available resources, including its National Guard, civilian police reinforcements from outside the State would not be likely to bring about a sufficient improvement in the situation.

when the State's own resources, including its National Guard, prove inadequate to the task. 2/ I would have no objection, on the other hand, to compacts designed to assure an adequate supply of non-military resources for dealing with civilian emergencies to which riots may give rise.

In my opinion, interstate compacts for military aid would undermine certain values that are inherent in our Federal system of government, and would also be objectionable on practical grounds.

In the first place, such compacts must be considered in the light of the principle, long cherished in this country, that military force may not be used against the civilian population except in circumstances of extreme necessity, and then only in such degree and for such duration as may be necessary to restore order.

This principle is protected under existing law by a balancing of military powers and responsibilities between the Federal Government and the governments of the individual States. Powers to call out units of the National Guard to deal with civil disorders are vested in the respective State Governors. But the military power at the disposal of each Governor is confined to the National Guard resources of his own State. When these resources have proved inadequate to suppress disorders, Governors have called upon the President for the necessary assistance, in accordance with the Constitution

2/ In stating this conclusion, I am mindful of the fact that New York, New Jersey, Pennsylvania and Connecticut are presently parties to an Interstate Compact for Mutual Military Aid in an Emergency, which was approved on July 1, 1952 by Act of Congress (66 Stat. 315). "Emergency" is defined in this compact to include domestic "insurrection," which term apparently has the same meaning as it does in 10 U.S.C. 331 (the statutory provision under which Federal troops may be employed by the President in a riot situation). This compact has never been used, however, for purposes of riot control.

and laws of the United States. 3/

Upon receipt of an appropriate request from the Governor of the affected State, the President is empowered to use such of the armed forces as he considers "necessary" to suppress the violence (10 U.S.C. 331). The traditionally cautious practice of Presidents in honoring requests for Federal troops has been considered as establishing a requirement that they may not be used unless and until the State, with all the resources at its command, is unable to bring the violence under control. In order to assure that this condition is met before Federal troops intervene, the President may establish independent channels of communication to keep him continuously informed of developments, and may dispatch to the scene of the disorder his personal representatives on whose professional judgment he can rely. Such precautionary measures, which are readily available to the President by virtue of his office, guard both against the unnecessary use of Federal troops and against encroachment by the Federal Government upon the military powers and responsibilities reserved to the State. However, once the President decides to use Federal

3/ Article IV, 4 of the Constitution provides that upon the request of a State, the United States "shall protect" it against "domestic violence." Pursuant to this clause, 10 U.S.C. 331 provides that "Whenever there is an insurrection in any State against its government, the President may, upon the request of its legislature or of its governor if the legislature cannot be convened, call into Federal service such of the militia of the other States, in the number requested by that State, and use such of the armed forces, as he considers necessary to suppress the insurrection."

10 U.S.C. 331 substantially preserves the provisions of the original Act of 1792, 1 Stat. 264. The practices of various Presidents under the 1792 Act and its statutory successors are detailed in B. M. Rich, The Presidents and Civil Disorder (Brookings 1941), and in the September 12, 1967 report of Mr. Cyrus Vance on his experience in connection with the recent Detroit riot.

troops, he also assumes the corresponding responsibility for the timing, manner, and duration of their use. He does not lend them to the Governor to be used as the Governor may see fit. To the contrary, the President himself retains command over them. 4/

Thus the power to suppress domestic violence through the use of military force is presently divided between the individual States and the Federal Government. Moreover, the division of power is matched by a corresponding division of responsibility. The result is a carefully balanced allocation of functions that provides substantial protection against the premature or excessive use of military force.

Comparable checks and balances would not be present, however, if a Governor could call upon one or more fellow Governors for military aid pursuant to provisions of an interstate compact. A Governor requested to furnish troops to another State in a pressing emergency would not be in a position to review the need for sending troops on the basis of independent information and professional judgments of persons responsible to him, and he would understandably be reluctant to question the request from his fellow Governor. Moreover, even if the compact permitted a sending Governor to recall at will any troops he might make available, he would be in no position to control their use beyond the confines of his own State. That control would naturally be exercised by the Governor of the requesting State, since the decision whether and when to use such troops, and the manner in which they would be used, would for practical reasons have to be his sole responsibility.

Thus the probable effect of a compact for military aid would be to concentrate considerable military power in the hands of individual Governors, without subjecting its exercise to effective restraints on the part of their fellow

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4/ In this connection, it should be emphasized that under Article IV, 4 of the Constitution, it is the United States itself that is required to protect the States against domestic violence.

Governors. Such an effect would be especially pronounced if a Governor in distress could obtain simultaneous military aid from not just one but several of the other compacting States. In my opinion, this concentration of military power--in sharp contrast to the division of powers under existing law--would be dangerous because it could easily undermine traditional American principles of restraint in the use of military force to suppress civil disorders.

Practical considerations also indicate that interstate compacts would be less satisfactory than existing law as a means of providing military aid to a State in an emergency caused by rioting. The ability of almost any State to supply a sufficient number of troops to another State in time to meet such an emergency is questionable. It would take considerable time and resources of transport and communications to assemble National Guardsmen from various scattered locations and move them to another State. By contrast, when a Governor requests the President for Federal troops under 10 U.S.C. 331, they can be assembled speedily and sent to the scene of the trouble, utilizing the advanced technological capabilities of the United States Army and Air Force.

Moreover, National Guardsmen from outside the affected State, operating in unfamiliar territory, are likely to function less efficiently than regular Federal troops assigned to riot-control duty. The latter will almost surely have had more intensive training and experience in the discipline and methods of riot control. As a result, Federal troops will be more reliable in effectively putting down the violence with the minimum necessary force under the adverse conditions of working in a strange city and State.

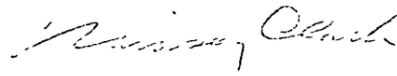
In my opinion, existing law furnishes a satisfactory procedure by which a Governor may seek and obtain military aid from outside his State to put down a riot. That procedure, which is initiated by the submission to the President of an appropriate request for Federal troops, has worked well on numerous occasions in the past. It assures that domestic violence warranting the use of extraordinary military

force will be brought swiftly and efficiently under control. At the same time, by preserving a division of powers and responsibilities between the States and the Federal Government, the procedure protects against the unwarranted use of such force.

In contrast, none of the objections described above would apply to interstate agreements for non-military aid. Such agreements would not short-circuit the Constitutional role of the Federal Government in suppressing domestic violence, nor would they tend in any other respect to disrupt the political balance between the Federal Government and the individual States. 5/

I appreciate this opportunity to convey to your Commission my thoughts on the use of interstate compacts to deal with disruptive conditions caused by riots. If I may be of any further assistance to the Commission, please do not hesitate to call upon me.

Sincerely,



Attorney General

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5/ For the same reasons, such agreements, particularly if entered into at the working level between State agencies with specific responsibilities, would perhaps be deemed to fall outside the scope of the compact clause of the Constitution (Article I.10.3), and thus may not require Congressional approval. See Virginia v. Tennessee, 148 U.S. 503, 519-20 (1893).

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

EXECUTIVE DIRECTOR

February 1, 1968

MEMORANDUM TO THE COMMISSION

Subject: Meeting Schedule

1. Dates. The following days are now reserved for Commission meetings:

February 9, 10  
15, 16, 17  
27, 28 (tentative)

2. Completion of Discussions. Our hope is that section-by-section review of drafts can be largely or entirely completed by February 17.

3. Dinner Meetings. To meet this schedule, we will need to schedule dinner meetings for the nights of February 9, 15, and 16. Will you hold these nights on your calendar?

D.G.

David Ginsburg  
Executive Director

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

EXECUTIVE DIRECTOR

February 9, 1968

MEMORANDUM TO THE COMMISSION

Subject: Comments of I.W. Abel on sections  
of the draft as revised on January 29

Commissioner Abel has sent us to send  
you:

(a) His comments on the Employment,  
Education, and Welfare Programs, and

(b) A news release on joint government-  
industry-union pilot adult basic education program  
in which the steel workers union is participating.

D.G.

David Ginsburg  
Executive Director

COMMENTS OF I.W. ABEL

on sections of the  
Draft as Revised on January 29th

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#### EMPLOYMENT

I do not believe that this section adequately analyzes many of the aspects of the complex problem of eradicating hard core unemployment or offers sufficiently realistic solutions.

Greatest emphasis is given to the launching of a crash program to train and place the disadvantaged in the private sector, with employers to be induced to participate through generous subsidies.

I support, with some reservations, this aspect of the employment effort. But I believe that unrealistic expectations regarding its potential achievement are raised. Moreover, some of the inducements proposed to secure business cooperation are not well conceived.

Expanded programs of public service employment to train and employ the disadvantaged are also proposed. Because this approach holds the greatest promise for actual job creation and can do it quickly, it deserves a much higher priority and scope than the draft suggests.

The section dealing with increased job opportunities through the economic development of urban and rural poverty areas is entirely inadequate.

Job creation: The draft properly cites the nation's obligation under the Employment Act to provide jobs at decent pay for all who seek work. It should caution, however, that our present economic growth rate is hardly sufficient to hold out hope of significantly reducing existing nationwide unemployment and totally inadequate to mop up widespread pockets of hard core unemployment and under-employment.

While adequate economic growth alone doesn't assure jobs at decent wages for the underprivileged (the long experience of minority groups attests to this fact) surely job placement for the millions of hard core unemployed and under-employed, even when well trained, will be an illusion if we fail to achieve a more adequate rate of overall economic growth. Without this underpinning, full employment will not be achieved.

Preparing the underprivileged to compete successfully in the job market is necessary and it is their right. But this effort will put such people to work only insofar as vacancies exist to be filled by the trainees. Unfortunately, too many of our existing vacancies in the private sector call either for very high skills or for very little at very low pay.

Preparing the disadvantaged for job-holding should be vastly accelerated, under any circumstances. Yet, unless a much faster rate of overall job creation is achieved through a faster economic growth rate than presently exists, many of these newly trained people will find themselves competing against, - and potentially displacing - other workers whose condition is hardly better than their own.

With the Negro population of the central cities projected by our Commission to grow from 12 million to 18 to 21 million by 1985, and with a vast pool of jobless and under-employed already existing, enough jobs just won't be created now or in the future by mere continuation of present economic tendencies regardless of the success of the training programs to be launched. The private sector just cannot be expected to hire unneeded workers as an act of charity!

Thus, national policies must be urged that will adequately raise the level of private and public demand - by monetary, fiscal and other means - so that enough jobs, in fact, will be created. Without success in this respect, the

effort to train and to place America's underprivileged in decent, well-paid jobs, will be frustrated.

These realities just must not be disregarded or obscured in our Report.

Job Creation via the Public Sector: The way that jobs for the disadvantaged actually can be created is through public service employment. Furthermore, this can be done quickly. What is more, there is a great need for a wide range of increased public services - in the fields of health, welfare, education, recreation, public safety, and public improvements - especially at the local level.

Great numbers of the disadvantaged could be trained for these jobs, some of which would at least require the attainment of semi-skills, and would in no sense be simply deadend jobs. Public service employment is probably our best hope for many older workers who so often are rejected by the private sector. Public service jobs also would well serve younger workers, in many cases as a transitional job experience prior to ultimate employment by private firms. During the course of public employment all participants should have access, of course, to whatever supportive services would improve their job potentialities.

The establishment of a National Public Employment Service Program has recently been suggested by three Presidential Commissions - the Commissions on Automation, on Food and Fiber, and on Rural Poverty.

I believe we too should give this type of program the very highest priority in our Report. In my judgment we should express firm support for the proposal in the O'Hara bill, which calls for the creation of one million public service jobs to alleviate unemployment and under-employment in both urban and in rural America. (The urgency for a public service program of this

magnitude has been presented to the Commission both by the AFL-CIO and in the well-documented "Freedom Budget".

Private Sector Involvement: To bring an analysis of the hard core unemployment problem into proper focus our Report should frankly acknowledge that job training does not necessarily assure widespread job creation in the private sector. Rather, training programs at best make disadvantaged workers more attractive to potential employers. What actually is sought is to enable more of the disadvantaged to compete for the jobs that do exist, or may ultimately exist, on the basis of parity with other job-seekers in the labor force.

If a massive training and placement program is now to be undertaken, we must also be alert to the danger of displacement of incumbent workers. This danger would become particularly acute if the proposed employer wage subsidy for each worker newly employed and retained were to be adopted since it would be a built-in inducement to discharge non-subsidized workers. This wage subsidy scheme should be rejected out of hand for this and for other reasons.

Moreover, the draft concentrates far too much attention on subsidizing the employer, and too little on encouraging the trainee. To somewhat reverse this situation federally-financed training programs should not be allowed for extremely low-wage paying employers whose job offerings would have little attractive power and in most cases, justify little job training.

Qualified employers should be fully reimbursed, of course, for any training and supportive service costs they actually incur on behalf of the hard core unemployed, and these payments, in my judgment, should be made via the direct contract mechanisms now used by M.D.T.A.

It should appropriately be noted in the draft that all employers who now incur training costs are already entitled to reimbursement by the Federal Government. This is so because actual training costs are deductible for tax purposes as a legitimate business expense. At the 48% corporate tax rate, this provides for a nearly 50% government training subsidy.

To now provide a 100% training cost subsidy seems to me to be a very liberal incentive in an effort to induce widespread employer cooperation.

In addition, I would support one other possible incentive. Just as some government contractors receive a performance bonus for early work completion, similarly a modest bonus might be provided related to an employer's record in retaining formerly disadvantaged new employees on his payroll. Of course, displacement of regular employees would not be countenanced.

The proposal in the draft to provide federal reimbursement for the wages and fringes paid to employees while actually producing goods and services for sale in the private competitive market, should be firmly rejected. Such payments would pit subsidized employers against their unsubsidized business competitors and "certified" workers against the uncertified jobless. It would also encourage displacement of regular employees for whom no subsidy is paid and their substitution by subsidized workers, particularly at places where unions do not exist.

The argument in the draft which supports a tax credit reimbursement device as an alternative repayment method simply because the current 7% tax credit for investment in new equipment "has been highly successful" is unconvincing.

True, this approach has "simplicity in administration" in its favor. However, the purchase of new machinery cannot simply be equated with the complex implementation of a training program for human beings. If training to help the hard core unemployed achieve jobs is to be effective, the effort in each instance must be carefully tailored to specific needs. Then, if cost reimbursement

is to be allowed an appropriate federal agency must establish performance guidelines, review cost estimates and evaluate results. These steps are essential if taxpayer and Congressional support for these expenditures is to be maintained.

It is unthinkable to me that the Commission would sanction an employer reimbursement system under which the Treasury would simply allow a tax credit with no predetermination of what will be undertaken or assessment of the performance. This is the reason why the contracting reimbursement method now used by M.D.T.A. makes sense.

In many places in the draft, reference is properly made to the need for coordinated administration of the training effort at both the national and local levels. (pages 4, 8 and 9)

Yet, proposals with respect to the roles of the U.S. Employment Service and the new National Businessmen's Alliance are confusing and even seem contradictory.

It appears to be proposed that the local public employment service should be the single agency for administering training programs. While the operation of these agencies have significantly improved in many places, in some instances they still are not in tune with the needs of the disadvantaged or sufficiently sympathetic to their problems.

As a matter of fact, one reason for the improvement has been the involvement of other groups representing business, labor, CAP agencies, local educational institutions, The Urban Coalition and others, and more recently, the Concentrated Employment Programs in which the employment service plays a major role but does not dominate.

With respect to the newly organized N.A.B., this is a private effort designed to enlist business in training and placement programs. It is difficult, however, to see why it is proposed that N.A.B. should be given a National charter by the Congress.

In my judgment the work of N.A.B. should be coordinated with the local and national efforts of all of the other groups who are seeking to fulfill the same objectives.

Developing Urban and Rural Poverty Areas: This important aspect of the effort to aid the hard core jobless is given such short shrift in the draft, it will hardly reflect favorably on the Commission.

The major proposal in the draft is to allow employers a liberalized investment tax credit for plant and equipment costs if they locate in poverty areas. This surely could be an effective incentive, if safeguards against industrial runaways and other protective considerations were included. Moreover, use of the tax mechanism to provide this incentive would be administratively feasible.

Unfortunately, a further liberalization of the tax credit for this purpose would be strongly opposed because the present 7% investment credit already costs the Treasury over \$2 billion in revenue annually. What is more, this revenue loss - which could be financing more than a doubling of our present outlays for the O.E.O. - is by no means justifiable on the basis of demonstrated social or economic gains. After all, the generous tax credit gives a reward to many employers for capital investments they would normally make without any tax credit whatsoever.

In my judgment a proper Commission proposal would be to increase the tax credit for investment in poverty areas but to offset this cost by reducing the 7% credit now available to employers expanding into non-poverty areas.

Other proposals to expand job opportunities in poverty areas could include:

- ...Long term low interest government loans to new and expanding job creating business enterprises (perhaps at 2%)
- ...Expanded federal grants for job development supporting public facilities
- ...Five year - even one year - fast amortization write-offs
- ...Technical aids - market research, plant design, etc. - to help prospective incoming or expanding businesses
- ...Land clearance grants - and loans and grants to public agencies for plant construction for low cost rental
- ...Special consideration for enterprises in poverty areas by government contracting agencies

These do not exhaust the list of possible ideas. The Commission should also note that some of these aids are already authorized under the Economic Development Act and other legislation but can't be sufficiently implemented for lack of funds.

In our discussion in this section we should clearly reiterate that no federal aid should be allowed for any enterprise that merely relocates job opportunities. There is no point in simply robbing Peter to pay Paul.

In discussing various aids for employers who might create jobs for the disadvantaged we must also bear in mind that aid for new firms in the suburbs is justifiable if the firm will guarantee that most of the jobs will be made available to the central city disadvantaged and assume some major responsibility with regard to the problems of transportation and housing.

Note Additional comments have been and will be made verbally regarding other less general criticism of the draft section on Employment.

EDUCATION

The section on education, both in its analysis of the problem and its proposals for action, ignores a major contributing factor to the problem of urban ghetto education.

This is the poor quality of the schools in which many of the children start their education, before coming to the cities.

While I do not have the facts before me, it is common knowledge that the schools of the rural south, particularly in the areas of high concentration of Negro and Mexican-American population, are among the poorest in the nation. Many of the buildings are unfit to use, the teachers are the lowest paid and therefore least adequate, text books are old, and often must be paid for by the students, the schools are without the auxiliary programs which are commonplace elsewhere, such as libraries, school lunches, and health services. By any standards these schools are in the most poverty stricken sections of the nation, unable with their own funds to provide adequate educational opportunities.

Elsewhere in this report we deal with the expectation of continuing migration into our cities from the rural South. Many of the children who come, and almost all of their parents, will be products of inadequate school systems. For this reason we cannot ignore the present situation in these schools. For what is done with them, or not done, will have great impact on the children who grow up in our cities.

In the same connection I would suggest that an upgrading of teacher training in the South would also provide a source of supply for teachers in the ghetto schools, particularly if the teacher training had urban education as a goal. Attention should be paid to this opportunity.

Other Suggestions:

(Page 11) Would it not be possible to contrast with actual figures the class size in ghetto schools with those elsewhere? In Washington, D. C. this is a problem. Even new schools are overcrowded from the first day they are put into use. This probably is generally true in other central city schools.

(Page 13 relates to this problem)

(Page 33) After recognition of history, etc., a new item:

It should be recognized that living experiences of disadvantaged students can have plusses in education as well as minuses, if they are understood and appreciated and properly used in the educational process.

(Page 51) Why not forgiveness for these disadvantaged students under the loan program - like under NDEA - or better still, an expansion of grants and work opportunities? This is the last group of students who should be saddled with a burden of debt. The present earning experience of educated Negroes doesn't justify this.

WELFARE

At the bottom of page 12 there appears this summary finding:

"Our longer range strategy, one for which we can offer only tentative guides, is the development of a national system of income supplementation to provide a basic floor of economic and social security for all Americans".

This is a provocative and appropriate summary statement but it seems to me some of the prevailing concepts that look to the establishment of a basic security floor might well be enumerated.

I also believe that this point, or at another, our failure to fulfill the promise of the concept of insured family social security against old age, accidents and disease, and unemployment so hopefully conceived in the 1930's, should be frankly acknowledged.

We should point out that many of the central city impoverished - both white and non-white - are on public welfare today because:

- 1) Benefits for the aged and dependents remain so low under our Federal Old Age and Survivors Insurance system.
- 2) Many of the impoverished are on public welfare because state workmen's compensation and unemployment insurance laws are so inadequate both with respect to benefits and the duration of payments.
- 3) Many of the poor must seek public assistance because this nation has hardly begun to establish a family income maintenance system to meet the needs of breadwinners who fall sick or are injured for non-occupationally connected reasons.

It is particularly important to note in this section that the impoverishment of many non-white families living in central cities is especially acute because

they have been totally excluded from coverage under even our inadequate social insurance laws. For example, farm laborers and tenant farmers who have migrated to the cities as the opportunity to work in agriculture further diminished, and those who will come in the future for the same reason - were and are still specifically excluded from coverage under most social insurance programs. (This matter was fully discussed in AFL-CIO testimony before the President's Commission on Food and Fiber and on Rural Poverty.

The welfare section should be amended to include an adequate discussion of these highly relevant matters.

In addition to training the disadvantaged who are now unemployed, we also urge training programs to help workers who have remained at entry level occupations to move up the promotion ladder. Such ventures, like the pilot program for Steelworkers now underway\*, pay a double dividend since new entry level jobs are created when the former occupants move up.

