

100

...the

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

Second, that the hotel, Hotel... this year have been having a relatively bad year and they need this last three weeks or so to only break even. So, that the bargaining power of the negro community is very high right now.

Right after the Newark riots, apparently a group of younger negroes in the north section of Atlantic City began meeting and recognized that they would have this kind of bargaining strength. It was a mixture of moderates and hot heads. A mixture of the hotter than the cooler, and the cooler prevailed and began meeting every night in committees. Now, this is a pretty important thing, I think, for you to keep your eye on. The poverty program in Atlantic City is headed by Paul Yurff. Paul is probably one of the best poverty directors that we've got in the state. He's extremely honest, quite direct, has played it, I think, with a great deal of discretion, but he's taking a gamble --

GUBERNATOR DRISCOLL: Excuse me, how do you spell his last name?

MR. YURFF: Y-U-R-F-F.

And what he did, apparently, I don't know who's initiative, he began meeting with this group and

offering this group some of his facilities to meet in one of his centers, and beyond that I'm not sure. His whole purpose has been to moderate this group and to turn it constructively. This group is composed of people all the way from --- I would think --- some fairly staunch citizens in the negro community to people what could be called the rough necks in that community. They are all male, and deliberately so, because they are not going to have the normal negro matriarchy take over this movement, and they include a number of people with criminal records, one or two with dope addiction on their records, which is not, you know, for probably some of us that grew up in the white suburban community, this is hard to take, but the statistical records of growing up in a negro community without some kind of criminal records are parity law. And these fellows with Paul Tureff's participation have begun to translate some rough emotions into civic demands, and they have emerged after three weeks of this with a presentation to the mayor and the commissioners of sixty demands.

Now, I have gone through this list, the Governor has gone through it, a variety of other people have gone through it and it is a rather remarkable list in the sense that it is in no sense self serving. There is only

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

call it a harangue, others might call it a remarkable demonstration of the King's English with a man educated with only three years, and a man with a record of drug addiction who had just been arrested the day before by the police on a charge which bears looking into. Now, as it went back and forth it became evident that they were insistent upon these demands. They didn't want to be pushed around. In the words of the mayor and others, these are remarkably prescriptive goals. I'm making this point because the negro community, as I have reason to credit it these last years, sees through just about every political tactic that you may use to move around them, through their or whatever. You are not dealing with people who are not prescriptive, easily led or misled. Very insistently whenever the mayor or the commissioners gave rambling answers they could catch hard and seem to know what an answer was sought. But they kept their temper, with one exception, on the charge of police harassment when the police chief replied in rather intemperate language they became a bit intemperate, but pulled back. It was agreed that the mayor was going to answer all these demands in public at 8 o'clock on Tuesday, which was yesterday, and spontaneously Commissioner Roe offered some assistance in the recruitment matter, economic development, Commissioner Mallin pledged that the

ment office down there could become more co-operative than it's been in the past. Both these gentlemen were persuaded that constructive responses was necessary. The mayor welcomed my presence and my department offered to the mayor and to the community our resources on an around the clock basis, so when he prepared his answers to those sixty demands he would be acquainted with every facet of the law, whether he could or could not, within what framework, and also what aids might be available.

For example, they asked for more garbage collection. "Query: are there federal and state aids available to Atlantic City to produce this immediately?"

They needed some educational changes. "Query: would the Department of Education be able to help?"

We placed two people in there on an around the clock basis, one a negro policeman who worked in Watts, Greg Coleman who worked with the Economic Development Administration, another negro who could talk about the problems of the economy, Jack Gleason, who some of you remember was secretary to the governor for while.

Now, this has been a hectic three or four days, because you try in a very short time to be construc-

tive in your response, while at the same time trying to avoid
the posture of being blackmailed into certain changes. Now,
there is a great equivalence going now which produces a heavily
difficult climate to work with. President Johnson,
Governor Hughes, all of us in one degree or another agree that
riots should not be rewarded and that certainly we ought not
to be blackmailed. Yet, if you take too hard a line here
you're not punishing rioters, you are just not responding con-
structive in many cases to legitimate community demands. And
the temper of the people right now, of the white community who
are watching, is very hostile to any kind of compromise or
negotiation or whatever. So I knew the political pressures
under which the mayor operates, especially in Atlantic City.
I know the climate in which we operate, yet if you were to
take a look at these sixty demands I think you will agree that
they are about a legitimate set of civic demands as any group
produced in any kind of political climate.