\*Description of this program is attached for the information of the Commission and Staff

FROM: U. S. Department of Labor  
U. S. Department of Health, Education and Welfare  
Board for Fundamental Education  
United Steelworkers of America  
Coordinating Committee Steel Companies

FOR RELEASE AFTER 4:00 PM (CST)  
WEDNESDAY, JAN. 31

CHICAGO, Jan. 31 -- Six hundred and fifty steelworkers in nine plants of seven major steel companies were honored today at ceremonies marking their completion of the first phase of a joint government-industry-union pilot adult basic education program which is being conducted by the Board for Fundamental Education, a non-profit educational organization.

The program was begun last September under a Federal Manpower and Development Training Act contract signed by the Department of Health, Education and Welfare, and the Board for Fundamental Education. Also cooperating in the program are the Department of Labor, the United Steelworkers of America and seven steel companies: Armco Steel Corporation, Bethlehem Steel Corporation, Inland Steel Company, National Steel Corporation, Republic Steel Corporation, the Youngstown Sheet and Tube Company and United States Steel Corporation.

In ceremonies today at the nine plants, two in the Baltimore area and the remainder in the Chicago-Gary area, plant managers and local union officials presented the steelworkers with achievement certificates signed by representatives of the participating organizations, as wives and families of the steelworkers looked on. It is anticipated that many of those completing the courses today will be joined by several hundred others as the second phase of the pilot program begins in the next few days.

- more -

At a press briefing in the Bismarck Hotel, Chicago, today, representatives of the several organizations participating in the pilot educational program gave a progress report on the activity to date.

Dr. John S. McCauley, assistant to the director, U. S. Employment Service, representing Secretary of Labor W. Willard Wirtz, said that the program seems to be meeting both with the success and response backers had forecast for it when the plan was announced last May. He congratulated both management and labor for the leadership which they are demonstrating in conducting these pilot projects. He recalled Secretary Wirtz' faith in the program which last spring prompted the Secretary to call it "the kind of concerted action that is so vital in our national efforts to help every American better enjoy the dignity and economic security that flow from the full use of his talents."

Speaking for John W. Gardner, Secretary of Health, Education and Welfare, was Dr. Grant Venn, associate commissioner, Adult Vocational and Library Programs, U. S. Office of Education. He said that "the Secretary and I are pleased with the progress of the program as the first phase of this unique adult basic education effort is completed today. This pilot project in the steel industry will, if deemed successful at its conclusion this summer, indicate to us the very real possibility of upgrading the educational levels of workers throughout industry."

I. W. Abel, president of the United Steelworkers of America; and R. Conrad Cooper, chairman of the Coordinating Committee Steel Companies, said, "The program is moving forward in all of the plants with the support and cooperation of local union and company officials. The companies and the union have a mutual interest in this program to improve the basic skills of employees so that they

may take advantage of training and job opportunities as they become available. Although we are now at the halfway point in the project and it is, therefore, too early to evaluate the overall effectiveness of the program, both the union and the steel companies are pleased with the progress made thus far."

Commenting on the program at the nine plant locations, the Board for Fundamental Education's executive director, Dr. Cleo W. Blackburn, said, "We are pleased with the response from the steel companies participating in the program and with the cooperation we have received from management and labor as we have proceeded toward the objectives outlined at the start of the project. The record established during the first phase of the program serves as proof that management, labor and government can successfully promote joint programs in the interest of the worker."

The pilot program when completed this summer will have provided adult basic education and upgraded the educational level of some 1,600 steelworkers. The format of the program was developed as a result of a joint study provided for in the 1965 contract settlement between the United Steelworkers of America and the Coordinating Committee Steel Companies.

The need for the program grew out of the realization that some employees with long service lacked the educational skills to train for higher-level jobs, including those involving new processes and equipment. The upgrading of present workers might then open the way for unemployed persons to be trained for beginning jobs in the steel industry.

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CH-1-18-68

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

EXECUTIVE DIRECTOR

February 3, 1968

MEMORANDUM FOR THE COMMISSION

Subject: Sample survey by social scientists of  
Johns Hopkins University

The attached letter is being sent to all of the Mayors indicated. This is being done at the request of Professors Peter Rossi and James Coleman of Johns Hopkins who are conducting an attitude survey of public officials and administrators in 15 cities across the country. This survey is designed to complement the general population survey being conducted concurrently within the same cities by the Survey Research Center at the University of Michigan.

I'm sending this letter to you as a matter of information; we, of course, hope you will urge cooperation in the event those receiving the letter contact you.

  
David Ginsburg  
Executive Director

Attachment

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

DEPUTY  
EXECUTIVE DIRECTOR

February 3, 1968

Honorable Thomas D'Alesandro  
Mayor of Baltimore  
Baltimore, Maryland

Dear Mayor D'Alesandro:

On behalf of the National Advisory Commission on Civil Disorders a group of social scientists at Johns Hopkins University are conducting surveys of public officials and employees in a sample of American cities. The purpose of this survey is to learn more about the background, origins, and nature of civil disorders from those officials and employees whose positions require them to deal with the problem either in potential or actuality.

Members of the research team will be calling upon you, other community leaders, and heads of city departments. Mindful of the heavy burden of your official duties, we hope that you can spare some time to talk with members of the team concerning these vital topics. Your cooperation and that of your colleagues will be very much appreciated.

If you have any questions concerning the survey, please telephone me (202 - 395-4677) or Professor Peter H. Rossi (301 - HO 7-3300, ext. 606 or 607); we will be happy to give any further explanations you may wish.

IDENTICAL LTR TO:

Mayor Kevin White, Boston  
Mayor Richard Daley, Chicago  
Mayor Eugene Ruehlman, Cincinnati  
Mayor Carl Stokes, Cleveland  
Mayor Jerome P Cavanagh, Detroit  
Mayor Richard G Hatcher, Gary, Indiana  
Mayor Henry Maier, Milwaukee  
Mayor Hugh J. Addonizio, Newark  
Mayor John V. Lindsay, New York  
Mayor James Tate, Philadelphia

Sincerely,

/s/

Victor H. Palmieri  
Deputy Executive Director

Mayor Joseph M Barr, Pittsburgh  
Mayor Alfonso Cervantes, St. Louis  
Mayor Joseph L Alioto, San Fran.  
Mayor Walter E Washington, Wash. DC

## THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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OFFICE OF INFORMATION

FOR RELEASE AM'S OF SUNDAY, FEBRUARY 4, 1968

The National Advisory Commission on Civil Disorders heard testimony on November 2 from four authorities on the problem of migration from rural to urban areas as a factor in recent civil disorders. Excerpts of statements by these witnesses are now being released.

The four who gave their views to the Commission are:

JOHN A. BAKER, Assistant Secretary, U. S. Department  
of Agriculture.

WILLIAM M. McCANDLESS, Federal Co-Chairman, The Ozarks  
Regional Commission.

JOHN F. KAIN and JOSEPH J. PERSKY, of Harvard University.

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EXCERPTS FROM STATEMENT BY JOHN A. BAKER, ASSISTANT  
SECRETARY, U. S. DEPARTMENT OF AGRICULTURE, BEFORE THE  
NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS ON  
NOVEMBER 2, 1967.

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. . . .I think you know, Mr. Chairman and members of the Commission, that one of Secretary Freeman's main concerns during this trying time is to gain public understanding of the contribution that rural areas development can make to reducing the population impaction that contributes to urban disorder. The Secretary firmly believes that a national policy to provide a better geographic balance in the distribution of economic opportunity and population patterns would reduce the pressures on the ghettos and help prevent further urban sprawl. . . .

In my statement, Mr. Chairman, I shall describe in some depth a chronic national problem that we feel to be one of the major causes of urban civic disorder and, two, suggest for your consideration an alternative course of action to the passive acceptance of existing demographic projections -- a course of action that will help solve this growing problem by attacking it at its source.

One of your major concerns is the basic cause and origin of the terrible riots and disorders that have affected our big cities in recent years and that most certainly will recur if positive constructive action is not taken. This is, of course, a complex matter. There is no single origin or cause. However, one of the causes we think, Mr. Chairman, is the past developments and trends in rural America, particularly those on our farms. They are directly related to and are some of the fundamental causes of urban civic disorder. A new report issued only yesterday by the Bureau of the Census indicates that 54 percent of all the non-white residents of metropolitan areas were born in rural areas. . .and that 33 percent of the white residents of metropolitan areas were born in rural areas.

Those of us who have been close to agriculture over the years have seen the inexorable thrust of modern technology and organization literally overwhelm millions of families, white and Negro, in the countryside and force them off the land into towns and cities where both white and Negro add to the overcrowding that leads to explosion.

The new agricultural technology has served America well, of course. Americans are the best fed people at the lowest cost in the history of man, but it has had a cruel and grim impact upon the low-income, the landless and the defenseless rural families who have been wrenched away from their customary sources of livelihood in the formerly stable communities in which they lived.

Between 1940 and 1945, the annual net out-migration from farms averaged 1,600,000 people. In the next five years, it dropped to 700,000 people per year. Between 1950 and 1955, it went back up to over 1,000,000 people per year. Between 1955 and 1960, it totalled about 900,000 people each year who moved off the farm, and from 1960 to 1965, it was 800,000 per year. The migration of farm people to the city, however, is only a part of this migration picture. In the farming areas of the nation, there has been a paralleled out-migration of rural non-farm people. When farm numbers dropped, fewer businessmen and tradesmen were needed on Main Street in the small cities, towns and villages of rural America. These people were impelled to leave for the same reason that farmers and their families were impelled to leave: The search for jobs and communities in which they can find some of the services and amenities other Americans take for granted. We do not have exact numbers of these non-farm migrants but in the 1950's, rural areas in many parts of the country lost more than 10 percent of their 1950 population. These included the lower South from Georgia through Texas, large sections of the Appalachian Mountains and the Ozarks, upland country of Arkansas, Oklahoma and Missouri and some of the important farming areas in the corn belt, North and South Dakotas, Nebraska, Oklahoma and Texas and the Great Plains.

The onrush of farm technology obliterated their communities, often destroyed their jobs or their little farms, and sent them in endless streams toward the big and the small cities.

Some of these families leaving farms and crossroad villages ended up in nearby small cities, which form an economic center for the region in which they live. This development, as I will

point out later, was good.

However, this concentration in the big metropolitan areas was the major movement as this new report on Negro migration and Negro population statistics and income statistics... would indicate.

Between 1960 and 1965, numbers of people in these areas increased at a rate twice that beyond the metropolitan borders.

The average rate of population increase in these areas is more than two percent a year. Their median rate of increase for the country is about 1.6 percent a year. This compares with .07 percent average rate of increase outside the metropolitan areas.

More than 70 percent of Americans now live on only 1.2 percent of the total land area of the nation. At the time of the last census, our urban areas averaged more than 3000 people per square mile, while rural areas averaged 15. I am told that if all of us were required to live as jammed up as those in Harlem are required to live, all 200 million of us Americans could live on Long Island. People who research such facts are now predicting that if current trends are not shifted by the year 2000, about 80 percent of the 300 million people in the U.S. will live in three enormous megalopoli, plus six huge cities and 13 additional urban regions. In short, four out of five Americans will then be surrounded by the kind of urban environment we now see in some of our most impacted city-suburban places.

Mr. Chairman, I don't want you to think I approach this as a rural fundamentalist. I believe the big city has a place in our society as a focus of national social and economic life. It is because I so strongly believe the big city has a place that I think it needs to be saved from the fate many of its admirers appear to be advocating.

There is such a thing as too much. We have past that point now in many of our big urban concentrations. There is now a general malaise among urban Americans, and the riots which this Commission is looking into are only one symptom. The ghetto resident burns down his block while the suburban resident becomes increasingly frustrated by the escalating demands upon him and his family. To name just three among many pressure areas: local taxes, city-suburban traffic problems and land-use control. In each of these, pressure resulting from this inexorable concentration of people becomes increasingly agonizing. The fact that suburban Americans are not burning down their neighborhoods probably is due more to the simple principal of home ownership rather than to the satisfaction and comfort, enjoyment and peace of mind of the dwellers in suburbia.

My point is this: The riots, and the malaise in the cities of which the riots are an expression, should now prompt a serious and comprehensive reappraisal of demographic trends, of what we are letting happen to the distribution and population and economic opportunity. We must save the classic concept of the role of the city from being choked from self-strangulation, from too many people packed up too close together. We need to save the city through an alternative process of creative urbanization that will utilize rural renaissance as a moving force. One major problem with which your Commission must concern itself, because its solution is an important part of the solution of your central problem, is that we have been pouring farm people into the city at the rate of 700,000 to 1,500,000 a year, and this is the threatening factor for the future. Careful analysis indicates for each 10 boys now growing up on a farm, only one can find a decent livelihood as a farmer in the years ahead. If we don't find jobs for those other nine in rural America, they, too, must join the lemming-like migration to the great cities. As a friend told me the other day, we can either provide jobs for these nine boys in rural America, or they will be in our cities tomorrow burning down our buildings because we have been unable to develop a better rural-urban balance of economic opportunities and population patterns.

I would like to turn now to the positive alternatives. I suggest if we are to solve the problem of overcrowded ghettos that are the basic cause of riots, we must simultaneously take action, one, to prevent the further impaction of city centers by stemming the tide of the rural poor, and two, to break the iron ring around the ghettos, not by moving people out to add further to a suburban sprawl but by enabling them to move to new job opportunities in new growth centers in rural areas. These growth centers would be largely self-contained, self-supporting non-metropolitan communities having a broad spectrum of economic, cultural, esthetic opportunities and activities for people of all ages, all ethnic groups, all non-poverty income groups and all racial groups, non-poverty groups because in such communities we hope no one would be in poverty because of the provision of economic opportunities.

What I shall call "the rural alternatives" will enable America to reduce impacted population centers and to prevent their further impaction. It will allow the nation to avoid further contribution to the ubiquitous spread of sprawling suburbia. Outside the standard metropolitan statistical areas, there are some 300 identifiable non-metropolitan complexes made up primarily of farming, recreation and other open-country enterprise, dotted here and there with villages and small towns where people live and trade. These areas usually contain one or more of the small cities I mentioned earlier. Such multi-county areas or districts are realistic and attractive alternatives to mass urban agglomeration. For example, in the six-county area, hundreds of people may commute from five counties to jobs in one county. Another county in such a group may function to provide nearly all the recreational activity for the area. One small city may be the primary service center for part of the area, and another may serve the remainder. If the new town-country communities are to become practical and meaningful alternatives to megalopoly, new policies and programs must be adopted and put into operation. Agriculture, industrial development, housing, public assistance and public services are some of the critical areas.

Economic growth created more than 13,500,000 jobs between 1945 and 1960. But all the net gain took place in large urban centers. New business and industrial jobs in towns and smaller cities were offset by rural job losses in agriculture, mining and other resource-based industries. From 1960 to 1965, we did better and made a slight gain in rural areas. But we must do a great deal better in rural areas.

We need 600,000 new jobs a year in these town and country communities to reverse the flow of people from the countryside. New plants are already springing up in rural America. But we need more of this type of growth.

Rural towns and small cities have much to offer business-  
man: plant sites that cost less to buy, less to build on; space for plant expansions; space to park; a stable and willing work force; and an opportunity to live within easy commuting distance of job and outdoor recreation areas. The nation's major industries recognize this and are acting upon this knowledge.

The Federal government, it seems to me, also has an obligation. Federal agencies should take the lead in decentralizing many of their operations, particularly routine operations, to less population-impacted areas. The government also should use its procurement and contracting responsibilities to consciously promote the development of the non-metropolitan, multi-county community of tomorrow.

Modern community facilities are essential to economic development and the good life. Regardless of job opportunities available, young families, particularly, simply won't put up with backward communities any more than the executive and managerial personnel of modern industry and business will be willing to move there. Some 33,000 rural areas, for example, now lack modern central water systems, and 43,000 lack adequate waste disposal systems. These communities need financial and technical help to develop the modern public facilities and services required for a full and rich economic and cultural life. Generally, the provision of adequate public facilities will help rural communities to attract the new industrial plants and government installations that will provide jobs and livelihood for an increasing population in the open country outside impacted urban areas.

State governments are responding imaginatively to the challenge and opportunities of rural areas development. In some respects, state government is ahead of the Federal in promoting the growth of non-metropolitan communities.

However, in some important areas of public policy, the lag is in the opposite direction, in part because of the limited sources of revenue open to the states. Nevertheless, government programs and initiatives in the rural communities of tomorrow, it can safely be assumed, will be conducted under an increasingly successful partnership between local, state and Federal government.

I have tried briefly to sketch the broad outlines of the new town and country community of tomorrow and describe some of the critical areas that we must attend to if rural areas are to come of age as viable attractions and effective alternatives to the megopolis.

On all these fronts, the Federal government, the states and enlightened local leaders are pushing active programs to give shape and direction to communities outside the big cities where people can make a living and, even more important, make a satisfactory life for themselves and their families. These efforts should be redoubled not only to solve rural problems themselves, as important as they are, but as part of the solution of city problems. Not enough jobs are being created in non-metropolitan areas to keep up with the number of displaced farmers and farm workers and the number of young rural people that are looking for work. The combination of increasing of the number, the amount of redundant labor in rural areas and the natural excess of births over deaths is still outrunning the number of new job opportunities.

For all rural areas, the investment in public services and facilities are woefully inadequate even when compared with those in the big cities, even in many cases when compared with the ghetto areas of big cities, and resources, capital, technical aids, access to opportunities just aren't open to many in rural areas, particularly if they are poor to start out with and especially if they belong to a minority group. Some would deny it, yet all of these are correctable conditions. Four requirements are critical:

Manufacturing and service jobs in the growth centers serving rural counties.

Housing programs tailored to the special needs of rural people.

A much larger investment in public services.

And greatly improved public administration and planning.

This nation is at a crossroads. The fires in Detroit and Newark lit up a signpost. We can continue down the road to further impacted megalopolis, or we can implement a rural alternative and provide a new creative opportunity for higher quality life in communities of tomorrow so that large numbers of Americans, many of them ghetto residents, will not have to be swallowed up in the spreading megalopolis.

In the long run, the rural development alternative will help save the nation. Secretary Freeman made the case for the town and countryside a few weeks ago when he said:

"There is more fertile ground for domestic peace and tranquility in these areas than in the cities. There is not the crowding. Not the pressure of one people against another. Not the indifference and impersonality. Not the deep running bitterness you find in so many of our cities.

"Don't misunderstand me. I am not saying the small towns and farming areas of America are models of sweetness and light. I do say, however, that the potential for humane solutions to the problems of our day may be greater and the possibility of debilitating disorder may be less."

Gentlemen, I urge your serious consideration of the significance of the rural alternative among the solutions you are seeking to civic disorders in the cities.

I have attached to my statement, Mr. Chairman, a policy statement of the Secretary of Agriculture called "Communities of Tomorrow," part of a series called "Agriculture, 2000", which is an exercise we in the Department have undertaken for the past year trying to look forward to discover what we as a nation need to do now to build the kind of nation and society and economy that we ought to have in the year 2000.

Mr. Chairman, this is the post-industrial society that we are talking about. Western civilization has won the industrial revolution. We now have the ways and means . . . to use the products of . . . the industrial revolution to move to a new and higher plane of civilization. We have the technology, if we had the imagination, the creative spirit and willingness to bring our institutions up to date to gain a new era of man. Rural communities of tomorrow can meet the physiological and psychological needs of man, in addition to his material needs which we have not yet provided.

Mr. Chairman, I appreciate the opportunity to have been here.

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EXCERPTS FROM STATEMENT BY WILLIAM M. McCANDLESS, FEDERAL CO-CHAIRMAN OF THE OZARKS REGIONAL COMMISSION, BEFORE THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS ON NOVEMBER 2, 1967.

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I appreciate this opportunity to appear today before this Commission whose broad concern is our major urban areas where events have made increasingly evident the alienation of a significant percentage of our people from this society.

Your interest, I am sure, are both immediate and long run. The requirement for law and order for the preservation of society is basic to the establishment of your Commission. But you also, I know, recognize that this is only one consideration, and other fundamental problems must be faced and solutions proposed. The decisions we must make involve major national objectives and the formation of necessary policies to realize these objectives.

The magnitude of the problems is posed by simple statistics. Where and how are we to provide for the more than 160 million additional Americans who will be part of our population in the next 33 years? Do we want people -- more and more people -- to live and work in and around our largest cities?

Our people live in cities because they have been oriented to think that there are relatively greater economic and social activities available to them in the cities. This belief and behavior it stimulates and creates is causing growing and perhaps insurmountable problems for our society. Not only are these greater problems creating and aggravating metropolitan life and its costs, but at the same time, we overlook the possibilities for creating significant and relatively better alternative opportunities for all our people -- urban and non-urban; employed, underemployed, unemployed, and white and non-white.

The approach to the solution, I am convinced, lies in a forthright determination and evaluation of the causes of alienation and a willingness to experiment with our economic and social policies to meet the hopes and aspirations of our population. Particular emphasis must be placed on those now underemployed in our economy and under-participating in our society.

We must embark on a conscious and comprehensive national program of creating economic opportunities and developing community participation, not only for the millions who are not sharing in either the rewards or responsibilities of the American community but also to absorb and better utilize the energies and capabilities of those who will soon be entering into this society.

We have long fastened on unemployment as a major national problem. But while unemployment seems largely solved for those who are adequately trained and can offer themselves for employment, we have the lingering cancer which is the under-employment or under-utilization of millions. Underemployment is the major economic problem we now face. These millions include not just those who fall below the so-called poverty level but the countless other Americans who lack the opportunities to achieve their full potential.

We have an unfortunate tendency as Americans to react to social crises rather than to plan and act to prevent them. If riots occur in our major cities, the public mind fastens on this as the problem of the day and demands instant solutions. Not too long ago, national attention was focused on the public schools and the civil rights dilemma of the South. Before that, it was the economic crisis of the thirties, and the illustrations could be multiplied. We must remind ourselves that discontent and alienation are not confined to particular geographic areas or segments of our population. It is as present in small towns and rural America as it is in the great cities. The difference is only one of numbers, and the volatile environment of the cities brings forth a mass response to the lack of realistic opportunities. This same condition in a village of the Ozarks or a hamlet in Maine is simply less dramatic.

It has been said that "Everybody needs to be somebody," or put another way, "When one has identity, he is situated." Economically disadvantaged Americans, whether in the Ozarks or in Bedford-Stuyvesant, live in a society that has not equipped them with the ability to satisfy the needs which society itself generates. Such persons, deprived of the ability to achieve in socially legitimate ways, are stimulated to seek out other means to satisfy their needs -- means that society regards as illegitimate.

We cannot afford to continue to ignore our urban-spatial relationships. Instead of responding to mere problems, we must begin to create and develop major opportunities. Instead of only looking backward for relevance, we must also look forward for adequacy and timeliness.

The problem of civil disorder to which we are reacting today did not originate solely in the cities. The problems

of the core cities are the result of a whole complex of dynamic forces.

Between 1950 and 1960, at least 400,000 people left the 134 counties of the Ozark Region. Many found opportunity, but their leadership potential was lost to the communities from which they departed. Others, in far greater numbers, discovered that the opportunities they sought were mirages, and they and their children are now the restless underemployed and unemployed of the urban areas.

The migration from the Ozarks was only a small part of the total mass movement from across this land to urban America which has continued for several decades and which will continue unless we adopt a relevant and effective policy of economic development.

In the past, programs of governments have generally encouraged mass migration to the large cities. Examples are the Interstate Road System and other arterial roads, airports, procurement, installations, research, lending policies and differential welfare payments. It may be argued that industry and government must be passive in face of the worldwide trend of urban concentration and that no attempt should be made to reverse a trend that reflects economic actions of individuals and corporations, but there is evidence that this concentration has now become a major concern of the world community.

We simply cannot continue to pile new millions into already overcrowded and tense urban centers. It is imperative that these centers have breathing time -- time to get to the effective solution of their problems which are anything but static. The time and space dimensions of so many people are being violated and compressed into dense metropolitan clusters, breeding conditions which are neither minor nor postponable. Merely to react and concentrate solely on the major problems manifesting themselves within the cities, while ignoring the sources of the dynamics of these urban-spatial relationships, will increase and intensify those problems.

Let me make it clear at this time that I recognize the magnetism of the cities and that I do not intend to indicate that we should try to depopulate them. Rather, I am saying that what we need are more cities throughout the country, each of which in turn will develop the amenities and the cosmopolitan atmosphere which our present cities now provide. Hopefully by taking advantage of the new planning and program techniques available to us through new technologies, we can make it possible to avoid the problems which beset us today.

The Mayor of the City of New York, who sits on this Commission, has eloquently testified in the past as to the enormity of the economic problems that face his city. No one has been able to define adequately and accurately the extent of the social problems that exist in New York, Chicago, Detroit and all the other mass urban areas.

We are all conscious of the tremendous problems of air and water pollution. I am not convinced, however, that we really understand the consequences of air pollution. Simple mathematics based on the projection of our population and the effects of the internal combustion engine show us that unless the trend toward concentration is reversed, individuals with respiratory weaknesses will find the metropolitan parts of the East and West Coasts uninhabitable by the year 2000.

There are still significant numbers of people living in the smaller cities and countryside who are now being displaced from the land and from their traditional employment by the increasing mechanization of agriculture and other marginal pursuits. Many people are underemployed because they do not have the skills or the availability of quality job opportunities.

Many of these people are moving into the larger cities at a time when the opportunities open to them there are diminishing. The same strong forces that have operated in the past and have resulted in many people moving into our largest cities are still very much at work and cannot be safely ignored.

The time has come to consider a stated national policy to encourage economic and population growth in the less

crowded environments which are available to us on this continent. In my judgment, the United States can create economic viability and enriching amenities in smaller urban centers. I see the necessity to create many more cities of 100,000 to a million population. The investments required to expand the present small urban centers to viable medium-sized cities could be far less than the economic costs we will pay if we do not have more evenly distributed growth.

Faced with the fact that today seven out of 10 Americans live on one percent of the land, we cannot continue to aggravate this imbalance, and the need for new direction becomes patently obvious. I believe that virtually all of the civil discontent with which your Commission is concerned comes from those who are not usefully involved in our economy and society. Certainly, we who are concerned with the future of regions such as the Ozarks know that our losses to date have been both the people of skills and potential we needed and those others who, with better education and training, could contribute to their own and the nation's well-being.

On November 20th, the Census clock in the Commerce Building will report a population of 200 million people. By 1980 -- only 13 years from now, the Census Bureau tells us that the nation's population could reach 250 million, and in only 33 years, the population could be 360 million. Last year, 50 percent of our people were under 30 years of age, and each year, the number of young people seeking education and jobs continues to grow.

It seems to me that we must be concerned with creating economic opportunity of a magnitude which will absorb the energies of this rising young generation. I believe that many of them can and will want to realize their hopes in the more open space areas of the country and that this will relieve the ever-mounting pressures on the established metropolitan areas.

Can a thoughtful resident of a present major American city visualize what it would mean to him if 160 million new Americans in the next 33 years would seek living space in his neighborhood? Or, to put it in another way, we would need 320 urban areas of one half million population each just to absorb this increase.

As Federal Cochairman of the Ozarks Regional Commission, my primary concern is the 134-county Ozark Region which contains approximately 2.7 million people. It is a very small part of the national economy, and yet, I believe that this region may be embarked on a course of action which, if carried through to success, will be a demonstration of what is required to bring about a more harmonious urban-spatial environment in America.

It seems to me quite clear that there is an historic and continuing relationship between urban and rural depression. National policies and programs must recognize and treat the total development process in a coordinated manner. I do not believe that it is wise public policy to segment the national problem of underemployment into urban and rural parts. Therefore, I suggest that what we are attempting to do in the Ozarks has a direct relation to the problems of the great urban centers. The creation of economic opportunity in the open space areas where there is a potential for growth will diminish the flow of people into the already overcrowded cities.

The Ozarks Commission is convinced that an effective economic development program must concentrate on opportunities. Public expenditures must place the major emphasis on investment and not income maintenance. We must be concerned with growth and not stability. The principal opportunity is to concentrate on human resource development.

We intend in the Ozarks to attempt to create an environment of education, information and technical skills within a geography of amenities. Our study and observation thus far leads us to the conclusion that industrial growth in the latter half of the 20th century is no longer restricted to

sites in proximity to natural resources. This is especially true of the industries and service businesses based on the new technologies.

It is our judgment that the program of the Commission must be related to the technologies of the future and their adaptation to this region. We recognize that it is essential to raise income and provide quality jobs and that to do this we must have job opportunities and educated and trained people to fill these jobs. We know, for example, that there are roughly three people available today for every unskilled job but, on the other hand, only five people available for every seven skilled jobs. It is further stated that it is probable, with our fast-changing economy, that every person may well need to be retrained three times in his lifetime.

It is with this philosophy and approach to economic development that the Ozarks Commission's strategy can be described as having three major thrusts. They are: (1) Expansion and improvement of education and all its aspects, with particular emphasis on technical and occupational skills training; (2) Development and upgrading of public facilities related to economic development in areas of significant growth potential; (3) Creation of attitudes for economic growth and expansion.

What I have just mentioned is only the briefest sketch of our approach to policies and programs. All that we do, however, will be aimed at what I would describe as the necessity for developing our human resources and attitudes in an environment in which they can flourish and grow.

I have spoken here of the need for new directions and experimental policies to accomplish a distribution of the anticipated increment to our population. In terms of broad general areas, I would mention the following: (1) Government policy that would emphasize more even distribution of our population. Policies of the Federal government such as those involving the Federal Reserve System, tax policy, research and development, procurement and our transportation networks of highways and airports must have built into them consideration

of this goal. (2) In the field of the actual operation of government, the placement of facilities and installations to encourage the attainment of this goal. (3) Major emphasis must be placed upon the education and training of our people. There has been within the last two years the beginnings of the recognition of this last item, but what is vitally needed now is greater emphasis on coordination and implementation. We must provide for all of our people on a continuing and massive basis the opportunities to develop their full potential. (4) This same challenge to government must be made to American business and labor. Bureaucratic inflexibility exists as much in business and organized labor as it is presumed to exist in government. If we challenge government, we must also challenge other major segments of our American economy to think creatively and to move in terms of opportunity rather than in existing molds and patterns.

An important message comes to us from these recent metropolitan experiences. It is the fact that our attitudes and commitments must be adequate to our goals. We must realize that our opportunities and our resources are not things per se, but rather are the functional and relevant capabilities which we ourselves must create.

Peter Drucker, in his lectures delivered at the University of Toronto in 1965, said that "The job is to do today things that will create the future -- either by anticipation of the effects of fundamental changes that have already happened or by imposing on an as yet unborn, as yet amorphous, as yet indeterminate future a new direction and superior will." The job that this nation faces is recognition of the symptoms of alienation in our society and to create a new future where all people may be fully and effectively useful in an expanding economy and society.

ALTERNATIVE STRATEGIES FOR METROPOLITAN GHETTOS\*

Excerpts from Statements  
By John F. Kain and Joseph J. Persky,  
of Harvard University, before the National  
Advisory Commission on Civil Disorders on  
November 2, 1967

The outbreak of violence in the ghettos of U.S. cities has focused attention on the conditions found there. This belated recognition of long standing "problems" of the ghetto may lead us to conclude that these are of recent origin, and tempt us to seek "quick" and painless solutions. Nothing could be more disastrous. The problems of the ghetto are the result of decades of neglect and racial discrimination and will not be eradicated quickly. Careful weighing of alternative approaches is necessary.

Several policies have been proposed during recent months to cope with both the immediate and long term causes of the riots. We perceive at least five. These are:

- (1) Programs to improve Law Enforcement;
- (2) Programs to gild the ghetto;
- (3) Programs to retard migration;
- (4) Programs to provide skills to potential migrants;
- (5) Programs to disperse the ghetto.

Portions of all of these programs could have a role in any well designed strategy for dealing with civil disorder

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\* Testimony before the National Advisory Commission on Civil Disorders, Washington, D.C., November 2, 1967.

and its underlying causes. Some would make a positive contribution to almost any conceivable program and are highly complementary. Others are of limited value and could even be counterproductive if used in isolation. In this brief discussion we will attempt to outline the role each type of program can play in a concerted attack on the problems of the metropolitan ghetto. First we describe each as pure strategies and then suggest some of their important interrelationships.

#### Programs to Improve Law Enforcement

We are not competent to discuss the first of these strategies in any detail. Still we would like to make a few general observations. While more sophisticated methods of law enforcement may play an important role in preventing major outbreaks of violence or limiting their severity once they have begun, it is difficult to see how they can make a contribution toward removing or reducing the poverty, ignorance, and discrimination, which have been root causes of civil disorder during past summers. Since these underlying causes are stubborn and persistent, we suspect that their removal will be a difficult task. Most of the strategies discussed below will take time to operate. Even

with the best intentions and best conceived programs for dealing with the more fundamental causes of the riots, we regard the potential for violence in the ghettos in the near future to be substantial. We emphasize this because of a fear that too much will be expected too quickly; that well designed programs will be discredited because of unrealistic expectations about the speed with which they can operate. Thus, there is a clear need for improved methods of law enforcement to deal with civil disorder in American cities. Moreover, we believe that better community relations and police methods can make a positive contribution in the long run as well. Since the practices and attitudes of the police and other public officials appear to contribute to the underlying alienation of ghetto residents, programs that improve the image of law enforcement agencies and other local bureaucracies may have important long run benefits.

#### Programs to Gild the Ghetto

Programs to "gild" the ghetto, i.e. to make the ghetto a more tolerable place to live and to improve the conditions of ghetto residents, have received widespread support in recent months. Included prominently among these programs are a variety

of proposals designed to attract industry to metropolitan ghettos. There have also been numerous proposals for massive expenditures on compensatory education, housing, welfare, and the like. Model cities programs must be included under this rubric. All such proposals aim at raising the employment, incomes, and well being of ghetto residents, within the existing framework of racial discrimination.

Much of the political appeal of such proposals lies in their ability to attract support from a wide spectrum ranging from white separatists, to liberals, to advocates of black power. However, there is an overriding objection to this seduction. "Gilding" programs must accept as given a continued growth of Negro ghettos, with all of the private and social costs this entails. We will not attempt to detail these costs at this point. We will simply observe that many so called "urban problems" are largely the result of a rapid growth and expansion of massive central city ghettos.\*

The ghetto is directly or indirectly responsible for the failure of urban renewal, the crisis in central city finance, urban transportation problems, Negro unemployment, and the inadequacy of metropolitan school systems. Ghetto

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\* These social costs are discussed in more detail in: John F. Kain and Joseph J. Persky, "Alternatives to the Gilded Ghetto," paper prepared for the Economic Development Administration Research Conference, U.S. Department of Commerce, Washington, D.C., Fall 1967. Also available as Discussion Paper No. 21, Program on Regional and Urban Economics, Harvard University, September, 1967. And John F. Kain, "The Big Cities Big Problem," Challenge (September/October, 1966), pp. 5 - 8.

gilding programs, apart from being objectionable on moral grounds, accept a very large cost in terms of economic inefficiency, while making the solution of many social problems inordinately difficult.

A final objection is that such programs may not work at all, if pursued in isolation. The ultimate result of efforts to increase Negro incomes or reduce Negro unemployment in central city ghettos may be simply to induce a much higher rate of migration of Negroes from Southern rural areas. This will accelerate by still more the rapid growth of black ghettos complicating the already impressive list of urban problems. Indeed it is possible that programs aimed specifically at increasing Negro incomes or reducing Negro unemployment in Northern ghettos might attract more than one Negro migrant for each job created.

#### Programs to Retard Migration

Recognition of the migration link between Northern ghettos and Southern rural areas has led in recent months to proposals for accelerated economic development of the South, as a means of discouraging the migration of Southern Negroes to Northern metropolitan areas. It is important to clarify the limited contribution programs of Southern economic

development can make to the problems of the metropolitan ghetto. Anti-migration programs cannot in themselves improve conditions in Northern ghettos. They cannot overcome the prejudice, discrimination, low incomes, and lack of education that are the underlying "causes" of ghetto unrest. At best they are complementary to programs intended to deal directly with ghetto problems. Their greatest value would be in permitting an aggressive assault on the problems of the ghetto -- their role is that of a counterweight which permits meaningful and large scale programs within metropolitan areas.

Insofar as anti-migration programs reduce the rate of growth of Negro ghettos in Northern metropolitan areas, they can assist programs of assimilation and dispersal. Some appreciation for migration's contribution to the growth of Northern ghettos is provided by a comparison of the components of Negro population increase. Fifty-four percent of the 2.7 million increase in Northern Negro populations in the decade 1950-1960 was accounted for by net immigration of Southern Negroes. While the data on more recent population changes are scanty, the best estimates suggest Negro net migration from the South has been averaging about 100,000 per year for the period 1960 to 1966. While conclusions must be guarded, it appears that the contribution of Southern migration to the growth of

Northern ghettos, although on the decline, remains substantial.\* In the long run anti-migration programs could provide some smaller benefits by tightening metropolitan labor markets and particularly ghetto labor markets. Over time a reduction in the influx of low skilled Southern Negroes would probably lead to an improvement in the conditions of existing ghetto populations.

In any event, no program will be able to slow the pace of Negro migration without increasing Southern Negroes' access to employment. The most striking point brought out by an analysis of South-North migration streams is the markedly different behavior of Southern Negroes and whites. These differences can only be explained by differences in the level of economic and social discrimination brought to bear on Negroes in the two regions. This does not argue that the North's record is anything to brag about. If it were, it is likely that we would not be here today. However, the differential migration of Southern Negroes and whites strongly suggests that what little economic progress has been made in the South has been carefully guarded by the white com-

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\* A more detailed discussion of migration can be found in John F. Kain and Joseph J. Persky, "The North's Stake in Southern Rural Poverty," Paper prepared for the National Advisory Commission on Rural Poverty. Also available as, Harvard Program on Regional and Urban Economics, Discussion Paper No. 18, May, 1967.

munity. The quid pro quo for any large scale program of Southern economic development (which will greatly increase the wealth of Southern whites) must be a reduction of traditional patterns of discrimination. Fortunately it would appear that rapid economic expansion and the achievement of equal opportunity are highly complementary.

#### Programs to Provide Skills to Potential Migrants

Migrant improvement programs, in particular education and manpower training, are highly complementary to all of the other strategies. Investment in the underutilized human resource represented by the Southern white and Negro will pay off whether these individuals remain to participate in an expanded Southern economy or migrate to Northern job markets. Improvement in the quality of the Southern labor force will make the region more attractive to new firms and thus assist greatly in programs of regional economic development. To the extent that a potential migrant gains skills that increase his employability, his opportunities in the metropolis are increased and the chances of his eventual escape from the ghetto are enhanced. In light of these benefits, progress in Southern schools has been pitifully slow. Southern Negro achievement levels are the lowest in the country. Southern states with small tax bases and high

fertility rates have found it expedient in the past to spend as little as possible on Negro education. Much of the rationalization for this policy is based on the correct perception that a large proportion of Southern Negroes will migrate depriving the area of whatever educational investment is made in them. This fact undoubtedly has led to some underinvestment in the education of Southern whites as well, but the brunt has been borne by the Negro community.

Clearly it is to the advantage of those areas that are likely to receive these migrants to increase their ability to cope with an urban environment. This is in sharp contrast to migrants who move to the ghetto dependent on the social services of the community and unable to venture into the larger world of the metropolis. Nor is the impact of inadequate Southern education limited to the first generation of Negro migrants. Parents ill-equipped to adjust to complex urban patterns are unlikely to provide the support necessary for preparing children to cope with a hostile environment. The pattern can be clearly seen in the second generation's reaction to life in the ghetto. It is the children of migrants, and not migrants, that seem most prone to riot in the city.

Thus, education of potential migrants from the South

is of great importance to both the North and South. The value of the investment is compounded by the extent to which the overall level of Negro opportunity is expanded. In the North this is dependent on a weakening of the constraining ties of the ghetto. In the South it depends on economic development and reductions of traditional patterns of discrimination in employment.

#### Ghetto Dispersal Programs

Of the alternative "ghetto" programs, ghetto dispersal probably has the fewest advocates. Yet it would seem that this is the only program that promises a long run solution. In support of this contention we can identify several important arguments:

(1) None of the other programs will reduce the distortions of metropolitan growth and efficiency that result from the continued rapid expansion of "massive" Negro ghettos in metropolitan areas.

(2) Ghetto dispersal programs would generally lower the costs of achieving many objectives that are posited by ghetto improvement or gilding schemes;

(3) As between ghetto gilding and ghetto dispersal

strategies, only the latter is consistent with stated goals of American society.

Several general observations follow from these arguments. In attaining specific goals, e.g. increased incomes, reduced unemployment, increased educational opportunity, and the like, there is usually a choice of technique. Alternatives will vary in terms of their impact on the ghetto, i.e. whether they, on net, weaken or strengthen that "peculiar" institution. For example, there is a growing body of opinion (and some evidence) that housing market segregation reduces Negro employment opportunities. This recognition lies behind a number of proposals for subsidies to create new industrial jobs within Negro ghettos. We have already stated our doubts about such programs in the absence of accelerated Southern economic development. We would also observe that there are alternative ways of improving the employment opportunities of ghetto Negroes and reducing the disadvantages imposed by housing market segregation. Job training, improved education, better market information, and aggressive enforcement of equal employment opportunity legislation would improve Negro job prospects without freezing these jobs into the ghetto. If job access is a significant problem, as some would argue, subsidies or special transportation services could be provided to assist Negroes in obtaining suburban jobs. Where Negro employment within the ghetto would tend to reinforce

existing patterns of Negro residence, suburban Negro employment would be a powerful force in weakening the ties of the ghetto.

It is also worthwhile observing that ghetto dispersal and integration are not identical. Integration is but one strategy of ghetto dispersal. Many of the adverse consequences of massive central ghettos would be overcome if they were replaced or even augmented by smaller, dispersed Negro communities. Such a pattern would remove the limitations on Negro employment opportunities attributable to the geography of the ghetto. Similarly the reduced pressure on central city housing markets would improve the prospects of private market renewal of middle income neighborhoods. With the peripheral growth of central city ghettos checked, the demands for costly investment in specialized long distance transport facilities serving central employment areas would be reduced. In addition programs designed to reduce de facto school segregation by means of redistricting, bussing, and similar measures would be much more feasible. While such a segregated pattern does not represent the authors' belief in a more open society, it could still prove a valuable first step toward that goal. Most groups attempting to integrate suburban neighborhoods have placed great stress on achieving and maintaining some preconceived interracial balance. Since integration is the goal, they feel the need to proceed slowly and make elaborate

precautions to avoid "tipping" the neighborhood. The result has been a small trickle into all white suburbs. If the immediate goal is seen as destroying the ghetto, different strategies should be employed. "Tipping", rather than something to be carefully avoided, might be viewed as a tactic for opening large amounts of suburban housing. If enough suburban neighborhoods are "tipped", the danger of any becoming a massive ghetto would be small.