So we worked as hard as we could and
we spent the entire day on Monday in Trenton with the mayor
and Commissioner Hise and Hollin in contact with the Governor's
office and with the Attorney General. And while we did not
try to push the mayor into a response, it was agreed from the

start that we were helping but not controlling. We did come at the end of the day after about eight hours of work to what we thought was a pretty reasonable response.

Something happened between the time the mayor left and the time he faced the group at ten thirty yesterday morning -- on both sides. A Stanley Harnack from the District, Pennsylvania, I think, NAACP, I'm not sure of that, who has been extremely active in that community, engaged in Atlantic City on what seems to have been a completely innocent mission. He used to live there and come over there for his vacation, and he was walking down the boardwalk and suddenly realized he was in a situation, and he has moved in quickly to be one of the prime spokesmen for this group. Whether this is good or bad remains to be seen. And there are completely conflicting reports about Harnack, all the way from his being a mercenary to his being a legitimate civil rights leader, but he's about as militant as they come in the frame of non-violence. Then they had apparently the mayor in conversation with someone in Atlantic City, stiffened his attitudes and the combination of these two things led to a rather fancy reading of it, which the negro group listened to and without comment walked out of. And they are out of negotiations in Atlantic City.

Now, I get a great deal of...
it's alright, it's got to be under control, the hot heads who
began to take over immediately now are being modulated. Again.
The mayor seems not to be as disturbed as he once was. though
I think he knows that there is a real sword hanging over the
head of Atlantic City.

Now Dave Kelly, all the other are
completely aware of all the developments that I've talked
about.

Now, may I go off the record?

CHAIRMAN KELLY: Yes.

(At which time a discussion was held
off the record.)

GOVERNOR NEWER: I'd like your opinion
of the factors that we have to consider in the long run
and what we should do about it.

MR. WILKINSON: Well, I think in what
I've just said, I've tried in one example to run you through
every conventional thing's effective here, which goes back
way from the way we started to long term as number. And in
the long term scenarios, there are some real things that
the economy is doing in a way that's quite different.

is the third highest per capita in the United States, and
means in the world practically, yet we are about half as
skilled a public economy as you can find anywhere. And I think
we are you like Van Halbeek, I think that's right in the sense
that we are under spending on the public side. Not just in
schools, but especially in the industrial cities which have
Jensen has done a worse job on just about any state, and the
whole country is guilty. In what direction bringing public
revenues into the public and flow into accepted areas, which
is education, streets and highways in the suburban regions, the
industrial city has been starved. It's a vicious circle, and
now I think Mayor Adlon's is right in his statement just
today. So what we have done is to bubble the negro up into the
central city, and it isn't really a race issue so much as it
is a kind of the sector of the economy that we've let die and
the people who are there get victimized by it. And I think
the tragedy is just about as great among some of the white
groups, Italians, Irish, Polish, and what they've done is
they run their ghettos, they have their clubs, they're in the
police and in the fire department, what we've done is to
negro and the Puerto Rican has to be left out even in the
suburbans in the declining central city, and I think that's

you've got in the long run to begin subsidizing the cities
and with some revenue flows and especially the central city ones.
And this produces a very rough problem.

First, to me it is very clear, Governor
is going to have to go to an income tax in the next two years.
This is an unpopular statement and I probably won't make it
publicly, but certainly we will have to go that direction. And
certainly within the next two years we have to find out how to
flow the revenue into the central city areas. But that pro-
duces a real problem of our idea of the capacity to spend in
both sectors, and what I miss in the large thinking in Jersey,
even on the suburban side, is we are really setting up the suburban
side with nothing more than home rule.

GOVERNOR HEYNER: You make that state-
ment, where is New York any better off with all of its money?
You sort of pose the proposition that if we pour this money
into the cities we will be better off.

Now, New York has more money, is
spending more money, why aren't they better off than we are?

MR. WELLS: Well, New York City is
better off than we are right now.

GOVERNOR HEYNER: They are?

MR. VLIVISAKEN: Sure, because that's because of some other reasons I was going to get to. John Lindsay is a remarkable man, but he's doing it like the boy with his finger in the dyke. He is lucky that he has the police commissioner that he has. He is doing a great job. But that still doesn't get to your question, is the flow of money going to solve it?