#### Conclusion

In this testimony we have attempted to identify and evaluate several strategies for dealing with the problems of the metropolitan ghetto. We have hinted that the most popular proposals fail to confront the complex of ghetto problems. For example, while anti-migration programs can play a valuable complementary role they contribute little to the elimination of poverty, ignorance, and discrimination. Similarly, one of the most popular sets of policies, gilding the ghetto, does nothing to slow and could even accelerate, the rapid growth of the ghetto, with all of its associated costs. Thus, these policies threaten to institutionalize existing patterns of racial segregation. By way of contrast it appears that the only approach which offers a long run solution to the problems of the ghetto -- its destruction -- has almost no advocates.

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

February 6, 1968

MEMORANDUM TO THE COMMISSION

From: Claudette Johnson

Subject: President's Special Messages to Congress

Mr. Ginsburg would like for you to have a copy of President Johnson's special messages to Congress: Civil Rights, Manpower, Job Programs, and Education.

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THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

1016 16TH STREET, N.W.  
WASHINGTON, D.C. 20036  
202/ 395-3982

OFFICE OF INFORMATION

February 7, 1968

FOR IMMEDIATE RELEASE

The National Advisory Commission on Civil Disorders today transmitted recommendations to the Justice Department and the Federal Communications Commission with respect to police communications.

The recommendations were set forth in letters from Governor Otto Kerner, Chairman, and Mayor John V. Lindsay, Vice Chairman, to Attorney General Ramsey Clark and Federal Communications Commission Chairman, Rosel H. Hyde.

Copies of those letters are attached.

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

February 7, 1968

Honorable Ramsey Clark  
Attorney General  
Washington, D.C. 20530

Dear Mr. Attorney General:

More effective means of communication among police officers in a disorder area and between police in the area and officers at control headquarters are essential. Difficulties in communication impair day-to-day enforcement efforts, but become particularly acute during a disorder when there is urgent need for departments to act as coordinated units.

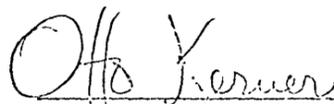
One important way to alleviate this problem is to provide miniaturized two-way radio equipment for all officers on patrol. Accordingly, the Commission's Report will include the following paragraph strongly endorsing the recommendation of the President's Crime Commission:

Miniaturized communications equipment for officers on foot is critically needed for command and control in civil disorders. This Commission, therefore, endorses the recommendations made by the Crime Commission that the Federal Government assume the leadership in initiating and funding portable radio development programs for the police.

Honorable Ramsey Clark  
February 7, 1968  
Page Two

The Commission believes that the Department of Justice should move forward now to develop such a program. We urge immediate action and we would appreciate learning of steps being taken in this direction.

Sincerely yours,



OTTO KERNER  
Chairman



JOHN V. LINDSAY  
Vice Chairman

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

February 7, 1968

Honorable Rosel H. Hyde  
Chairman, Federal Communications  
Commission  
Washington, D.C.

Dear Mr. Chairman:

The National Advisory Commission on Civil Disorders has examined the critical control problems that our cities have encountered in the recent disorders. Among the most perplexing has been to provide sufficient radio frequencies to insure communication among control officers on a daily basis and especially during a disorder. Police officers in the disorder area have frequently found it difficult or impossible to reach other officers or other agencies of local or state government. State and local police are sometimes unable to use the same frequency.

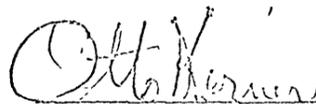
The following paragraph, which will be included in the Commission's report, sets forth the Commission's strong recommendation on the basis of its study:

We believe that the critical communications and control problems arising from the present shortage of frequencies available to police departments require immediate attention. Accordingly, we recommend that the Federal Communications Commission make sufficient frequencies available to police and related public safety services to meet the demonstrated need for riot control and other emergency use.

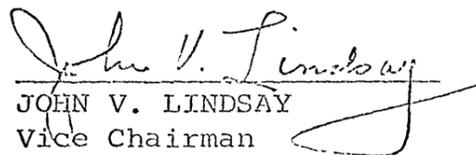
Honorable Rosel H. Hyde  
February 7, 1968  
Page Two

We understand that this matter is under consideration by the Commission now. We urge immediate action and would appreciate learning of steps being taken in this direction.

Sincerely,



OTTO KERNER  
Chairman



JOHN V. LINDSAY  
Vice Chairman

THE SECRETARY OF DEFENSE  
WASHINGTON

FEB 10 1968

Mr. David Ginsburg  
Executive Director, National Advisory  
Commission on Civil Disorders  
1016 16th Street, N. W.  
Washington, D. C. 20036

Dear David:

I would like to suggest that the Commission modify somewhat its general recommendation that we enlarge our Project 100,000. I am convinced that the program will be vastly beneficial as part of a broad attack on American poverty, but we have not progressed with it long enough to be certain that the Armed Forces can accommodate - without sacrificing performance standards - many more than the 100,000 annual intake now planned.

Furthermore, in addition to enlarging the quota for Project 100,000, other actions almost certainly must be taken to attract more rootless urban Negro 17-22 year old males into the Armed Forces.

Our projections are that by the end of September 1968 we will have taken in 140,000 Project 100,000 men of whom 50,000 will be Negroes. Of those 50,000 about 63% will be from the South, 31% from Northeast and North Central states, and 6% from the West.

Consequently I have directed a step up in specific recruiting efforts in the poverty areas of our cities. This will be done on a monitored pilot basis in three cities beginning in March and will be extended to about 40 cities by the end of June. The recruiting target will be the young unemployed urban Negro male generally - not just those whose low aptitude scores would place them in Project 100,000.

I suggest that the draft language which you sent me be rephrased to read:

In order to assure that young men living in areas of high unemployment are fully aware of the range of military training and service opportunities now open to them, the Department of Defense should intensify its recruiting efforts in those areas. The Department should also continue its emphasis on (and consider expansion of) Project 100,000 under which it accepts young men with below-standard test scores. The expansion of Project Transition, which began on a pilot basis in 1967 and involves training and counseling for servicemen scheduled to return to civilian life, should be pushed vigorously.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bob".

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

February 12, 1968

MEMORANDUM TO THE COMMISSION

From: Claudette Johnson

Subject: President's Special Message to Congress

Mr. Ginsburg would like for you to have a copy of President Johnson's special message to Congress on Crime.

SUMMARY DRAFT

MAYOR LINDSAY

Those Americans who took to the ghetto streets last summer were neither cautious nor tentative in expressing their reaction to the promises and performance of the larger community around them.

In reporting to the President and the nation on these events and their origins we will be neither cautious nor tentative; we will not blunt the message we bear in order to reassure those who expect to diagnosis less damning or recommendations less far-reaching.

This Commission has looked back -- to see what has happened and why it has happened. And we have looked ahead -- to see what might happen in the future. In both cases, our conclusions differ drastically from those held by many Americans. Above all, we have concluded that this nation today confronts a critical choice about the future of American society.

This nation is at present moving toward two societies, one black, one white, separate and unequal.

Reaction to last summer's disorders has quickened that movement and deepened that division. It threatens to make absolute the discrimination and segregation that have always permeated so much of American life and attitudes.

Yet this growing racial division is not inevitable. The movement apart can be reversed; the races can be brought together. New attitudes on the part of individuals and new policies on behalf of the nation can shape a future consistent with the historic ideals of our society.

We place this choice before the American people: of one society or of two. Our principle task is to define this choice and wage a national resolution. To continue present policies without regard to their future implications is to make an unconscious choice which may have the most ominous consequences for our society.

The main body of this report contains profiles of the recent riots. It explains how they happened, who participated in them, and how local governments, local police forces and the national guard responded. These

profiles should be carefully read, for they present a picture dramatically different from that assumed by many Americans.

Our investigation found that:

- the riots were not the result of a conspiracy or of planned organization either locally or nationally;

- the riots were usually triggered by minor incidents involving ghetto residents and the police;

- the response of local authorities and the National Guard was often unplanned, uneven and un-discriminating;

- where the response was one of firmness coupled with sensitivity to deeply felt grievances, there was usually a rapid restoration of law and order.

Our investigation also found three strong forces at the root of the violent summer past:

- pervasive discrimination and segregation in all aspects of American life which has had corrosive

and humiliating effects on the lives of our Negro citizens resulting in the deepest bitterness;

- massive and growing concentrations of impoverished Negroes in the cities which have resulted from Negro migration from the rural south, rapid population growth, and the flight of the white middle class to the suburbs;

- the intersection of segregation and poverty in the racial ghettos of our cities has destroyed opportunity and hope and enforced failure.

There can be no doubt that in a just society the importance of order and civil peace is paramount. It is the first responsibility of government to ensure the safety of its citizens, both black and white. Government must be prepared to respond quickly, firmly and sensitively to any potential disorder situation.

To ensure the stability of our society, we have recommended a broad program for improved disorder control procedures and capabilities at all levels of government. This includes:

- a program of substantial federal support to local law enforcement agencies at a level of several hundred million dollars;

- etc. -- (to be summarized)

This commission strongly and unequivocally condemns the riots. But in the course of our investigations we have come to understand their roots. We have found that in the ghettos of our country there exists a way of life totally alien to that known and taken for granted by most Americans. This is what we found:

- If you are a ghetto youth 16-19 years old, the odds are 1 out of 4 that you are unemployed, and 3 out of 4 that you are either unemployed or underemployed.

- If you are of school age you attend a school which widens rather than closes the educational gap between you and those attending school outside the ghetto. The odds are 3 out of 4 that your school is 90% or more Negro. Your teachers have less training and experience. The odds are 1 out of 3 that you will not finish high school. If you graduate

from high school your chances of going on to college are 7 times poorer than those of white students.

- If you try to join the Armed Forces, the odds are 2 out of 3 that you will fail the Selective Service test.

- The odds are 2 out of 3 that you are living in housing that is inadequate. You are either paying higher rents for comparable housing or comparable rents for worse housing.

- The chances are 1 out of 3 that your family is on welfare, and 2 out of 3 that your family will be on welfare sometime in the next two years.

- You have lower levels of police and fire protection, sanitation service, health care and recreation services.

Despite past promises you have seen little performance and less change, the gap in quality of education, standards of housing, employment opportunities and income levels is growing, not closing. You see no real prospect that the opportunities open to you will improve in your life-time. You are practically powerless

to affect your future. And that is perhaps the most dismal and infuriating prospect of all.

These are the frightening insights we have gained into the origins of the riots.

The existence of such conditions in the midst of our affluent nation challenges our concept of social justice as well as our desire for peace and stability.

Accordingly, we are recommending to the President, to the Congress, and to the people that this nation undertake programs of sufficient scope and daring to change drastically within the next 5 years the educational, employment and housing opportunities available to those locked in the centers of our cities.

We believe that what is needed is performance, not promise. We must set measurable goals and provide the resources to achieve them without delay.

We believe it is time to turn with all the purpose at our command to the major unfinished business of this nation; it is time to adopt strategies for action that will produce quick, visible progress; it is time to make good through concrete accomplishment our promises and avowed goals.

We believe this program must begin with a renewed dedication in the hearts and minds of all Americans and in the nation as a whole to eliminate the attitudes and practices that have kept racism a major force in current America.

We call upon the Nation:

- to enact a comprehensive and enforceable federal open housing law to cover the sale or rental of any housing, including single family homes;
- to strengthen federal powers and efforts to enforce equal employment opportunities;
- to sharply increase our efforts to eliminate de facto segregation in the schools of our nation.

This program must also include major new initiatives to remove the burdensome legacy placed on the residents of the ghettos as the heirs of American racism and poverty.

The most important of these recommendations are:

- the creation of 1 million public service jobs over the next 3 years, with 250,000 in the first year;

- the creation of 1 million jobs in the private sector over the next 5 years, with 150,000 in the first year;

- the provision of 6 million low and moderate priced housing units over the next 5 years, starting with 600,000 in the first year.

- a \$1 billion model cities program in the coming year;

- the extension over the next 5 years of quality early childhood education programs such as Headstart to every disadvantaged child in the country;

- a concomitant program to improve dramatically and strengthen the public school system in the ghettos through the establishment of year-round education programs and the vast expansion of federal aid to education;

- an overhaul of the nation's bankrupt welfare system including the establishment of national standards, the assumption by the federal government of 90% of the welfare cost, and movement toward a national system of income supplementation.

These recommendations were designed with three basic principles: to mount programs large enough to match the enormous dimensions of the problems; to aim these programs for high impact in the immediate future in order to close once and for all the gap between promise and performance; and to begin new initiatives and experiments that can change the present system of failure and frustration that dominates the ghetto and poisons the entire society.

Nowhere is this need more evident and more serious than with the youth of the ghetto. They are the source of energy that has fuelled these riots. Theirs are the lives with dismal futures before them; theirs are the hopes and the ambitions that have been denied. The alternatives are clear: either we respond to the drive for dignity, equality and opportunity that we have helped to sow, or we shall reap a harvest of destructive bitterness and ruinous outrage unparalleled in our history.

#### The Costs of Inaction

We have been summoned to make this report because this nation has already, in the past few summers,

had to pay the initial penalties for utter neglect of those who live in the ghettos. The price to be paid for failure and bias may be far higher in the future. It will be exacted in terms of disorder, polarization of our society, and distortion of the values and principles to which this nation is dedicated. The present spiral can quite conceivably lead to an urban apartheid, with semi-martial law in many major cities, enforced residence of Negroes in segregated areas, and a drastic reduction in personal freedom for all Americans.

We have regretfully concluded that this is a potential consequence of our present policies. We believe this possibility must not be tolerated by this nation. We urge the nation to weigh carefully the dangers and costs of inaction, or of action that is too little or too late. If this country confronts candidly this possible choice, we believe it will choose a different course of action.

### Performance and Priority

Every member of this Commission is aware that most of the objectives and commitments urged by this report are already the declared goals of the nation. What has been lacking is achievement. Each member of this Commission believes this country is capable of the vision, the effort, and the tenacity necessary to achieve these goals.

The premise of our recommendations is performance. We have stressed the possible consequences of inaction; we believe there is no alternative to the immediate translation of our nation's promises into concrete performance. Our report contains numerous recommendations made by other commissions, government agencies, or private groups -- most of them never implemented. We have come now 8 months since the tragic events of last summer; we must move immediately to make a decisive national choice -- a choice to reject the continuation of our present policies in favor of a strategy of enrichment and integration. We cannot delay when the next payment for failure may soon come due.

Finally, we address the issue of priorities. What claims on our national resources should take precedence in a time of mounting crisis at home and abroad?

To answer this question -- to allocate the wealth and energies of the nation among the multiple and competing demands of a complex society -- is precisely the function of our democratic system of government.

The measures we have recommended as essential for the future of our nation will require unprecedented levels of program funding and production. Such a commitment of resources is imperative. Only a re-ordering of our national priorities can make available the necessary funds. Only by reordering our priorities can we make good our commitment to civil peace and social justice. There can be no higher priority for national action, and no higher claim on the nation's bounty.

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

EXECUTIVE DIRECTOR

February 12, 1968

MEMORANDUM TO THE COMMISSION

Subject: Letters from Departments on Program  
Proposals

At the Commission's suggestion, the drafts on employment, education, welfare and housing were sent to the relevant executive departments for comment. Enclosed are the letters we received in response:

1. Employment -- from Secretary Wirtz (Wirtz's letter refers to some changes marked on the draft; these were principally stylistic and the letter itself sets forth the Secretary's major substantive objection).
2. Education -- from Alice M. Rivlin, Deputy Assistant Secretary for Program Analysis, Department of Health, Education and Welfare.
3. Welfare -- from William Gorham, Assistant Secretary for Program Coordination, Department of Health, Education and Welfare.
4. Housing -- from Jay Janis, Executive Assistant to the Secretary, Department of Housing and Urban Development.

*JG*  
David Ginsburg  
Executive Director

Enclosures

U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

FEB 7 1968

Mr. David Ginsburg  
Executive Director  
The National Advisory Commission  
of Civil Disorders  
1016 16th Street, N.W.  
Washington, D. C. 20036

Dear Dave:

Enclosed is the draft which you sent me on January 30 with marginal notes and changes suggested in the interest of accuracy and completeness.

I share the desire to develop incentives for employment of the hard-core, but I have considerable doubt about the desirability of the recommendations on pages 19 and 20 involving the use of the income tax system. As you know, there are a considerable number of substantive objections, relative both to principle and administration, to the use of the tax system. The rationale provided on page 20 does not meet these objections.

It is not at all clear that the proposal would be simpler to administer than a system of direct payments. It would, however, be subject to the objection that it would create an open-ended precedent for the use of the tax system. If proposals for use of the tax system to achieve the employment of the hard-core are to receive serious consideration, they will have to be much better based upon practical operating experience than the proposal which is set forth. I suggest that the specific recommendation be deleted. You

- 2 -

may want instead to recommend that the direct payment program be evaluated, as it operates, to determine whether a system of tax credits is feasible, desirable, and likely to produce different results.

Sincerely,

*Bill*

Secretary of Labor

Enclosure



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

February 1, 1968

Mr. David Ginsburg  
Executive Director  
The National Advisory Commission  
on Civil Disorders  
1016 - 16th Street, N.W.  
Washington, D. C. 20036

Dear Mr. Ginsburg:

Thank you for the opportunity to review the education chapter of the Report on Civil Disorders.

I think the report is basically in very good shape. The recommendations are the right ones; the point of view is balanced and sensible; and the arguments are well-presented. The following comments are quite minor, but might help improve the report a little bit. They are my own; they have not been cleared with anyone else in the Department.

Two of the recommendations struck me as questionable:

1. "Results of achievements and other tests should be made public on a regular basis." (page 45)

All by itself, this recommendation strikes me as minor and not very helpful. It might even be detrimental in some cases if publication of test scores accelerated the movement of middle-class parents away from inner city schools. I think a much more important point is that test scores and other measures of achievement should form part of the continuous evaluation of the performance of schools on the part of school boards and school administrators. There should be a constant effort to see how the schools are doing, to experiment with new ways of improving achievement, and to reward school principals who succeed in raising achievement. The problem is not just that no one knows how badly the schools are doing, but that school administrators do not see it as their job to make every effort to improve performance. Teachers and principals do not have incentives to increase the achievement of their students because they are not rewarded for so doing.

2. "Establishment of a loan program for disadvantaged students pursuing higher education." (page 50)

This strikes me as far too narrow a recommendation. Why only loans? Do we really want to saddle students from disadvantaged homes with large amounts of debt when they have a couple of strikes against them already? Shouldn't the section say something about scholarships or other grants to especially needy students? Shouldn't it also place responsibility on the colleges themselves to seek out needy students early in high school to encourage them to apply to college and to provide special help after they get there to overcome the disadvantages of their high school background? The section, as written, sounds as though availability of loan funds were the only obstacle to ghetto students pursuing higher education.

There is no recommendation about improving higher education opportunities in and around the ghetto--location of junior colleges and branch campuses in the inner city, etc. Did the Commission decide against this?

A couple of recommendations strike me as good, but rather vague and deserving of some amplification.

1. "Increased aid to school systems seeking to eliminate de facto segregation ....." (page 23)

The emphasis here is all on Title IV of the Civil Rights Act, which so far has been a piddling effort. I think if the Commission really wants to put some steam behind this recommendation, and I think it should, some magnitudes should be mentioned. The text at present does not make it clear whether "substantially expanded" means \$50 million or whether the Commission would like to see Title IV activities become a major part of Federal aid to education, playing a role perhaps coordinate with that of Title I of ESEA. In that case, one should be talking about sums like \$3<sup>00</sup> - 500 million.

2. "Research development and experimentation." (page 40)

I don't think this recommendation will have much impact unless it is made more specific. It sounds as though the Commission is unaware that quite a lot of research and experimentation is going on already. I would favor a more specific recommendation; for example, a recommendation to fund model experimental subsystems in several cities and evaluate the results.

3. "Expanding and improving vocational education." (page 52)

This section seems to me to miss the point that much of what is now done under the name of vocational education fails to give the students either relevant job skills or basic academic skills. We don't need just more of the same; we need experimental new programs and the development of whole new curricula to teach both job skills and basic literacy in an exciting and interesting way.

I have made a few other comments on the draft itself and have marked these with paper clips.

Sincerely yours,

*Alice M. Rivlin*

(Mrs.) Alice M. Rivlin  
Deputy Assistant Secretary  
for Program Analysis

Enclosure



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

FEB 8 1968

Dear David:

The Commission Report on Welfare Programs is a workman-like and thoughtful evaluation of the inadequacies of our present welfare programs, and the recommendations, although they offer very little which is new, cover the major alternatives available for overcoming the defects in the present system. However, because of the numerous recommendations made, the dramatic impact of the Commission Report on some of the items which should receive immediate action is lost.

I believe the Commission Report would benefit in terms of its impact if the welfare section of the Report were organized around: (1) crisis items which need immediate action, and (2) an agenda of ideas which require action over the longer run. In the first category, I would place the following:

1. AFDC-UP Mandatory: At the present time, this program, which has been available on a voluntary basis since 1962, has been adopted by only 22 States including most of the big industrial States. Without AFDC-UP, the family of an unemployed man can be eligible for AFDC only if the man is absent. The intent of making this program mandatory would be to keep families together when unemployment strikes, to reduce the harm done to family structure by AFDC, and to help families of the hard-core chronically unemployed.
2. Remove the Limitation on Federal Participation in AFDC Payments: The Social Security Amendments of 1967 restricted Federal participation in AFDC payments to the proportion of children of absent parents who received aid in January 1968. This provision will result in shifting a larger share of welfare costs to the States which may result in a tightening of eligibility criteria for public assistance and a reduction of average payments per recipient. In view of the already limited coverage of welfare programs and the low payment levels, action is needed quickly to prevent this from happening.
3. Remove the Compulsory Features of the Work Incentive Program for AFDC Recipients: The 1967 Social Security Amendments also provided that most adult AFDC recipients participate in work or training activities as a condition for receipt of assistance. This provision may be detrimental to the security and personal life of many female headed families in need of assistance. The work and training program enacted by the Congress could have a far-reaching effect in breaking the cycle of poverty and

2.

dependency which heretofore has been perpetuated by the welfare system, but the participation in these programs should be on a voluntary basis.

As a bridge between the above ideas in the Report and the longer run agenda, I would strongly recommend that the Commission propose a Federal minimum AFDC payment per recipient. The most attractive way of achieving this objective would be to change the current financing formula so that the Federal Government pays 100 percent of the first \$15 of the payment instead of \$15 of the first \$18 under current law.

The rest of the Report could be organized in the fashion indicated above with the most prominent role given to the need for a non-categorical or universal income maintenance system.

Sincerely yours,



William Gorham  
Assistant Secretary for  
Planning and Evaluation

Mr. David Ginsberg  
Executive Director  
The National Advisory Commission  
on Civil Disorders  
1016 16th Street, N.W.  
Washington, D. C. 20036



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D. C. 20410

February 2, 1968

OFFICE OF THE SECRETARY

IN REPLY REFER TO

Mr. David Ginsburg  
Executive Director  
The National Advisory Commission  
on Civil Disorders  
1016 16th Street, N. W.  
Washington, D. C. 20036

Dear Mr. Ginsburg:

In Under Secretary Wood's absence from the city, I am forwarding comments on the housing recommendations section of the report of the National Advisory Commission on Civil Disorders.

Please let us know if there is any further way in which we can be of help.

Sincerely yours,

Jay Janis  
Executive Assistant  
to the Secretary

Attachment

2-2-68

Comments on Draft Housing Recommendations  
of the National Advisory Commission on Civil Disorders

The statement of draft housing recommendations is well directed at a number of major urban housing problems. The specific comments which follow are addressed primarily to matters of clarification and accuracy.

Page 1, line 5 -- Substitute "added" for "built." The 16.8 million units added in the 1950's included conversions and units from other sources, as well as new construction.

Page 1, last sentence -- The data cited are as of late 1966. To be chronologically accurate, change the tense to past tense and substitute "in 1966" for "today." Also, since it was found that 62 percent of the nonwhite families live in areas marked by poverty and substandard housing, "nearly" might be inserted before "two-thirds."

Page 3, lines 2-5 -- The source of data on number of housing units built before 1900 and 1920 is not known to us. Also 1960 Census (Table 14, Vol. HC(1)) showed 77 percent, rather than 83 percent, built before 1930. It is suggested that the following sentence, drawing upon 1960 Census data, might be substituted: "For example, at the time of the 1960 Census, it was found that about 77 percent of the housing units in Chicago had been built before 1930 and 85 percent before 1940."

Page 4 -- Although the accelerated depreciation allowance does create conditions which encourages milking the property and then reselling it, the potential effect of complete withdrawal of such depreciation benefits should be considered. If profitable depreciation allowances on existing buildings were prohibited for second and third owners, the sales value of properties held by builders or other original owners would decline rapidly. This would discourage investments in new buildings. Therefore, while steps should be taken to discourage under-maintenance, through increased supply and code enforcement, modifications of presently available depreciation allowances require careful consideration from a housing viewpoint.

Page 6, 3rd line from bottom -- The \$28 per unit pre-rehabilitation rent is almost unbelievably low for any unit in New York City. We have no way to check the figure. It is believed that the \$78 rent cited was "for a 1-bedroom unit" rather than "per unit."

Page 8, line 1 -- It is believed the \$13,500 figure is exclusive of land. Including land the average cost per new unit was about \$14,400, based on commitments issued during 1966. It is believed the \$14,400 figure should be used.

Page 8, line 3 -- The word "approximate" probably should be substituted for "average."

Page 8-9, overlapping paragraph -- It is strongly recommended that this paragraph be rewritten to avoid positing a need based on overcrowding, which can be severely criticized, and to present a justifiable larger needs figure based on several other factors. The estimated need based on overcrowding is not defensible because many units in the housing inventory are oversized for the occupants (e.g. elderly couples in 3- or 4-bedroom homes) and as supply increases to permit adjustments, most of the overcrowding can probably be relieved without added numbers of units for that specific purpose. Other factors have been taken into account in the needs figures which have been presented in the President's Economic Report and in the basis for a housing program that probably will be spelled out in his forthcoming message on housing. For these reasons, it is believed that a paragraph reading about as follows should be substituted:

"The problem of estimating the actual dimension of the housing needs of the country is complicated by the lack of adequate current statistics relating to the condition of the existing supply. Judgments of the magnitudes involved can be made, however, from a series of component estimates. Thus, it has been estimated that in 1966 there were about 6 million occupied housing units in the United States which either lacked plumbing facilities or were dilapidated and should be replaced

or rehabilitated. It is reasonable to assume that some form of Government assistance would be required in the production of the 6 million units, since there is a greater number of households than 6 million which would have to pay more than 25 percent of their income to obtain standard housing at present. If the required 6 million assisted housing units plus units to meet additional housing requirements are produced over the next decade, however, it should become possible to meet the housing needs of all American families without undue expenditures on their part. The additional housing requirements will consist of two major components. First, about 13 million units will be needed for the increase in the number of households over the decade. Second, about 7 million units will be required to replace standard units lost through demolitions or property casualties, to accommodate migration and permit an increase in vacancies to enable the market to operate efficiently. In summary, about 6 million assisted housing units and 20 million dependent on market forces will have to be added to the standard housing supply over the next decade, primarily through new construction and the balance through rehabilitation."

Page 9, line 9 -- It is suggested that the line be written to read, "recent completions averaging between 50,000 and 60,000 units a year." The word "production" is ambiguous; it could mean either starts or completions.

Page 9, line 13 -- In lieu of "In addition", substitute "It will, no doubt, require...", since the six million will include various rent supplement and other subsidy programs.

Page 12, first sentence -- Although the sentence is true it might be clarified by substituting "about 85 percent" for "the great bulk" in line 1, since all new housing financed with FHA-insured and VA-guaranteed loans is affected by anti-discrimination measures.

Page 12, line 8 -- Substitute "20" for "18" and "46" for "more than 40."

Page 12-13, overlapping paragraph -- It would be desirable to check with Department of Justice with respect to their current thinking, as to whether there would be a constitutional question in extension of the Executive Order to banks and savings and loan associations which receive the benefit of Federal deposit insurance.

Page 13, after line 10 -- To carry the requirement for available housing to a positive position, instead of merely having a non-discrimination prerequisite applicable to existing housing, it should be stipulated that "Furthermore, suitable housing should be provided locally on an open-occupancy basis for all low-income employees to be employed in connection with work on such facilities and projects."

Page 15, line 7 in first complete paragraph -- Substitute "should" for "show."

Page 15, last line of first complete paragraph -- Substitute "four" for "three" to be consistent with the expected request for a four-year authorization by the President.

Page 15, last complete sentence on page -- It is suggested that the sentence starting "In 1968..." be deleted. It is believed that the President's forthcoming request for additional authority will raise the 1968-69 production goals for such housing. Or, you may wish to revise this sentence after the message comes out later this month.

Page 15-16, overlapping sentence -- In the light of previous comment on per-unit cost, it is recommended that the sentence be rewritten to read: "With the current average cost of \$14,400 per unit, the typical rent payment by an occupant for a two-bedroom unit is \$110 per month, thereby in effect, requiring a minimum income of about \$5,300."

Page 16, first sentence under heading of Expansion of the rent supplement concept to ownership supplements -- Under public housing, as well as under rent supplements, the subsidy is adjusted as the income of the tenant changes. On the other hand, it is only under the rent supplement program that the tenant with a significantly increased income does not have to move out. Therefore, after the word "permits" change the balance of the sentence to read: "...the tenant to remain in occupancy when his income rises to a level to enable him to pay full economic rent, or higher." It should also be noted with respect to public housing, however, that a local housing authority does have the option, legally, to permit an over-income tenant to remain in occupancy as long as there is no suitable housing within his economic means available in the local private market.

Page 17, line 8 -- At end of line insert a comma, followed by "reflecting legislative history."

Page 18, **Line** 8 -- At end of line, add "income."

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

EXECUTIVE DIRECTOR

February 12, 1968

MEMORANDUM TO THE COMMISSION

Subject: Program Recommendation Chapters.

Enclosed are:

- . Chapter 17 "The Future of the Cities," and
- . All sections of Chapter 18 "Recommendations for National Action" except Education.

We hope to put Section II, Education, in the mail to you within the next several hours. We have given the program sections priority so that we can begin with them Thursday morning. If at all possible, read through them before the meeting.

Please bring these chapters with you, if possible with language changes marked on them. Holes have been punched so that we can insert your copies into new notebooks at the beginning of the Thursday meeting.

D.G.

David Ginsburg  
Executive Director



ASSISTANT SECRETARY

TREASURY DEPARTMENT

WASHINGTON, D.C. 20220

February 13, 1968

Dear Dave:

Following my conversation the other day, I am enclosing the following with respect to the draft report of the National Advisory Commission on Civil Disorders as it relates to tax incentives for manpower training:

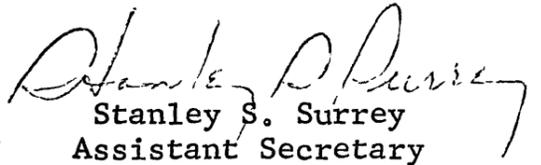
1. A memorandum describing the operative difficulties we have with the specific use of tax incentives recommended in the draft report.
2. A speech I am making on the general policy issues involved in the use of tax incentives for social purposes, including manpower training. [Speech before Dallas Chapter of the Financial Executives Institute, page 7.]
3. A speech I made a couple of months ago dealing with the budgetary aspects of tax incentives as contrasted with direct appropriations. [Speech before the Money Marketeers, page 10.]
4. Under Secretary Barr's statement before the Senate Finance Committee detailing Treasury's objections to the use of tax incentives.
5. Chairman Mills statement on the floor of the House stating that he is strongly opposed to the use of tax incentives for these purposes.

It is interesting to note that the Agencies that have substantive experience and responsibility in the fields you are concerned with, such as the Department of Labor and the Economic Development Administration; the Treasury Department, which has responsibility for the tax system of the United States; the Bureau of the Budget, which has responsibility

- 2 -

for the Budget of the United States; the CEA, which has responsibility for over-all economic analysis and planning; and the Chairman of the House Ways and Means Committee, that has Congressional responsibility for the tax system, are all opposed to the use of tax incentives in these social areas. One might conclude from this that tax incentives are not the desirable approach -- or at least getting tax incentives enacted is a much harder job than working directly on the training of the hard-core unemployed.

Sincerely,

  
Stanley S. Surrey  
Assistant Secretary

Mr. David Ginsburg  
Executive Director, The National  
Advisory Commission on Civil Disorders  
1016 16th Street, N.W.  
Washington, D. C. 20036

Enclosures

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

EXECUTIVE DIRECTOR

February 15, 1968

MEMORANDUM TO THE COMMISSION

Subject: Letters <sup>FROM</sup> ~~for~~ Secretary McNamara and Assistant  
Secretary Surrey

Enclosed are two more letters from  
Departments indicating views on Commission  
Program suggestions:

(a) Letter from Secretary McNamara  
regarding Project 100,000; and

(b) Letter from Assistant Secretary  
Stanley Surrey, of the Treasury Department,  
regarding the tax incentives proposals for  
manpower training.

D.G.  
David Ginsburg  
Executive Director

Enclosures

February 13, 1968

Tax Incentive Proposals of the National  
Advisory Commission on Civil Disorders

This memorandum responds to Mr. Ginsburg's solicitation of the Treasury's views on that part of the Commission's draft report which recommends tax incentive proposals for the creation of jobs among the seriously disadvantaged.

SUMMARY OF VIEWS

While there are general problems with the use of tax incentives to achieve social goals, this memorandum does not go into this background but only focuses on the specific proposals outlined in the report from the Private Enterprise Task Force of the Commission. This report recommends (1) a credit for wages paid to the hard core unemployed, (2) a credit for investment in rural and urban poverty areas, and (3) rapid amortization of investment in those same areas.

Treasury's general conclusions are:

(a) Goals of the Program. While the program's objective is the training of the hard core unemployed, it is employment rather than training which the employer must show to qualify for the tax credit. This broad equation of employment to training, while perhaps a necessary part of the "simplicity of administration" which is a cornerstone of the tax credit approach, may not be well founded in many cases. The tax credit may not, therefore, achieve its purpose or may achieve it only in a very inefficient way.

Similarly, the investment credit and rapid amortization would be available for investment in certain geographic areas without any showing that new jobs were created, that any jobs were open to the disadvantaged, or that training was provided. Thus, a substantial part of the expenditures under the program could be incurred without realizing any significant training benefits.

(b) Cost of the Program. There is a general availability of the tax incentives which leads to a substantial waste of funds. Both of the credits would be available to all enterprises undertaking certain activities even though the activities would have been undertaken in absence of the tax proposals. Moreover, the standards for allowance of the credits do not insure meaningful contribution to the over-all program. Funds paid under these circumstances would result in program costs greater than costs which would be incurred in a more selective program restricting benefits to those who are participating in a constructive way.

(c) Participants in the Program. A program offering its benefits through tax reduction may exclude that segment of the business community which may be paying no tax in the current year.

(d) Administration of the Program. Administration would apparently be jointly shared by the Internal Revenue Service and some other government agency with qualification falling to the latter and enforcement to the Internal Revenue Service. This procedure not only

postpones a determination of compliance until there is an income tax audit, but it also imposes a new burden on the revenue raising machinery in an area in which its personnel has neither the expertise nor the orientation for efficient enforcement of a manpower training program.

(e) Alternative to the Tax Incentives. An employer has an option to receive his benefits either by contract or through a tax incentive. This would seem to indicate that a government agency apart from the Internal Revenue Service will be involved in initiation, participation, and enforcement. Thus, there will be a duplication of administrative programs. Furthermore, the option gives each employer an opportunity to choose a negotiated contract if it results in higher benefits but opt for the tax credit if it maximizes profits.

DETAILED ANALYSIS

While the foregoing questions the broader aspects of the program, each specific proposal raises issues which question whether involvement of the revenue raising machinery in this program is effective, efficient, or desirable, either for the program or for the Treasury. The salient features of each program which raise these problems are discussed below.

1. The Wage Credit. The wage credit presents the following problems:

(a) Qualification. A state or Federal agency would be established to determine a person who would qualify for a "green card," i.e., a hard core unemployed person whose wages would be the credit base.

The green card would be taken to an employer who would receive the credit for having the employee on his payroll for no less than 6 months. If the number of green cards become so great as to constitute an excessive budgetary drain, the Federal Government would retain authority to regulate the flow of green cards.

The issuing of the green cards suggests that considerable administrative machinery will be involved in selecting qualifying persons. Yet this same agency would not be involved in enforcing the program. That burden falls upon the Internal Revenue Service when it conducts an income tax audit some 3 or 4 years later. Once some agency has been involved to the point of designating beneficiaries of the program, there would appear to be substantial administrative benefits in having current enforcement undertaken by those people who have been involved in qualifying participants in the program.

There may also be doubt whether budgetary control may be adequately exercised by regulating the flow of green cards. While the number of cards out might be known, the wages paid to each holder would not be known. The number of green card holders who were currently employed would not be known. Thus, the budgetary drain could never be estimated with any precision and would not actually be known until many years later when income tax return statistics have been compiled.

(b) Operation. The wage credit amounts to 75 percent of wages and fringe benefits during the first 6 months, 50 percent for the second 6 months of employment, and 25 percent during the second year. On the assumption that there would be no change in the wage level, an employer having a tax bracket at the corporate rate of 48 percent would recover, through a combination of the credit and ordinary wage deductions, an average of 110-1/2 percent of his wage and fringe benefit cost during the first 12 months of employment.\* With this kind of a return, an employer who desired to maximize his profits would have two alternatives. He might provide no training and restrict the activities of the qualified employee so that they did not interfere with the normal conduct of his business, or he might assign the employee to relatively simple tasks in which the employee's marginal performance would produce the greatest economic benefit. Certainly, use of training techniques which had costs to the employer over and above wages and fringe benefits would be discouraged because they would consume the benefit of the credit. While the latter is the goal of the credit, the availability of the credit is not conditioned on furnishing adequate training. Even if it were, the Internal Revenue Service is not in a position to make this kind of a determination.

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\* The benefit is 123 percent during the first six months.

The report appears to assume that the green card holders would not stay in "dead-end jobs" and that employers would be under pressure to provide training programs to protect their credits (which would be lost if the employee walks off the job). While this view might be true as to a large proportion of the green card holders and businessmen, some of the green card holders might be likely to quit if they were given "hard" things to do or study. In these circumstances, if the employer's right to the credit is dependent upon continued employment, and if he can make a profit just by keeping the employee on the payroll, he is likely to be dissuaded from doing those things which could lead to employee termination.

If employment is extended to an 18 month period of time, the amount returned to the employer is 98 percent of his wage and fringe benefit costs. Over a two year period this return drops to 91-3/4 percent. In other words, the after tax cost of a green card holder over a two year period, which is as long as he can be a green card holder, is only 8-1/4 percent of wages and fringe benefits. This compares to an after tax cost of 52 percent for workers who do not have green cards.

These figures demonstrate that if a green card holder can be put in a job in which production losses resulting from his poor performance would be less than the relatively high tax benefits of the credit, he would be a more attractive employee than one without

the green card. Since these economics would induce a high turnover, the turnover rate among "certificated employees," green card holders, would be limited to twice the employer's usual turnover rate. However, after two years the green card holder loses his green card, and he could apparently be discharged without penalty. In fact, a discharge after two years might enter into the employer's usual turnover rate thereby helping to raise the permissible turnover rate among certificated employees.

The anti-turnover provisions also raise a number of problems. Either exceptions must be built into the formula or highly discriminatory treatment will be given to employers who have seasonal or industrial slow downs, an unusual number of deaths or sickness, or similar dislocations. Similarly, a turnover rate of twice the usual rate might be satisfactory in one industry, yet be excessive in another and too restrictive in a third.

(c) Participation. A substantial segment of the business community is excluded by limiting the benefits to profit makers. It may be argued that the option of a contract will be effective to induce those businesses which are not currently paying tax. However, if contracts are really as objectionable as they are stated to be, there is little reason to believe that the non-taxpayers would be willing to undertake them, and if there is a government agency established for the negotiation of contracts, there would appear to

be little reason for having a separate one to handle the tax incentives. The non-taxpayers include industries such as railroads, airlines and natural resources as well as those operations having net operating loss carryovers, or commencing operations which have not yet become profitable. There would appear to be no reason to exclude these segments of our business community from the solution of these social problems.

(d) Enforcement. While there are only a few requirements for qualification for the credit, even as to these the audit process is not an appropriate time or place to solve them. Questions of whether the employer dismissed existing employees to hire green card holders and whether his turnover among certificated employees was double his usual turnover rate are difficult to resolve several years after the fact by Internal Revenue Service agents.

(e) Evaluation. Under the mechanics of the program, there is no procedure by which its effectiveness may be determined. Enforcement would come only long after the employment of the green card holder, and the questions raised would be those associated with enforcing a taxing statute and aimed at ascertaining whether minimum statutory qualifications have been met. Thus, the judgments exercised would be those of revenue collectors operating years after the fact, not those of experts in the field attempting to evaluate costs and effectiveness. Without an expert and timely assessment, no government agency will be in a position to urge the program's

renewal or expansion, request its limitation, or ask that it be ended. More importantly, there would be no qualitative analysis of whether reasonably good or appropriate training was being given and thus no indication of how the program could be improved. Thus, the usual qualitative assessment of a program which arises out of budgetary review processes would not be made.

2. The Incentive for Plant Location. Both the credit for plant location and the rapid amortization provision seem to suffer from the same problems, which arise largely out of lack of selectivity.

(a) Areas Qualifying. The credit and rapid amortization may subsidize a movement of existing facilities into poverty areas. This problem is recognized, and protection against "run-away" plants would be established. However, no procedure for implementing these protections is outlined. This question would then have to be raised and decided when the revenue agent performs an income tax audit. Neither the time of a tax audit nor the expertise of Internal Revenue agents is appropriate to this job. An alternative would be some type of prior certification of qualification. If this machinery is employed, it is difficult to see why the benefits should not be controlled or disbursed by the certifying agency rather than handled indirectly through the tax law.

(b) Industries Qualifying. The credit is apparently available to all types of new investment in poverty areas. However, the broad availability of the credit to all industries removes the premium which should be offered to the type of industry which provides jobs for the low skilled. (Since the credit is based on investment, it might be argued that there is a premium for those industries requiring large investments. However, as a rule of thumb, the greater investment per employee the less likely the employee will be a low or semi-skilled person.) While this problem of encouraging the wrong business to move to the poverty areas is recognized and while highly automated industries apparently would not be entitled to the credit, procedures for enforcement are lacking. This burden would then apparently fall on the auditing revenue agent. While as suggested above, a prior certification would solve these problems, it also questions the rationale behind inclusion of the revenue raising machinery in this process.