The answer, the money by itself will not do it. But men by themselves aren't going to do it either. It has to be a combination of the right guys, the right capacities with the right money.

GOVERNOR DRISCOLL: What happened in New Haven, if you know? Didn't they have some very substantial programs going for them in New Haven? Wasn't it thought that they would probably come through the summer in pretty good shape and not with standing the substantial programs they were confronted with riots?

MR. VLIVISAKEN: The New York Times editorial I thought was pretty good on that one this morning, if you took a look at it. But I had a lot to do with New Haven, through the Ford Foundation we made original grants up there. You can draw several morals from this, one you can say it is an

absolutely hopeless case, in which case let's all walk away from it. I think that's going to be a reaction all over the country, that if New Haven went, why play around with this. But if you went to New Haven you would recognize certain things going on up there, one they're working still on a financial shortcoming up there, they have been bailed out by Yale and by Macy's. The magnitudes of money up there, even though they are high relative to the expenditures around the country, are low compared to the absolute needs.

Second, New Haven is trying to solve the problems of central city within the central city, and one of the things they did is to say why should we improve conditions for the lower classes because it invites more, and the more public housing you build, the more you are stuck with.

Dick Lee was not very adept, there is considerable displacement of low income people.

Third, New Haven is a company town something like Pittsburgh. Dick Lee, a remarkable political leader still was playing company town politics, and the company program up there managed to pull the teeth of the incipient negro opposition as he had, and what was left was a very small group in the hill area of the low income, dissatisfied, who were

watching some of their lead-ship pulled away into the poverty program, not really dishonestly, but cleverly, and then with a certain amount of student agitation and a few locals, like we are dealing with in Atlantic City, began to be even more angry at City Hall with clearly forbidding them from participation, and beginning to shove them out of low income housing. That agitation actually started several years ago and abated and an inoperative mind, a student whose brother a Vista program up there has been living in this area, told me that about a month ago three Molotov Cocktails were thrown at the poverty program offices and the local newspapers completely bottled it up, not a thing has been said about that. This has been growing, and even though a small minority exploded -- one of the conclusions that you can draw certainly is that it is unfair to ask Dick Lee to behave any other way than he did. But somewhere you are putting Nancy in, somewhere provision has to be made for the low income people for housing.

Now, you've face the devil and the deep blue sea. What Dick Lee was doing was shoving them out into suburban areas where he hoped somebody would take care of them, but they soured.

CHITMAN LILLEY: I told the Commission I spent an hour with Mr. McBeth last night. He telephoned yesterday and he expressed horror at what had happened at New Haven and called it a model city. He was watching TV to hear about his testimony when Mayor Lee came on and someone said, "didn't you have a model city?" He said, "I didn't have a model city, I've only accomplished twenty percent of what I wanted to accomplish." And Mr. McBeth shook his head. He was in complete bewilderment. While two or three years ago while the newspapers have been calling New Haven a model city, I didn't hear Dick Lee saying it wasn't then.

MR. VLISBAKER: We talk as guys who know the business, we know what the magnitude of the job is, yet when we do a little good papers and everybody make a great thing of it and great applause, which then lets the public settle back in its suburban retreat and say it is done. And what this country has to realize is that it has a job just as big as Viet Nam ahead of it. Whether we like it or not, it's there to be done. The trouble is you get the bromiding effect that you are mentioning and the consequences, that my God, that I'm going to give us entirely. And I don't speak this entirely or panic, this country is now fighting for its life. I will say

this openly and honestly.

GOVERNOR DRETT: Commissioner, what you're really saying, if I understand you correctly, is that a little more money is not going to do the job. That it's going to take a great deal of money and a great deal of courage and an imagination on the part of people if the job is to be done.

MR. MURPHY: Governor, a tragic addition to that is that we've accumulated so much that the best men doing the best job in the next five years are going to be in Dick Lee's position, because you've let loose in these communities a flock in a group of people who are now twenty, twenty-five years of age that you do not wash out. They are there really to stop you right now because they don't want this to go ahead, that minority of group, but here you've got to contend with that smaller margin of hate to play with the rest of the community that is still constructive. What these percentages are, I do not know. I do know that the hate percentage that you are opposed to is growing with each rise around the question.