TREASURY DEPARTMENT  
Washington

FOR RELEASE A.M. NEWSPAPERS  
WEDNESDAY, FEBRUARY 14, 1968

REMARKS BY THE HONORABLE STANLEY S. SURREY  
ASSISTANT SECRETARY OF THE TREASURY  
BEFORE THE  
DALLAS CHAPTER OF THE  
FINANCIAL EXECUTIVES INSTITUTE  
CHAPARRAL CLUB, DALLAS, TEXAS  
TUESDAY, FEBRUARY 13, 1968, 7:15 P.M., EST

TAXES AND THE FEDERAL BUDGET

Our Federal Budget, on a unified basis for the first time, approaches the \$200 billion level in receipts and outlays. Together its revenues and expenditures play a significant part in shaping the economic and social health of the United States, in safeguarding its national security, and in maintaining strength and stability in its international relationships. There are many facets to the interaction of the tax side of the Budget with the expenditure side. I propose to comment tonight on two aspects that are of current concern -- one involves a quantitative relationship and the other a structural relationship.

The Tax Increase and The Deficit

First, as to the quantitative relationship. All of you are surely familiar with the fact that the Congress is being urged by the Administration to increase tax revenues. Why? The answer lies in the traditional reason for tax increases and goes to the essence of what tax systems are for -- to raise the revenues needed to maintain our Government. The Federal Budget for the coming fiscal year without a tax increase would involve a deficit of over \$20 billion. We would end the fiscal year 1968 with a deficit also over \$20 billion.

Quite clearly, looking at all of the risks and problems that we face, \$20 billion deficits back to back is not the hand we want to play.

The President's tax recommendations involve revenue increases of about \$16 billion for the two fiscal years -- \$3 billion in fiscal 1968 and \$13 billion in fiscal 1969. These tax increases would reduce the fiscal 1968 deficit to under \$20 billion and the fiscal 1969 deficit to \$8 billion, clearly a far more manageable situation.

The need for these tax increases is even stronger than these figures demonstrate. I have said that a \$20 billion deficit for 1969 is too large for our well-being. But there is even no guarantee that without a tax increase we would be facing the prospect of a deficit of this risky size and no more. For even a \$20 billion deficit would contain within it no margin for error -- there would, at that level, still be no cushion to absorb a sudden shock. Yet, in the troubled world of today, there are certainly many chances for careful calculations to be suddenly and greatly altered.

No nation, even in peace, is the unilateral master of its fortunes. A nation engaged in hostilities certainly cannot predict future events with confidence, or foretell with sureness the financial costs of those hostilities. At home we face the uncertainties of our urban problems -- uncertainties that grow out of a profound concern to obtain solutions for those problems but uncertainties nevertheless. These uncertainties are the headlines of the domestic news on our front pages -- but the financial pages also have their headlines of doubt. Our credit markets are unstable, being unable to read the future and yet knowing that some of the possibilities can mean a severe credit crunch in which some sectors are bound to be hurt, and could call for assistance.

Military question marks are not the only international uncertainties that we face. The size of our deficit has a direct bearing on our international financial position. We can say with confidence that the shock waves set in motion by the British pound have fully subsided, and that the speculators have finally decided not to take another whirl to see whether anything else can come unstuck.

International financial confidence is not a cup that can be won and then retired in comfort and ease. With a huge volume of dollars in foreign hands, our fiscal health is constantly and minutely watched the world over. Nor are all of the watchers dedicated to the maintenance of that health.

So the future is taut and risky -- and our resources, large though they may be, will nevertheless be stretched thin in relation to our goals and problems. Given all this, it is all the more unwise and imprudent to run the risks of a \$20 billion deficit -- to run the risks inherent in a deficit of that size and to run the risks of that deficit suddenly being forced higher.

Fortunately, there is no need for our nation to incur these risks. The tax increase that is sought will give us the fiscal strength to avoid the risks. And we -- individuals and corporations alike -- are well able to shoulder this tax increase. Even after the tax surcharge that is involved, individuals will still be paying significantly less than in 1963 before the tax reductions of 1964 and 1965 -- and corporations less than they were paying before the reductions that commenced for them in 1962 through the investment credit and depreciation reform. Moreover, low income groups are not subject to the surcharge.

Nor, realistically, do we face the prospect that a tax increase now, though fully intended to be temporary, will nevertheless lock us into a permanently higher level of taxation. For certainly we must view our hostilities in Vietnam as temporary in the panorama of events, and the tax increase is needed because of those hostilities. We must remember our tax system now produces through normal growth of the economy increases of revenue of around \$12 billion annually. Once the pressure of military demands is removed, a very large sum will thus be available annually both to meet our expenditure needs and permit tax reduction. Even in the fiscal 1969 budget, despite this pressure of hostilities, the increase of expenditures over fiscal 1968 is less than this normal growth in revenues.

And so our people can bear these tax increases and in so doing can see reasonable assurance that their burdens should be temporary. Moreover, our economy is fully able to absorb the restraint on demand that would be involved under the tax increase. Indeed, the forecasts in the absence of that restraint predominantly point to the considerable dangers of an increasing inflationary trend that can send us next year into another round of cost and price increases. And those who watch the thermometer of the international dollar, be they the Finance Ministers or central bankers of other countries, or speculators, or the career officials of the international financial institutions, all are of one voice that our external financial stability depends on our moderating that inflationary trend.

The case for a tax increase is thus solidly grounded in the stark realities of the risks our nation runs under the large budget deficits that are the alternative course. A sober appraisal of those risks, and of the two courses we must choose between, points the way to the needed reduction of the deficit to a far safer level. Moreover, the 1968 and 1969 Budgets are tight Budgets on the expenditure side, and have been revised and built to meet a strict expenditure hold down. But even if we accept the view that any budget can be cut more, the Budget for 1969 cannot be cut \$13 billion, or anywhere near \$13 billion -- the amount of the tax increase for 1969. Thus, only a tax increase can provide the sums required to achieve a safer level. It is this case that awaits the judgement of the Congress.

Social Welfare -- Tax Incentives -- And The Budget  
Business and Our Social Goals

A tax system that will raise revenues of around \$<sup>170</sup>~~165~~ billion, including the tax increase, deserves careful handling to maintain its effectiveness and fairness and to prevent distortions in the private economy. An expenditure budget of the size needed in the United States equally merits careful attention to preserve its efficiency and to keep it under tight control at all times. These observations require no elaboration before this financially experienced audience -- you appreciate the high premium any business must place on strict budgetary control. Yet today we face possible developments that could seriously impair the needed Federal

budgetary control and seriously impair the effectiveness of our tax system. In the light of these risks, it is all the more surprising that these developments derive in considerable part from attitudes in the business community. And, as a somewhat ironic twist, these attitudes in turn develop from the commendable efforts of the business community to direct its energies and resources to assist in the solution of our social ills.

No informed audience such as this requires of a speaker that he prove the proposition that our nation faces social problems of a staggering magnitude and complexity. Whether the area be urban or rural; whether the interests of a group center on education, pollution, crime, housing, manpower training, employment, or urban congestion; whether its interests concentrate on the underlying causes, poverty, racial discrimination, denial of civil rights, the need for maintaining personal dignity and stability in a world of bewildering technological and material change -- whatever and wherever the focus there is a challenge to be met.

The solutions to these problems represent very large debts that we as a nation owe to our people. But the imensity of the tasks should not blind us to the assets we possess to meet them. We are a wealthy nation, with resources of great talent and abundant materials. We now have a concern at all levels of Government, and more important, in the hearts and minds of most of us, that these resources should be turned to these tasks. And so hopefully we are debating not goals but methods, not ends but means.

The role of the business community in helping the nation reach its social goals is a very crucial part of the means and methods we must consider. It is commonplace today to say that these problems are too large for Government alone to solve and that the solution requires a partnership between business and Government. True -- but of course it also requires a partnership between labor and Government, between the universities and Government, between the private non-profit organizations and Government, for all of the nation must be involved. And even the term "partnership" obscures the nature of the relationship, especially as to business. It is on this relationship that I wish to focus now, especially in its impact on the tax system and the Federal budget.

Business can become involved in the solution of our social problems in two distinct ways. One way lies through the charitable and community instincts of business -- the giving of funds and the voluntary time and talents of its leaders to community projects. This is traditional, commendable, necessary, expected -- but obviously not enough. The other way lies in business functioning as business -- in selling its services and products to produce a profit for its shareholders. For this is the essence of business -- to earn its profits by meeting human needs. Recognition of the profit motive is fully consistent with meeting our national goals. There were profits to be made out of spanning the continent with railroads when that was a national need, or out of clipper ships when they served a national goal. Those profits assured the success of the task. Today there are profits to be made out of space exploration, and this now serves a national goal.

#### Business and Tax Incentives

Why does business falter and forget its traditions and functions when it comes to its role in meeting our social goals? Why do we find business leaders and business organizations, in speaking of the needed partnership between Government and business, stressing not fair profits and recompense as the basis of that partnership but tax incentives? Space exploration involves a partnership between business and Government, but that partnership rests on contracts and not tax incentives -- our capsules are not propelled into space by the Internal Revenue Code. Military security involves a partnership between business and Government, but that partnership also rests on contracts and not tax incentives -- our planes and missiles are not launched by the Internal Revenue Code.

Why then do we find, for example, when we talk of the need for business to train the hard core unemployed that businessmen will say they need a tax incentive if they are to take on that task -- that they need a tax incentive to meet their costs of the training and to prevent their stockholders from being penalized by such costs? Why a tax incentive? What is wrong in selling manpower training services to the Government?

Some businessmen say they cannot deal with Government about such matters, that they are reluctant to assume the burdensome paperwork requirements of any Federal contracting procedure that would be involved, that a Government contract will require some loss of management prerogatives because Government may seek to consider the content of the training to be given, and so on. But businessmen deal with the Defense Department and with NASA -- they negotiate at length and write contracts with these agencies, and those contracts contain specifications. Why is it suddenly different if Government now finds it must buy social welfare activities as well as weapons and spacecraft? To turn the talk from fair and appropriate contracts to tax incentives seems a peculiar posture for a business group to take. To find business seeking to imply that profits and reimbursement of costs are ugly words is strange and defeatist -- and wholly unnecessary.

Tax incentives would be much like Congress legislating the price to be paid for Apollo spacecraft. Either the incentive would be too low and we would be relying on business charity to build the craft or it would be too high and thus wasteful.

We are entering into an era in which Government will be seeking to purchase new types of goods and services from the business community -- in manpower training, in housing, in urban development, and so on. There is no reason why Government and business should not seek to utilize and adapt for these fields the experience and techniques developed in achieving successful purchasing programs in defense, space and other areas of Government procurement. The President's recommendations on Hard-Core Unemployment follow this path.

But some businessmen reply that a tax incentive is a simple, automatic and self-enforcing method in contrast with other ways of dealing with the Federal Government. Now, it would be a nice illusion for a Treasury official to believe that dealing with our Department and with the Internal Revenue Service is so tranquil and delightful, and

to hear that businessmen see the Internal Revenue Agent as the paragon of Government officials, all wise and all understanding. I would like to believe this -- but I fear I have been brainwashed. For I have listened to far too many business complaints about what happens when the Internal Revenue Service must administer any tax provision that involves any element of discretion or judgement, be it depreciable lives, the allocation of profits between affiliated groups under Section 482, the unreasonable accumulation of corporate profits, and so on. And so I cannot see just how an Internal Revenue Agent, trained as he is in accountancy and financial matters, can be said to find the going so hard in these tax areas where that experience at least is relevant, but then will suddenly find himself supremely capable of deciding that proper training is being given to the hard-core unemployed who are taken on by business, that their special problems are being adequately solved, and that these and similar prerequisites of a manpower tax incentive are being met. And in turn, if the requirements work out to be unwise or too rigid or impractical, I do not see how the Internal Revenue Service is going to have the wisdom and background to develop needed changes.

The truth is that there is nothing simple and automatic about complex problems. The training of the hard-core unemployed is a difficult task. Some training will, of course, occur through direct business needs for more manpower where employment is tight or as an aspect of the involvement of a business in the communities in which it is located. But more than this is needed. The development of the solutions can best be left to direct dealing between business and the agencies of Government with expertise and responsibility in this field, rather than involving the Internal Revenue Service as an extra wheel in the process. For the Internal Revenue Service could only go back to these other agencies and ask them to undertake the task of certifying to it when a tax incentive has been earned.

We will find the same complexity, and the same inadequacy of any simple, automatic tax incentive solution, wherever we turn in these fields. There is an inherent difficulty in adapting tax incentives to the specific characteristics of these social problems.

Consider a popular tax credit proposal of recent years, a credit allowed for industrial facilities for the control of pollution. All of the proposed bills on this matter have been designed to provide some offset to the capital cost of what we might describe as an end-of-the-line equipment investment intended to clean up waste water or smoke. But if one looks into the technology of pollution control, it turns out very often that efficient pollution control doesn't call for an end-of-the-line capital facility at all. A well-known case is the problem of sulfur dioxide in smoke. The efficient way to control this is to incur the higher operating cost of using a low sulfur fuel. In other cases pollution control may be a matter of maintaining a higher level of quality control on an industrial process. Even in a case where end-of-the-line treatment is called for, the firm may have a choice between treatments, one with a high capital cost but a higher operating cost, another with a lower capital cost but a higher operating cost. If we were agreed on the principle that government should carry some of the cost of industrial pollution control, one could thus hardly think of a more inefficient way of doing this than providing a tax subsidy that would apply only to one method of control. In many cases this subsidy would be an incentive to use the most expensive form of pollution control simply because its after-subsidy cost is lower.

Another popular tax incentive proposal is a credit for plant location in depressed areas, either areas of rural low income or of urban unemployment. Government currently has an agency engaged in this activity, the Economic Development Administration. It has found, as would be expected, that

direct financial assistance to business is only one of an arsenal of devices to be used to help depressed areas. In development plans worked out with knowledgeable local people, about \$200 million of government funds in fiscal year 1967 were directed by EDA to public works to provide the climate necessary for business development. In addition, \$100 million was provided in business loans and \$11 million was spent on technical assistance.

A particularly interesting feature of EDA experience was the decision at the beginning of 1967 to make a simple policy change which was described as "worst first." EDA had found that many areas that originally qualified for assistance had risen out of the depressed category before there had been time for the EDA assistance to show any effect. Obviously communities close to the borderline can be raised out of their depressed status by general economic growth. EDA sensibly concluded that it ought to concentrate its resources on the worst areas, and it believes this policy was highly successful in improving the efficiency of its programs. But a simple automatic tax incentive would not have the ingredients to implement such a policy approach.

In the education field we have moved a long way from the notion that a simple tax credit for tuition would solve all the problems of higher education -- of aiding financially handicapped or otherwise disadvantaged but capable youths to obtain a college education, of easing the burdens on middle income families with children in college, and of enabling the colleges, especially the private schools, to meet the problem of rapidly rising costs.

And so it is with all these fields. Once we pass the phase of urgent stereotyped pleas for a tax incentive, of wrapping up these huge social problems in the paragraph or two, or even the single sentence, of "Let's have a tax incentive," and we move on to the exploration of the problems in depth and of the alternatives available -- when this occurs we then see the beginnings develop of a needed manifold approach.

Business has been misled I think in its approach to tax incentives for social welfare purposes by its experience under the 7 percent investment credit for new machinery and equipment. That credit does work simply and automatically,

for its purpose and concept are far different in nature from the tax incentives now being suggested. The only questions involved under the allowance of the investment credit are whether it is a new machine, what is its cost, and is its depreciable life more than a certain number of years. The answers to all these questions, we must remember, were determined by already existing tax rules.

Internal Revenue Agents do not ask: Is the purpose of the machine to meet a special need in the business, is it being used only for that purpose; is it really effective for that purpose -- the kinds of questions they would have to decide under a pollution incentive.

Agents do not ask: Is the machine to be used in a depressed rural area, or an area of urban unemployment; was it a "run-away" machine from another area; is its operation so automated that it will not encourage significant employment -- the kinds of question they would have to decide for the business as a whole under a tax incentive for location in depressed rural or urban areas.

Agents do not ask: Is this a special type machine; is the machine being properly used and properly cared for; what are its daily maintenance costs; what overhead costs are allocable to it as compared with ordinary machines; did it displace another machine; was it obtained from a qualified supplier; what was being done with it when it temporarily broke down -- the kinds of questions they would have to decide for employees under a manpower training incentive.

The purposes and concept of the investment credit and its relationship to the effect of our tax system on incentives to invest were thus served by the broad, blanket approach of that credit. But no one is prepared to urge that such a blanket approach would be appropriate for these social areas.

There is another important aspect of the tax incentive approach that makes its urging by business groups puzzling. Tax incentives are of help only to concerns that are profitable, and indeed significantly profitable so that they have profits and taxes to be offset by the tax incentive. Clearly space contractors would not waive their contract proceeds if their overall business happened to show a loss for the year.

Then why prefer a recompense for manpower training or locating in a rural area that turns out to be zero if the business runs at a loss for the year? It seems a strange reply, as some have answered, that profitable companies are in the best position to provide meaningful and continuing employment. I wonder if some of our important companies, who happen in a particular year to suffer a loss perhaps as the result of a bad fourth quarter, or who have new managements that are working the company out of a loss position while having the advantage of not paying taxes because of net operating loss carryovers, would accept that answer. I also wonder if the answer makes much sense to a new business locating in a depressed urban or rural area and in so doing recognizes it may have to accept losses for a few years but is still willing to train workers. And certainly it is puzzling to say that Government should give financial assistance, through a tax incentive, to a firm desirous of locating in a depressed area only if the firm proves profitable. For the only firm that would get full benefit from the tax incentive is one that is sure of being profitable -- that is, it didn't really need the assistance of the incentive.

The Budget and Tax Incentives -- Existing Tax Expenditure Programs

When the matter is seen from the Government side, there are very significant disadvantages to the tax incentive approach. Chairman Mills of the House Ways and Means Committee, in a recent statement\* spoke decisively and comprehensively of the damage that the tax incentive approach can do to our tax system and to our control over Federal expenditures. He called attention to the "catastrophic loss of revenue" that would result from the tax credit bills now pending before his Committee and recognized that "enactment of these credits would merely whet appetites for a legion of other credits." He firmly pointed out that the use of tax incentives would undercut efforts to maintain the necessary control over our Government expenditures and criticized those incentives as "back door spending":

"I want to point out . . . that the grant of these tax credits has precisely the same effect on the budget as an outright expenditure. The only difference is they appear as a negative receipt rather than as an expenditure. The grant

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\* Congressional Record of December 13, 1967, p. H 16890

of the additional tax credits increases the size of the budget deficit just as surely as an additional expenditure. That is why I refer to the tax credits as back door spending. That is why it would do us no good to have expenditure control if the advocates of spending programs need only to run around to the back door to achieve much the same result by tax credits. . . .

"As we look ahead to discover ways in which we can keep the budget within reasonable limits, we must not fail to direct a critical eye to the proposals which would give tax credits to those who make certain expenditures. Acceptance of these proposals for back door spending even more than proposals for outright government expenditures postpones the day when it will be possible to travel again down the road of further Federal tax reduction and greater reliance on the private sector of the economy."

We of course do have tax subsidies presently existing in our tax laws. I have elsewhere observed that 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. I called these items "tax expenditures," and indicated that the amounts spent -- i.e., the tax revenue lost -- through these tax expenditure programs should be set forth in a meaningful way in the Federal Budget. We would thereby be able clearly to see what are the total Federal funds going to the various activities affected, and not just the amounts shown in the Budget as direct appropriations and expenditures. For these tax expenditures can be classified along customary budgetary lines: assistance to business, natural resources, agriculture, aid to the elderly, medical assistance, aid to charitable institutions, and so on. Moreover, the amounts involved are quite large, reaching in several of these areas into the billions. The appropriate budgetary recognition of these tax expenditure programs is now under study in the Government. Indeed, consideration of the budgetary treatment of these tax expenditures or tax subsidies finds a parallel in the

recommendation of the Report of the Presidents' Commission on Budget Concepts (1967) respecting loan subsidies accorded by the Federal Government:

"Most Federal loan programs contain at least some element of subsidy. In fact, if this were not true, a serious question could be raised about the appropriateness of such activities being conducted by the Federal Government rather than by private financial institutions. To the extent that Federal loans include a subsidy element by lending at more favorable interest rates than the cost of money to the Government (or the even higher cost of money obtained through private sources) they are at least in part grants or transfer payments rather than loans. . . .

"It is the Commission's recommendation that the full amount of the interest subsidy on loans compared to Treasury borrowing costs be reflected and specifically disclosed in the expenditure account of the budget, and furthermore, that it be measured on a capitalized basis at the time the loans are made." /51-27

Since the tax expenditure programs are imbedded in the revenue side of the Budget and their cost is not disclosed, they go essentially unexamined for long periods, in contrast with direct expenditures. Their efficiency, in the sense of benefits obtained for Government and the public as compared with amounts expended, is thus not compelled to meet the rigid tests we are now developing and applying to direct Budget expenditures. I doubt that any of these special tax treatments could stand the scrutiny of careful program analysis, and I doubt that if these were direct programs we would long tolerate the inefficiencies that such program analysis would disclose.

Moreover, these inefficiencies have serious ramifications apart from the Budget. They have caused some activities, such as building construction and ownership for example, in many cases to be engaged in solely on an after-tax basis. But a

business in which the before-tax profit is low or meaningless and which becomes attractive only because special tax treatment for that business makes the after-tax profit quite attractive must surely rest on an unsound and unsatisfactory foundation. Especially is this so since the after-tax profit is attractive only for those who have income from other activities sufficient to permit full utilization of those special benefits. In large part this situation compounds our problems in the housing field, for it is difficult to achieve efficient use of direct Government assistance for high priority housing programs when the funds represented by special tax treatment continue to subsidize a whole variety of other building activities.

#### The Individual and Tax Subsidies

When we turn to the impact of these existing tax subsidies on individual incomes, we find there is no overall governor that keeps the rewards of subsidy within reasonable bounds. In our military contracts we recognize that despite proper contracting procedures, some contracts will turn up unreasonably high profits and a renegotiation process is utilized to maintain overall control. In other situations, either in Government purchasing or in private business, unusually profitable rewards of individuals are made subject to our progressive income tax. That tax system stands as a moderating influence that keeps the rewards of our private enterprise system within acceptable levels by channeling an appropriate part of those rewards into tax payments to maintain our Government. But when the rewards are cast in terms of tax benefits and subsidies, then the tax system is itself asked to stand aside. There no longer is any moderating force.

As a consequence, tax benefits and subsidies singly or in combination can permit some individuals to escape their fair share of contribution to the expenses of Government, and indeed in some cases escape paying any tax at all. It is hard to see why the individual who becomes a tax millionaire through the after-tax benefits accorded low income housing or some other tax-benefited activity is really different from the defense contractor, and why the latter is subjected to renegotiation while the former need not meet any overall limits on the rewards of tax subsidies. Or why there should be a mechanism to protect the integrity of the defense contract system but not the integrity of the tax system if we find some tax subsidies to be really necessary in areas where other solutions are not available.

Conclusion

The inherent defects that thus attend the use of tax incentives should not handicap Government or business in a search for useful relationships in solving our social problems. We earlier mentioned the standard process whereby Government obtains goods and services, by simply paying business to supply them. There are, in addition, other alternative financial courses, such as loans, grants, and guarantees. Effective scheduling of Government programs, which would thereby guarantee large scale activity in particular fields over a number of years is another approach, since it would offer business the assurance of continuous activity justifying initial costs.

There are even ways in which tax provisions can be used to accomplish the desired purpose without involving an unnecessary tax subsidy. The President's National Advisory Panel on Insurance in Riot-Affected Areas (January 1968) faced the problem of providing insurance companies with special contingency reserves adequate to meet catastrophe losses which were difficult to measure in advance and at the same time preventing permanent escape from income taxes through the deduction of such large reserves. The Panel recommended the current deductibility of those reserves but with the resulting tax savings to be invested in interest-free U.S. Treasury securities. If the company later incurs losses, these securities can be used to meet them; if not, the securities are returned to income and taxed. There is thus tax deferral that prevents current taxes from depleting these reserves but without the special tax benefits that would otherwise accompany the setting aside of these large contingency reserves. This is the same procedure recommended by the Treasury and adopted by the Congress last year to meet somewhat similar problems faced in the mortgage insurance field.

There thus already exists a considerable variety of methods to provide the means to link business and Government together in solving our social problems. As business itself becomes more involved in these tasks it will undoubtedly develop new methods and arrangements. For innovation has no boundaries and the relationship between business and Government as both proceed deeper into the social field is bound to become more fruitful and more diversified. These are the possibilities that will surely become strong assets for the nation in achieving meaningful solutions to its present ills.

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

EXECUTIVE DIRECTOR

February 22, 1968

MEMORANDUM FOR THE COMMISSION

Subject: Mayor Lindsay's Summary

Mayor Lindsay asked that the summary he read at the last meeting be sent to each Commissioner. It is here enclosed.

The summary being prepared by the staff pursuant to Commission instructions will be mailed Friday air mail special. Copies for Messrs. Corman and Thornton will be placed on a plane and arrangements will be made through Bill Smith to have them picked up.

DG.

David Ginsburg  
Executive Director

Enclosure

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

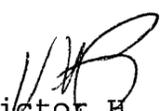
DEPUTY  
EXECUTIVE DIRECTOR

February 23, 1968

MEMORANDUM FOR THE COMMISSION

Enclosed is a draft of a portion of the proposed Summary. It contains an introduction designed to state the theme of the Report and excerpts of riot profiles.

The excerpts of the profiles begin the main body of the Summary, which will continue on a Chapter by Chapter basis.

  
Victor H. Palmieri

## SUMMARY

### I

This nation is moving toward two societies, one black, one white - separate and unequal.

Reaction to last summer's disorders has quickened that movement and deepened that division. It threatens to make absolute the discrimination and segregation that have long permeated so much of American life.

Yet this growing racial division is not inevitable. The movement apart can be reversed; the races can be brought together.

We place this choice before the American people: of one society or of two. Our principal task is to define this choice and urge a national resolution.

To continue along the present course is to choose a future with the most ominous consequences for our society, one which will involve the continuing polarization of the American community and the destruction of values and principles to which this nation is dedicated.

The alternative is neither blind repression nor capitulation to lawlessness. It is the affirmation of common possibilities for all within a single society. This alternative will require a greatly enlarged commitment to national action - compassionate, massive and sustained, backed by the resources of the most powerful and the richest nation on this earth. It will require new attitudes and new will on the part of every American, and, above all, new understanding.

This is not a report about a Negro problem. It is a report about an American problem -- the most pressing of our time.

## II

The summer of 1967 brought racial disorder again to American cities, and with it, shock and fear and bewilderment to the nation.

On July 28, 1967 -- while the fires of Detroit still smoldered -- the President of the United States established this Commission.

Mounting tension and apprehension throughout the country lead us to issue this report now, four months in advance of the date called for by the President. Much remains that can be learned; continued research is essential. This Commission has only begun the task. But the gravity of the problem and the pressing need for action are too clear to allow delay.

### III

The most urgent question is this:

How can we as a free people end the resort to violence while we build a better society?

Violence cannot build that society. Disruption and disorder nourish repression, not justice. Those who would destroy civil order and the rule of law strike at the freedom of every citizen. The community cannot - it will not - tolerate coercion and mob rule.

The need is not for weapons and military equipment. The key to riot control lies in judgment, discipline, and the capacity to mount a rapid and coordinated response.

To this end, we have recommended programs designed to strengthen police capability through improved training and planning and through measures which can build community support for law enforcement. To finance this effort we have proposed a broad program for federal support of local police functions.

#### IV

##### Selected Findings

Our conclusions about the riots differ from the impressions of most white Americans.

##### "Conspiracy"

- . The urban disorders of last summer were not caused by, nor were they the consequences of, any organized plan of conspiracy. Specifically, we find no evidence that all or any part of the disorders or the incidents that precipitated them were planned or directed by any organization or group, local, national, or foreign.

#### Precipitating Incidents

- . The disorders did not typically erupt out of a vacuum, or because of a single "precipitating" incident. They grew out of a network of underlying grievances within the community and a history of increasingly tension-producing confrontations between ghetto residents and institutions of white society.

#### Participants

- . The typical rioter was neither a hoodlum, nor a migrant from the south, nor uneducated. He was a northern born teenager or young adult, a life-long resident of the city, better educated and more politically aware than his neighbors, but either unemployed or underemployed.

#### Counter-Rioters

- . Not all Negroes in the riot areas "sat by and let things happen." Many Negro citizens walked the streets urging rioters to "cool it." These counter-rioters were better educated and had higher incomes than both the rioters and those who did not become involved. They had a stake in the system and were willing to risk injury on the street to preserve that stake.

#### Lack of Coordinated Control

- . Local and state police and National Guard units, were hampered by inadequate communications in the absence of advance planning for joint operations.

#### Indiscriminate Shooting

- . Lack of training and experience in riot control operations among police and National Guard forces sometimes resulted in extensive and indiscriminate shooting that caused death and injury to innocent persons.

#### Sniping

- . Reports of sniping were heavily exaggerated. Often they resulted from firing by police or National Guard forces.

#### Setting

- . All of the disorders took place in ghetto areas characterized by severe deprivation in terms of unemployment, poverty, housing, and education, relative to the white community within the city and even more markedly relatively to the suburban population.

#### The News Media

- . Newspapers, radio and TV, despite incidents of sensationalism, inaccuracy, and distortion tried on the whole to give a balanced factual account of the disorders. More importantly, however, elements of the media failed to report adequately on the cause and consequences of civil disorders and on the underlying problems of race relations.

V.

Pervasive discrimination and segregation remain embedded in American society. The result is the continuing exclusion of the Negro from the social, economic and political institutions of the country.

What the American public has never fully understood - but what the Negro can never forget - is that white society is deeply implicated in his plight. White institutions created it, white institutions maintain it, and white morality condones it.

Past efforts have not carried the commitment, will or resources needed to eliminate the attitudes and practices that have maintained racism as a major force in our society. Only the dedication of every citizen can generate a single American identity and a single American community.

We call upon the nation:

- to enact a comprehensive and enforceable federal open housing law to cover the sale or rental of any housing, including single family homes;

- to reorient federal housing programs to place more low and moderate income housing outside of ghetto areas;
- to strengthen federal powers and efforts to enforce equal employment opportunities;
- to increase sharply our efforts to eliminate de facto segregation in the schools of our nation.

## VI

### The Black Ghetto

The massive and growing concentration of impoverished Negroes in our major cities is creating a growing crisis of deteriorating conditions and unmet human needs.

In the teeming racial compounds of the inner city, segregation and poverty intersect to create a human environment totally alien to that known and taken for granted by most Americans.

- . A ghetto young adult is more than twice as likely to be unemployed as a white young adult and more than three times as likely to be working at unskilled and menial jobs when he does work.
- . A ghetto family is three times as likely as a white family to be living in poverty.
- . Ghetto youth are more than three times as likely as white youth to drop out of school by age 16. For those who graduate from high school the chances of going on to college are 7 times poorer than those of white students.
- . The ghetto family is three times as likely as the white family to be living in substandard housing.
- . Ghetto children are twice as likely to be in fatherless families as white children.
- . The chances are 1 out of 3 that the ghetto family is on welfare now and if it is not, 2 out of 3 that it will be on welfare within the next two years.
- . The odds are 9 out of 10 that the young ghetto male will have an arrest record.

The youth of the ghetto are the source of energy that fueled the riots. Six out of 10 of the rioters were between 15 and 24. For them, the promise of the "American dream" has become a different vision -- the vision of a

future that leads only to a dead end. To change this condition will certainly require programs aimed at the "hot summer" but will also require an attack on the patterns of discrimination, defects in our educational system and the lack of employment opportunities. All of these objectives are embraced within the programs of national action that we are recommending.

It is time now to turn with all the purpose at our command to the major unfinished business of this nation. It is time to adopt strategies for action that will produce quick and visible progress. It is time to make good through concrete accomplishment the promises and goals that are the essence of American democracy.

Our recommendations embrace three basic principles:

- . To mount programs on a scale sufficient to cope with the massive dimension of problems,
- . To aim these programs for high impact in the immediate future in order to close the gap between promise and performance;
- . and to begin new initiatives and experiments that can change the system of failure and frustration that now dominates the ghetto and poisons our society.

The most important of these recommendations are:

- . The creation of 1 million public service jobs over the next three years, with 250,000 in the first year.
- . The creation of 1 million jobs in the private sector over the next three years, with 300,000 in the first year based in part on major new tax incentives to stimulate the hiring and on-the-job training of the hard-core unemployed.

- . The provision of 6 million low and medium priced housing units over the next five years, starting with 600,000 in the first year.
- . The extension of early childhood education programs such as Head Start to every disadvantaged child in the country;
- . Dramatic improvement and strengthening of the public school system in the ghetto through the establishment of year-round compensatory education programs, improved teaching and a major expansion of federal aid to education.
- . The over-hauling of the national welfare system including the establishment of a national minimum standard of assistance, the assumption by the federal government of at least 90 percent of welfare costs, and serious consideration of a national system of income supplementation.

These programs will require unprecedented levels of funding and performance, but they neither probe deeper nor demand more than the problems which called them forth. There can be no higher priority for national action and no higher claim on the Nation's bounty.

#### WHAT HAPPENED?

Last summer over 50 cities reported disturbances in Negro -- and in several instances, Puerto Rican -- neighborhoods. These ranged from sporadic outbursts involving mainly youths to sustained and widespread looting and destruction of property involving large segments of the local community. The worst came during a two-week period in July when large-scale disorders erupted first in Newark and then in Detroit, each setting off a major chain reaction in surrounding communities.

It was in this troubled and turbulent setting that we began our work. The Commission heard testimony in closed hearings from over 130 witnesses, including federal, state and local officials, experts from the military establishment and law enforcement agencies, black militants, and others. In addition, members of the Commission visited cities which had experienced racial disorders during the summer of 1967. We also conducted field surveys in 23 cities in which disorders occurred and took sworn testimony in nine of these cities and from Negro leaders across the country.

The first task was to determine "what happened?"

Profiles of Disorder

The report contains profiles of a selection of the disorders that took place during the summer of 1967. These profiles are designed to indicate how the disorders happened, who participated in them, and how local officials, police forces, and the National Guard responded. The profiles should be carefully read, for they present a picture dramatically different from that assumed by many Americans. The excerpts that follow are typical.

Youth Patrol - Atlanta

- . As the people present at the meeting poured into the street, they were joined by others. The crowd soon numbered an estimated 1,000. From alleys and rooftops rocks and bottles were thrown at the nine police officers on the scene. Windows of police cars were broken. Fire-crackers exploded in the darkness. Police believe they may have been fired on.

Reinforced by approximately 60 to 70 officers, the police, firing over the heads of the crowd, quickly regained control. Of the ten persons arrested, six were 21 years of age or younger; only one was in his thirties.

The next day city equipment appeared in the area to begin work on the long-delayed playgrounds and other projects demanded by the citizens. It was announced that a Negro Youth Patrol would be established along the lines of the Tampa White Hats.

SNCC responded that volunteers for the patrol would be selling their "Black brothers out," and would be viewed as "Black Traitors," to be dealt with in the "manner we see fit." Nevertheless, during the course of the summer the 200 youths participating in the corps played an important role in preventing a serious outbreak. The police believe that establishment of the youth corps became a major factor in improving police-community relations.

Narrow Escape - Tampa

- . Driving along the expressway, a young white couple, Mr. and Mrs. C. D., were startled by the fires. Deciding to investigate, they took the off-ramp into the midst of the riot. The car was swarmed over. Its windows were shattered. C. D. was dragged into the street.

As he emerged from a bar in which he had spent the evening, 19-year old J. C., a Negro fruit-picker from Arkansas, was as surprised by the riot as Mr. and Mrs. C. D. Rushing toward the station wagon in which the young woman was trapped, he interposed himself between her and the mob. Although rocks and beer cans smashed the windows, she was able to drive off. J. C. pushed through to where the white man lay. With the hoots and jeers of rioting youths ringing in his ears, J. C. helped him, also, to escape.

### The First Outbreak of Violence - Newark

- . It was decided to attempt to channel the energies of the people into a non-violent protest. While Lofton promised the crowd that a full investigation would be made of the Smith incident, the other Negro leaders began urging those on the scene to form a line of march toward the city hall.

Some persons joined the line of march. Others milled about in the narrow street. From the dark grounds of the housing project came a barrage of rocks. Some of them fell among the crowd. Others hit persons in the line of march. Many smashed the windows of the police station. The rock throwing, it was believed, was the work of youngsters; approximately 2,500 children lived in the housing project.

Almost at the same time, an old car was set afire in a parking lot. The line of march began to disintegrate. The police, their heads protected by World War I-type helmets, sallied forth to disperse the crowd. A fire engine, arriving on the scene, was pelted with rocks. As police drove people away from the station, they scattered in all directions.

A few minutes later a nearby liquor store was broken into. Some persons, seeing a caravan of cabs appear at city hall to protest Smith's arrest, interpreted this as evidence that the disturbance had been organized, and generated rumors to that effect.

However, only a few stores were looted. By about 4:00 A.M., the disorder appeared to have run its course.

### Hell Breaks Loose -- Cincinnati

- . Early in the evening a crowd, consisting mostly of teenagers and young adults, began to gather in the Avondale District. When, after a short time, no one appeared to give direction, they began to mill about. A few minutes before 7 P.M. cars were stoned and windows were broken. Police moved in to disperse the gathering.

Fires were set. When firemen reached the scene they were barraged with rocks and bottles. A full-scale confrontation took place between police riot squads and the Negro crowd. As police swept the streets, people scattered. According to the chief of police, at approximately 7:15, "All hell broke loose."

The disorder leaped to other sections of the city and the confusion and rapidity with which it spread made it almost impossible to determine its scope.

Many reports of fires set by Molotov cocktails, cars being stoned, and windows being broken were received by the police from several parts of the city. A white motorist -- who died three weeks later -- and a Negro sitting on his porch suffered gunshot wounds. Rumors spread of Negro gangs raiding white neighborhoods, of shootings, and of organization of the riot -- nearly all of which were determined later to be unfounded.

Arson - Detroit

- . A spirit of carefree nihilism was taking hold. To riot and destroy appeared more and more to become ends in themselves. Late Sunday afternoon it appeared to one observer that the young people were "dancing amidst the flames."

A Negro plainclothes officer was standing at an intersection when a man threw a Molotov cocktail into a business establishment at the corner. In the heat of the afternoon, fanned by the 20 to 25 m.p.h. winds of both Sunday and Monday, the fire reached the home next door within minutes. As residents uselessly sprayed the flames with garden hoses, the fire jumped from roof to roof of adjacent two and three-story buildings. Within the hour the entire block was in flames. The ninth house in the burning row belonged to the arsonist who had thrown the Molotov cocktail.

A Nest of Snipers -- Newark

- . On Saturday, July 15, Spina received a report of snipers in a housing project. When he arrived he saw approximately 100 National Guardsmen and police officers crouching behind vehicles, hiding in corners and lying on the ground around the edge of the courtyard.

Since everything appeared quiet and it was broad daylight, Spina walked directly down the middle of the street. Nothing happened. As he came to the last building of the complex, he heard a shot. All around him the troopers jumped, believing themselves to be under sniper fire. A moment later a young Guardsman ran from behind a building.

The Director of Police went over and asked him if he had fired the shot. The soldier said yes, he had fired to scare a man away from a window; that his orders were to keep everyone away from windows.

Spina said he told the soldier: "Do you know what you just did? You have now created a state of hysteria. Every Guardsman up and down this street and every State Policeman and every city policeman that is present thinks that somebody just fired a shot and that it is probably a sniper."

A short time later more "gunshots" were heard. Investigating, Spina came upon a Puerto Rican sitting on a wall. In reply to a question as to whether he knew "where the firing is coming from?" the man said:

"That's no firing. That's fireworks. If you look up to the fourth floor, you will see the people who are throwing down these cherry bombs."

By this time four truckloads of National Guardsmen had arrived and troopers and policemen were again crouched everywhere looking for a sniper. The Director of Police remained at the scene for three hours, and the only shot fired was the one by the Guardsman.

Nevertheless, at six o'clock that evening two columns of National Guardsmen and state troopers were directing mass fire at the Hayes Housing Project in response to what they believed were snipers.

Looting - Detroit

- . An hour before midnight a 45-year-old white man, Walter Grzanka, together with three white companions, went into the street. Shortly thereafter a market was broken into. Inside the show window a Negro man began filling bags with groceries and handing them to confederates outside the store. Grzanka twice went over to the store, accepted bags, and placed them down beside his companions across the street. On the third occasion he entered the market. When he emerged, the market owner, driving by in his car, shot and killed him.

In Grzanka's pockets police found seven cigars, four packages of pipe tobacco, and nine pairs of shoelaces.

How One Man Died - Detroit

- Employed as a private guard, 55-year-old Julius L. Dorsey, a Negro, was standing in front of a market when accosted by two Negro men and a woman. They demanded he permit them to loot the market. He ignored their demands. They began to berate him. He asked a neighbor to call the police. As the argument grew more heated, Dorsey fired three shots from his pistol into the air.

The police radio reported: "Looters, they have rifles." A patrol car driven by a police officer and carrying three National Guardsmen arrived. As the looters fled, the law enforcement personnel opened fire. When the firing ceased, one person lay dead.

He was Julius L. Dorsey.

### Sniper in Detroit

- . In one instance, he related, a report was received on the jeep radio that an Army bus was pinned down by sniper fire at an intersection. National Guardsmen and police, arriving from various directions, jumped out and began asking each other: "Where's the sniper fire coming from?" As one Guardsman pointed to a building, everyone rushed about, taking cover. A soldier, alighting from a jeep, accidentally pulled the trigger on his rifle. As the shot reverberated through the darkness an officer yelled: "What's going on?" "I don't know," came the answer. "Sniper, I guess."

Without any clear authorization or direction, someone opened fire upon the suspected building. A tank rolled up and sprayed the building with .50 caliber tracer bullets. Law enforcement officers rushed into the surrounded building and discovered it empty. "They must be firing one shot and running," was the verdict.

The reporter interviewed the men who had gotten off the bus and were crouched around it. When he asked them about the sniping incident he was told that someone had heard a shot. He asked: "Did the bullet hit the bus?" The answer was: "Well, we don't know."

A Vietnam Veteran -- Newark

- . By Monday afternoon, July 17, state police and National Guard forces were withdrawn. That evening, a Catholic priest saw two Negro men walking down the street. They were carrying a case of soda and two bags of groceries. An unmarked car with five police officers pulled up beside them. Two white officers got out of the car. Accusing the Negro men of looting, the officers made them put the groceries on the sidewalk, then kicked the bags open, scattering their contents all over the street.

Telling the men, "Get out of here," the officers drove off. The Catholic priest went across the street to help gather up the groceries. One of the men turned to him: "I've just been back from Vietnam two days," he said, "and this is what I get. I feel like going home and getting a rifle and shooting the cops."