MR. BROWN: In terms of the hate development, I notice that in both occasions you noted that there was a small group of dissatisfied persons. Now, do these are all

groups of dissatisfied persons, who are viable and vocal, does this small group of dissatisfied persons mean that, in effect, there is developing a new pole of leadership, or is this a group that is actually developing a new polarization of a new kind of leadership?

Now, in Atlantic City you said an interesting thing, this group is probably suspect, but does this group now move into the political arena, for example, in Atlantic City, begins to contend, is that of itself an avenue which will make the response of the people since this very power is going to be susceptible to sale as anybody else? Does this mean that if it goes that way, that you are going to put the lid on this thing and then your hate begins to grow again in terms of frustration?

MR. FLVISHNER: A person like Man Clark, who may be a little depressive, Man really is beginning to believe that the ultimate now is going to be the real ghetto civilization of the negro. You will really put him the end of this accumulated hate, and the rest of the withdrawal is going to mean a confined negro population in the old ghetto sense, that this is the most likely thing to happen now in the United States rather than the constructive response. I'm not quite as de-

passed, I wouldn't be at my job right now if I was. I have a feeling that the salvation of this movement would be participation in it by the white community, that is what you really and genuinely do get civic protest going and a move to reform much of local politics and the programs so that we make our cities a better place to live and this becomes a legitimate place for the whole community.

MR. BRADY: Doesn't it reflect, mean that if these people can be convinced that if this is a true revolt against conditions, then you really have an integrated movement of an economic sector which is going to better its lot, aside from and distinguished from the symbol of hate? Is there any hope? I have said this consistently that if, for example, if the Irish Catholic in Jersey City would participate in trying to better a school system that he would engage in it, and I've also said and I know from first hand experience that these indigenous groups will not participate even if they know it is good for the system if it's negro sponsored. How does one approach that problem?

MR. YLWISAKER: I don't know, I've been watching Detroit, I say this with a very sense of, again, kind of despair, the poor, the white poor began to join the negro

poor in that case.

MR. BROWN: Was that hopeless?

MR. VLASAKER: I don't know, the Appalachian white was in there burning and looting with the negro in that case.

MR. BROWN: Doesn't that go to the heart of the other thing that you are talking about? Isn't this the place where hopefully the poor Irish, the poor Italian, the poor Slovak -- of course, this never happened in Chicago, but isn't this the one area that can be changed, as opposed to massive spending?

MR. VLASAKER: Given the present circumstances, massive spending is a rat hole.

MR. BROWN: Isn't there in the legitimate economic revolt of the poor, the poverty people, below marginal people including all these groups who are so powerful? The Irish and the Poles and the Italians who have found their own solution in their own ghetto?

MR. VLASAKER: The United States in an age old way has adulterated its newcomers by putting them through the tenement trail. We have said that when the newcomer comes, whatever he is, he goes into where the last immigrant

ment, and they follow right behind. And this means that you have planned for confrontation and friction. A civilized people would not do this, because you'll find that guys of my affiliation are probably economically more predictably livable than the fellow who has to work right next to the poor negro in the community. If we had planned this right, we would have put the negro into my community and not into the Italian or the Irish, and it also means that you recruit your police and fire from the last immigrant group, and that they take out their hate and vengeance on the guys that they're policing. And this is why I think one of the greatest programs we could get is through the Catholic church and through the clergy, to get into that community and try to produce more understanding. But that's asking a lot.

Given the present circumstances, I think there are several things, none of them easy, one might very well be that we begin regionalizing our police office and allow officer training and direct entry, as you do through West Point and whatever. So that you can get people not drawn from immediately that long standing hate community into the police to control its politics. And if we went to a regional police

force in New Jersey, which, by the way, you will find considerable support from the Dave Hollays and others, even if you run into opposition from the sheriffs and such as that, if you did start with direct entry and officer training, you could begin taking college graduates, you could bring an enlightenment more quickly than by waiting for promotion from the bottom and localized police forces.

Point number two, we have taken out of down town politics, we have taken out the very elements that could be economically liberal. It may well be that this is where we should be coming either to metropolitan government or very much stronger state government in which this group could begin coming in and controlling policy, this is strong medicine as well.

I think what is happening in Trenton right now that the Governor and many of us who are lately brought in, and some of the other fellows who are lately aroused are beginning to move into municipal politics. It does mean a political re-entry into the politics of the central city in the ghetto. By those that can afford a more liberal attitude, but the irony has been that we have asked the white poor to take on the problems of the negro poor, which they are not equipped to

do.