Death by Sniping - Detroit

- . In one such case police and National Guardsmen were interrogating a youth suspected of arson when, according to officers, he attempted to escape. As he vaulted over the hood of an automobile, an officer fired his shotgun. The youth disappeared on the other side of the car. Without making an investigation, the officers and Guardsmen returned to their car and drove off.

When nearby residents called police, another squad car arrived to pick up the body. Despite the fact that an autopsy disclosed the youth had been killed by five shotgun pellets, only a cursory investigation was made, and the death was attributed to "sniper fire." No police officer at the scene during the shooting filed a report.

Not until a Detroit newspaper editor presented to the police the statements of several witnesses claiming that the youth had been shot by police after he had been told to run did the department launch an investigation. Not until three weeks after the shooting did an officer come forward to identify himself as the one who had fired the fatal shot.

Citing conflicts in the testimony of the score of witnesses, the Detroit Prosecutor's office declined to press charges.

Counter-riot Activity - Detroit

- . As the riot alternately waxed and waned, one area of the ghetto remained insulated. On the northeast side the residents of some 50 square blocks inhabited by 21,000 persons had, in 1966, banded together in the Positive Neighborhood Action Committee (PNAC). With professional help from the Institute of Urban Dynamics, they had organized block clubs and made plans for the improvement of the neighborhood.....

When the riot broke out, the residents, through the block clubs, were able to organize quickly. Youngsters, agreeing to stay in the neighborhood, participated in detouring traffic. While many persons reportedly sympathized with the idea of a rebellion against the "system," only two small fires were set -- one in an empty building.

The Mayor Cools the Crowd - New Brunswick

- Mayor Sheehan went out onto the steps of the station. Using a bullhorn, she talked to the people and asked that she be given an opportunity to correct conditions. The crowd was boisterous. Some persons challenged the mayor. But, finally the opinion, "She's new! Give her a chance!" prevailed.

A demand was issued by people in the crowd that all persons arrested the previous night be released. Told that this already had been done, the people were suspicious. They asked to be allowed to inspect the jail cells.

It was agreed to permit representatives of the people to look in the cells to satisfy themselves that everyone had been released.

The crowd dispersed. The New Brunswick riot had failed to materialize.

### The Army Restores Order - Detroit

- According to Lt. Gen. Throckmorton and Colonel Bolling the city, at this time, was saturated with fear. The National Guardsmen were afraid, and the police were afraid. Numerous persons, the majority of them Negroes, were being injured by gunshots of undetermined origin. The general and his staff felt that the major task of the troops was to reduce the fear and restore an air of normalcy.

In order to accomplish this, every effort was made to establish contact and rapport between the troops and the residents. Troopers -- 20 percent of whom were Negro -- began helping to clean up the streets, collect garbage, and trace persons who had disappeared in the confusion. Residents in the neighborhoods responded with soup and sandwiches for the troops. In areas where the National Guard tried to establish rapport with the citizens, there was a similar response.

Within hours after the arrival of the paratroops the area occupied by them was the quietest in the city, bearing out General Throckmorton's view that the key to quelling a disorder is to saturate an area with "calm, determined, and hardened professional soldiers." Loaded weapons, he believes, are unnecessary. Troopers had strict orders not to fire unless they could see the specific person at whom they were aiming. Mass fire was forbidden.

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

EXECUTIVE DIRECTOR

February 29, 1968

MEMORANDUM TO THE COMMISSION

Subject: "Sniping" in Detroit

You may wish to include in your files the enclosed memorandum sent to me by Milan Miskovsky, Director of Investigation.

D.G.

David Ginsburg  
Executive Director

February 16, 1968

MEMORANDUM

To: David Ginsburg  
From: M. C. Miskovsky *mem*  
Subject: "Sniping" in Detroit

A staff member of this Office went over Recorder's Court, City of Detroit, records of persons charged with crimes which the police consider "sniping." A list of the persons charged and the disposition of their cases is attached.

The records show that twenty-six persons were arrested and charged with crimes considered by the police to be sniping. All were charged with assault with intent to murder. (There is no crime in Michigan called sniping.) In addition, three were also charged with burning a dwelling. Of the twenty-six charged, three are listed as "non-Negro," of whom two are women who were arrested in the company of two Negro males, but nothing in the records indicates that the two women even had weapons.

Three of those arrested were charged on a complaint by a citizen. Their cases were dismissed because the complainant refused to prosecute.

Two of those arrested plead guilty to a lesser charge. One was failure to report a pistol for safety inspection. He was given a suspended sentence. We were not able to locate the record on the second guilty plea.

One defendant, Clovie Smith, is awaiting trial. On that case the records reflect the following: The testimony at the pretrial examination reveals that the arresting officer, while in the company of two other police officers, heard a shot and immediately thereafter heard a regular army soldier shout that he had been "hit." The testifying officer asked the victim about the direction from which the shot was fired, and the victim pointed in the direction of a building. The injury sustained by the soldier was a small puncture wound on the left earlobe allegedly caused by a shotgun pellet. The testifying officer further stated that upon looking in the direction to which the soldier pointed he saw a Negro male who was standing at the front door of the building. The officers moved in the direction of the building, and the Negro male turned and ran into the building. He was pursued by the policemen. Upon reaching a landing in the building the policemen noticed a door ajar and an elderly Negro male standing in the vicinity. They placed the Negro male under arrest, knocked on the door, entered and found the defendant Smith. The policeman testified that while he was arresting Smith, his colleagues searched the apartment and found a shotgun under a couch and an expended shotgun shell on the floor. Both arrestees were taken to the police station and Smith was booked on charges of assault with intent to murder. The other man was released when it was ascertained that he was blind.

According to Judge Vincent J. Brennan of the Recorder's Court, not one of the persons arrested was seen in the act of firing. He said that as a result of a great deal of confusion, police officers were arresting "suspicious looking" persons. Arrests were made of persons in buildings from which police officers thought a shot had been fired. The police officers searched the buildings, and if they found a weapon, they arrested the occupant or occupants of the apartment in which the

- 3 -

weapon was found. According to the Judge, when the cases came up for examination, except for the three noted, they were dismissed by a motion of the court or prosecuting attorney for lack of evidence.

Attachment

cc: Victor Palmieri  
Merle McCurdy  
Robert Conot  
Arlene Shadoan

<u>Number</u>	<u>Name</u>	<u>Charge</u>	<u>Sentence</u>
A 139237	1. William Taylor 2. Robert G. Ramsay 3. Judith Kunesh 4. Martha Krantz	Assault W/I To Murder " " " " " "	Dismissed w/o prejudice " " " " " " " " "
A 138910	Manuel Rodriquez	" "	" by Court
A 139323	Leroy Johnson	" "	" on motion of Ass't Pro:
A 138827	Henry Keath	" "	" at examination
A 139406	1. Harold Lester Burbridge 2. Eddie Leroy Patton	" " " "	" by Court " "
A 139458	1. Robert Leroy Rubin 2. Raymond Clayton Rubin 3. Albert Thomas Hammonds	" " " " " "	" w/o prejudice " " " " " "
A 139468	Ronald Jackson	" "	Plead guilty to charge of: Failure To Report Pistol For Safety Inspection-Sentence Susp
A 139459	* 1. Raymond E. Vaughn	" "	Dismissed by Ass't Pros. Att'y. Insufficient Evidence
A 139471	1. Melvin Lee Walker 2. James Edward Walker 3. Issac Leon Rhodes	1. " " 2. Burning Dwelling 3. "	Dismissed, Complainant refuses to prosecute
A 139020	1. Willard Robinson 2. Hershey D. Perry 3. Kenneth Michael Walker	Assault W/I To Murder " " " "	Dismissed at examination " " " " " "

Page 2

<u>Number</u>	<u>Name</u>	<u>Charge</u>	<u>Sentence</u>
A 138610	1. O. B. MORRISON 2. Y. T. MORRISON	Assault W/I Murder " " "	Dismissed by Ass't Pros. Atty " " " "
A 139339	CLOVIE SMITH	" " "	Trial date - 4/26/68
A 139528	WALTER R. THOMPSON	" " "	PG awaiting sentence (plead guilty)
A 139459	✓ 2. PAUL R. LUMBERT * 3. DAVID MARSHALL	" " "	Dismissed by Ass't Pros. Att'y. Insufficient Evidence

FILED

FEB 15 1968

E. BURKE MONTGOMERY  
CLERK RECORDERS COURT

*Claudette*

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

February 29, 1968

MEMORANDUM TO THE COMMISSION ON STUDIES BEING  
CONTINUED UNDER COMMISSION AUSPICES

Four studies under Commission auspices are still  
in progress:

1. Attitude Survey: Financed by the Ford Foundation, the Survey Research Center at the University of Michigan is conducting an attitude survey of population samples of whites and Negroes in 15 cities. These include five in which disorders occurred in 1967 (Boston, Cincinnati, Detroit, Milwaukee and Newark), the last four of which were also the subject of Commission staff reconnaissance surveys; four non-riot cities (Gary, Pittsburgh, St. Louis and Washington, D.C.), and six cities which experienced disorders prior to 1967 (Baltimore, Chicago, Cleveland, Brooklyn, N.Y., Philadelphia and San Francisco). In Detroit, Milwaukee, Cleveland and Washington, D.C. surrounding areas will also be sampled.

The survey questionnaire for Negro respondents includes questions concerning grievances, attitudes toward riots, perception of discrimination, and attitudes toward integration and black power. This survey will supplement the preliminary data on attitudes of Negroes already included in Chapter 2 of the Report. The questionnaire for white respondents includes questions on riots, integration, and perception

of the existence of discrimination, and probes white attitudes toward Negroes in a variety of respects. This survey is expected to be completed by June 15.

2. Attitude Survey: A second attitude survey, under the direction of Professors Peter Rossi and James Coleman of Johns Hopkins University, is also being financed by the Ford Foundation and is a continuation of the Commission's field effort. It consists of a special survey of attitudes of community leaders, elected officials, administrators, policemen on the beat and teachers. This survey relies primarily on open-ended questions, as did the Commission's own surveys. This survey is expected to be completed by June 1.

3. Arrest Records: A continuing study of arrest records is being conducted by Dr. Robert M. Fogelson at the Bureau of Applied Social Research of Columbia University and is expected to be completed by June 1, 1968. This will supplement the work already done in regard to riot participants, which appears in Chapter 2 of the Report. The initial work of Dr. Fogelson was financed by the Commission; the balance of the work is being financed by the National Institute of Mental Health of the Department of Health, Education and Welfare.

This study will cover arrest records from some 25 cities -- the 23 surveyed by the Commission and two additional 1967 disorder cities (Buffalo and Minneapolis). The study involves computerization of all data appearing on the records and will permit detailed consideration of the differences in characteristics of arrestees and types of charges made against them, depending upon the time of their arrest during the respective disorder.

Also, the Commission has made available to Dr. Fogelson its identification of the disturbance

area in each of the cities so that it can be determined whether most arrestees resided in the disturbance area. This will be particularly useful as a further linkage of participants with the socioeconomic data for the disturbance areas which appear in Chapter 2 of the Report.

Preliminary data on four cities has been made available to the Commission and has been used as a cross-check of our tabulations of arrest record data.

4. Mediation Techniques: An additional study is being conducted at the University of Wisconsin under the direction of Dr. Nathan Feinsinger. This will examine the possible applicability of mediation techniques to interracial problems.



Stephen Kurzman  
Deputy Director  
for Operations

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

March 5, 1968

TELEGRAM TO ATTACHED LIST

BANTAM EDITION JUST RECEIVED CONTAINS INACCURATE  
CHARACTERIZATION OF COMMISSION DECISION PROCESS AND  
COMMISSIONER DECISIONS. AFTER DISCUSSION WITH  
WICKER, HE AND BANTAM HAVE AGREED TO REVISE  
INTRODUCTION FOR SECOND PRINTING. WE WILL ANSWER  
ANY INQUIRIES WITH FLAT ASSERTION THAT PRESENT  
INTRODUCTION MISREPRESENTS THE FACTS.

DAVID GINSBURG  
EXECUTIVE DIRECTOR

INSTRUCTION TO WESTERN UNION GOVERNMENT RATES AUTHORIZED

By \_\_\_\_\_  
Norman J. McKenzie  
Executive Officer

CHARGE TO: NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS  
382-8711

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

EXECUTIVE DIRECTOR

March 8, 1968

MEMORANDUM FOR THE COMMISSION

Subject: Phase-Out of the Commission's Work

As you know, Governor Kerner requested and received from the White House additional funding for activities of the Commission staff beyond March 1. Some of this money has already been used to pay the large amounts of overtime paid to secretarial help and junior staff members during the February rush to complete the Commission's Report.

At present, we still have 40 professionals on our staff more than half of whom will be leaving at the end of next week. From the 15th until the end of the month, we will retain a staff of 18 professionals to complete work on the Report - galley, page proof, checking, etc. - and distribute it.

By mid-April, we will cut back to a caretaker's staff of two professionals and two secretaries; they will receive and answer inquiries with regard to the Commission, assist Commissioners who may be called to testify, and monitor and publish the three studies presently being conducted on behalf of the Commission.

Our present plans call for the printing of 25,000 copies of our consolidated report and 10,000 copies each of the three studies. Additional copies will be available for anyone interested from the Government Printing Office. In the meantime we can arrange for additional paperback copies, without cost, if you need them.

D.G.

David Ginsburg  
Executive Director

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

EXECUTIVE DIRECTOR

March 11, 1968

MEMORANDUM FOR THE COMMISSION

1. Enclosed is an exchange of letters between Congressman Albert Watson of South Carolina and Governor Kerner.

2. Governor Kerner sent me a copy of a telegram which he had received from Martin Luther King, Jr., a copy is enclosed.

D. G.

David Ginsburg  
Executive Director

encls.

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

EXECUTIVE DIRECTOR

March 11, 1968

Honorable Albert Watson  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Watson:

Thank you for your letter of March 5.

On behalf of the Commission I am happy to put before you the facts regarding the publication of our report.

The Commission completed its work on the report during the afternoon of Wednesday, February 28. Before that time we had been advised that it would take three to four weeks for the Government Printing Office to print the report in quantity. The Commission felt that the significance of the report and the interest in it made it impossible to delay release for so long a period. Indeed, the Commission had made a public announcement in December that it would consolidate and release its interim and final reports no later than March 1.

After consultation with the Government Printing Office and the General Services Administration we determined that 2,000 photo offset copies of our typed manuscript could be produced by Friday, March 1, for distribution to Members of Congress and for release to the media for the morning papers on Sunday, March 3. We proceeded along these lines and arranged to have copies for each Member of Congress delivered to the House and Senate post offices on Friday afternoon, March 1.

This time table was upset when a local newspaper obtained a copy of the Commission's Summary from sources other than the Commission and advised that it proposed to print the full text of the Summary on Friday morning,

Honorable Albert Watson

March 11, 1968

-2-

March 1, instead of Sunday morning, March 3. The Commission thereupon decided to release the full text of the Summary to all newspapers for publication on Friday morning. Our objective had been to ensure that copies of the report were in the hands of Members of Congress before publication in the press and we sought to adhere to this objective so far as possible. The Commission did not remove the Sunday morning embargo date from the report itself so that Members of Congress could have the text before publication.

The report is, of course, a public document, without copyright, and no authorization is required for its reproduction. The full text is freely available to all who may be interested in it although private publishers may copyright materials which they themselves provide; they may not copyright the text of the report.

Bantam Books, Inc. was the first commercial publisher to express interest in distributing the report and the first to make a public announcement to that effect. We were advised that Bantam had printed and had begun distribution of the Warren Commission report within about 75-80 hours of its release and were told that the company was prepared to do the same with our report. Several other publishers later expressed interest in the report and were advised that the Commission would be happy to make it available to them on the same basis that the report would be made available to Bantam. The Commission was pleased to cooperate since the official version of the report would not be available for several weeks. As indicated, the report is a public document, so there is no question of payment to any one for the right to print it.

When Bantam consulted with the staff they were given guidance as to our best estimate of the length of the final report, the numbers of chapters, availability of an index and related matters. Bantam was told that the final text of the report would not be available until after the Commission finished its work, probably on Thursday, February 29.

Honorable Albert Watson

March 11, 1968

-3-

Bantam was provided with those portions of the report on which the Commission had completed its work on Tuesday, but warned that further changes might be made. It did not receive the final text until Thursday, February 29.

As was the case with publication of the Warren Commission report by the same publisher, and other public documents by many other commercial firms, any profits accrue to the commercial publisher. We also understand that E. P. Dutton & Co. is planning to bring the report out in a hardback version sometime in April.

We understand that Bantam processed the report between Thursday and Sunday; that production began on Sunday; and that some copies were available by Sunday night. We had asked that a copy be sent to every Member of the Congress as soon as possible, preferably by Monday morning, and we understand that this was done.

If there is any further information you may need, please let me know.

Sincerely,

Otto Kerner  
Chairman

ALBERT WATSON  
2ND DISTRICT, SOUTH CAROLINA

WASHINGTON OFFICE:  
1007 LONGWORTH HOUSE OFFICE BUILDING  
AREA CODE 202, 225-2452

DISTRICT OFFICES:  
FEDERAL BUILDING, 901 SUMTER STREET  
COLUMBIA, SOUTH CAROLINA  
AND  
178 MIDDLETON STREET, N.E.  
ORANGEBURG, SOUTH CAROLINA

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

March 5, 1968

COMMITTEE ON INTERSTATE  
AND FOREIGN COMMERCE  
COMMITTEE ON  
UN-AMERICAN ACTIVITIES

W. A. "AL" COOK  
ADMINISTRATIVE ASSISTANT

The Honorable Otto Kerner  
The National Advisory Commission on Civil Disorders  
1016 16th Street, N. W.  
Washington, D. C. 20036

Dear Governor Kerner:

A telephone inquiry made by my office on Monday, March 4, 1968, to the Washington Office of the Commission on Civil Disorders and subsequently to the Commission's Office of Congressional Liaison, in regard to obtaining additional copies of the Commission's Report on Civil Disorders received a negative reply on the basis that only one copy of the report would be allowed per Congressional office.

The purpose of this letter is not to take issue with the availability of copies of the report as I can certainly understand that it usually requires some time before a document of such magnitude can be printed for widespread distribution. However, the commission did advise my office that a private printing firm, Bantam Book, Inc. has placed the full text of the report on newsstands throughout the country at a cost of \$1.25.

Certainly, I am not attempting to impugn your good name or cast aspersions on the administrative work of the commission, but it does seem strange that a private printer would already be able to offer thousands of copies of a 250,000-word document for sale less than 48 hours after the official report was made known to the press and the general public. In fact, my office received a copy of the Bantam edition in the first mail Monday morning. Additionally, I am also advised by the commission that the report will not become available through the Government Printing Office before April 1, almost one month after it was completed.

The Honorable Otto Kerner  
March 5, 1968  
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Certainly, I feel that you would agree that a number of adverse inferences can be drawn from the timing of the official report and its immediate distribution by the Bantam company when, in fact, no public document will be ready until April 1. Although admittedly not possessing a great deal of knowledge about the printing business, I do find it wholly unlikely that the Bantam company, or any other printer for that matter, could take a lengthy report on Sunday and have thousands of copies printed, elaborately indexed, and on the newsstands the next day. In addition to the printing time, delivery time would no doubt consume more than a mere one day period.

It seems to me that the American public is entitled to some answers from you and the commission regarding the propriety of this apparently premature issuance of the report. For this reason, I would like to have an answer to the following questions at your earliest convenience:

1. Why were no more copies of the report available for immediate public consumption?
2. Who authorized the Bantam company to print the report?
3. When was Bantam given access to the report?
4. Was the report offered competitively to other printing firms?
5. If it was not offered competitively, what payment, if any, was made by Bantam Books, Inc. for this apparent advance copy, and was such payment, if any, made to the U. S. Treasury?
6. Will Bantam realize the full profits of the sale of the books, or will any percentage of the sales be turned over to the public treasury?
7. Upon what authority is a private publisher entitled to copyright a reprint of a public document?

Thank you for your prompt consideration to the above, I am

Sincerely,

  
ALBERT WATSON, M.C.

THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS

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

March 7, 1968

The following was forwarded to Mr. Ginsburg from  
Governor Kerner's office:

THE HONORABLE OTTO KERNER  
THE STATEHOUSE SPRINGFIELD, ILLINOIS

YOU, AS A MEMBER OF THE PRESIDENT'S COMMISSION ON CIVIL  
DISORDERS, DESERVE THE GRATITUDE OF THE NATION BECAUSE  
YOU HAD BOTH THE WISDOM TO PERCEIVE THE TRUTH AND THE  
COURAGE TO STATE IT. THE COMMISSION'S FINDINGS THAT  
AMERICA IS A RACIST SOCIETY AND THAT WHITE RACISM IS THE  
ROOT CAUSE OF TODAY'S URBAN DISORDERS IS AN IMPORTANT  
CONFESSION OF A HARSH TRUTH. MY ONLY HOPE NOW IS THAT  
WHITE AMERICA AND OUR NATIONAL GOVERNMENT WILL HEED YOUR  
WARNINGS AND IMPLEMENT YOUR RECOMMENDATIONS. BY IGNORING  
THEM WE WILL SINK INEVITABLY INTO A NIGHTMARISH RACIAL  
DOOMSDAY. GOD GRANT THAT YOUR EXCELLENT REPORT WILL  
EDUCATE THE NATION AND LEAD TO ACTION BEFORE IT IS TOO LATE.

Martin Luther King, Jr.