MR. BROWN: Do you think this in part accounts for the fact that whenever there is an explosion the whipping boy is the police force, and they are really the wick, certainly not the major part of it, but the wick?

MR. VLVISAKER: What it boils down to the immediate hostilities to the police confrontation, whether right or wrong, that's the thing that blows.

MR. BROWN: Would you say that in each of the towns you've been in in New Jersey that this has been the tinder, the police confrontation?

MR. VLVISAKER: Yes.

GOVERNOR MEYNER: But aren't the police only a symbol?

MR. VLVISAKER: Yes.

MR. BROWN: I said right or wrong.

Governor.

GOVERNOR MEYNER: You see that in institutions and agencies. Who occupies the prisons? Because their against, they have to be against.

MR. VLVISAKER: Take Atlantic City, and I'm sure that I can give you two cases of false allegations

for every proved one, but let's take one. They said police brutality. Immediately the police commissioner, and I can understand why they began calling whites "honky", he got up and he honked and honked, the police commissioner said he knew of no case of harassment or anything else. Immediately thirty negroes got up and said, "let us talk." Then one of them said the drug raid the other day, and the police chief jumped up and he said "this here raid ---" I thought the first three words were kind of significant -- he talked about how it had been planned. Then one of the guys were there, said here is what happened. It was in Earl's parlor, or something like that, and you called Earl out and you didn't search him except when you put him nicely into his office and gave him protection, but instead you took us out by the cash register where we could be seen through the glass window and took off our trousers and jock straps, and we had to stand there. And the police chief fled back, he says well, two weeks ago isn't it true that I found on such and such a guy these stacks of heroin in his jock strap?" They said, "yes, but you didn't have to search us in this way in that place." The police chief said, "we had a general warrant which says we could come in and search anybody in any place we want." This is the kind of thing that went on

and forth, and that's where the real emotion was, it is a clean situation because one of the guys speaking is an addict.

GOVERNOR MEYER: I get upset if somebody wants to take my finger prints.

MR. HIBBONS: A lot was spent in New Haven on revitalizing middle and upper income, a lot was spent in Newark on tearing down the slums and replacing high rise apartments, and apparently both approaches have failed.

Now, I hear about suggestions, the term that is most commonly used in the press and magazine is, is, "a massive infusion of money into the center cities," but I don't hear about it being spent anyway except the same two ways. Now, you comment about Atlantic City being an economic anachronism that may be beyond economy. I think it is equally applicable in New Haven and Newark. Aren't we, perhaps, spending money on something in the electronic age and the auto-vehicle age that no longer has a function economically? Is there any need for these hundred and fifty thousand or these hundred ninety-six thousand people to live in twenty-three square miles in Newark? What economic function does that concentration of population serve?

At the time it was necessary to have



a lot of people close together so that they could walk to the factory, but who walks to a factory now? All these factories are closed up. Should this money really be spent in the center city, or should we break down these center city political units and maybe disperse this population?

CHAIRMAN LILLIV: Before you reply, Commissioner, a very young man has requested a break, so let's take a ten minute break and you can pick up with that question.

(At which time there was a ten minute recess.)

MR. VLVISAKER: There was a question on the floor, let me respond to it.

It was kind of a double barreled one. I want to take the first part first.

New Haven, all the rest, do not give credit the job that these mayors have attempted. If you go to a filling station you've got a gasoline pump and you've got a car lift and you've got all this stuff, these are necessary to do the job. If a guy does them badly, that doesn't mean the gas pump is wrong. So I think you've got to keep in mind that day care centers, schools, housing, all these things are necessary pieces of the job. But they have been handled badly. And

the most important point I'd make, it is the motivation of the people who run the system, that's the most important and we have turned the system over to people of dubious motivation and ability. I have a feeling that in the second half of the twentieth century the public jobs are much more important than the private jobs, and yet the flow of motivation is primarily in the other direction.

Now, having said that, let's see, the last part of your question --

MR. SIDBENS: It was really only one question, and talking about pumping money into the center city are we really dealing with a unit that's economically functional?

MR. YLVISAKER: No, I think you put your finger on it. The Ford Foundation financed, through the Rockefeller and other people a study of the economy of the New York Metropolitan area. The economist who did that job is a first rate economist and left it after three years with a first class piece of work, and what that showed is that there is an economic logic to trends in the metropolis, that you get the outward trend of factories searching for horizontal layout and more room. That there are flows and locations that make a lot of logical sense. The one flow that "ain't" working is the

people flow. And particularly the negro flow. The whites by and large begin to go out where the jobs are, but the negro poor and the Puerto Rican poor have lagged behind in that outward flow, and they're now congregated. As a result, as the jobs pull away from you you get more and more of the necessary welfare situation -- and give me five minutes and I will give you the facts of the disproportional growth of the labor supply here and the depletion of the labor supply. If you go to the George Washington Bridge in the morning you will see the flow out to these jobs, but a lot of people don't have transportation, and since they don't live near them you have an economic bottleneck. We have to match people in jobs. For the last fifteen years they have been getting the planners to talk about bringing the whites back to the central city, the fact is that the density of the central city and the job structures don't going to allow that. The whites isn't going to come back in those numbers.

Then on the side you have taken high-rise public housing and bottled them up there. There is two things you can do, one is certainly to divert the flow into the ghetto from further populations from the South. This takes a national policy where you begin in the south, North Carolina,

when you know the tobacco farm is going to be mechanized, you begin building catch basins down there. In North Carolina and Mississippi you can talk about transitional communities at least where whole negro families can get the job training locally before they take the long trek, but this also takes federal restriction of the people on the Ford Foundation where they are about they can go down to the Appalachian community and pick up a hundred thousand whites. Another thing is the air line fare to Puerto Rico. After the second world war they had a very cheap air line fare from New York to Puerto Rico. For the first hundred years before the war the Puerto Ricans had gone by ship and distributed themselves throughout the United States, but the cheap air line fare to New York, they have congregated. So, divert that supply.

The second thing is to provide an economic base in the ghetto as much as possible. That's why the medical school in Newark makes sense as an economic proposition because the service sector is the job sector to grow into, and the problem there is that it appeared to be carried out unilaterally. I think that this is an astute job of planning within the neighborhood here and shows what the mutual benefit is is great, but not if you begin importing your labor to that medical

center rather than training the indigenous here.

I didn't intend to get into a controversy here, but I do think that if the central city is a service base and when you bring that service sector into these jobs, then you trade off with the negro community so that they get jobs in return for the displaced.

When we start community colleges in Jersey, we immediately start planning them in the suburbs, not in the central city, that is the one service growth sector that you can begin putting into the ghetto community. Another is the dispersal of the population, again, logically, the negro is ready for that up till now, but now he feels it's never going to happen so he's beginning to resist. I happen to think personally it's the only answer and I would break my back to accomplish this by whatever techniques you see, and I think the two governors here will now recognize my predicament when I'm made responsible for state planning. A state plan really should be a social plan as well. You know, a settlement plan, which says let's relate the population to the job developments. But if all I can plan are utility systems for a white job sector and a downtown public housing for the others, and a welfare system, then you see really in trouble, until you get a working

wage and a job available for this population they will continue to want as a welfare proposition.

MR. GIBBONS: Well, you really think it is so politically impossible, for instance, to take the public housing function out of the local level and to make that a statewide function so that some social plan could be brought to it?

MR. VLUBSKER: Well, we luckily got this legislation through last time, but the elements are beginning to be there, they gave us middle income housing. Now, in this case we can bond and we see the mortgage bankers and the communities have to come to. Newark now has to negotiate with us for this kind of housing, and we are going to try to set the criteria so that we build neighborhoods and not just projects. There is going to be a great temptation to show that this thing gets results and get buildings cropping up around the landscape, but I'm going to try to show that this should be neighborhoods and not necessarily limited to the urban renewal project of the city.

Secondly, the way to release, particularly some of the large families, probably is to look for good schooling and use that as your criteria rather than the



apartment. This is going to put me upstream again.

MR. BRUBB: Where are you going to find the good schooling?

MR. WILBANKER: Well, it's going to be in the suburbs or in the parochial school, or think about paying tuition payments to these families so they can send their children to parochial schools.

MR. STONE: You think the Main Amendment was a step in the right direction in New York where they voted that public funds may now go to private schools?

MR. WILBANKER: I'll have to go through my constitutional problems, but I do think that right now it's critical to get this generation of kids, particularly where you located them, right now we've checked out the work Newark cited, it now remains about four or five hundred families at most, but the rough families are going to be families without fathers. They've been living in the medical site and they've discovered, despite the laws of the state, these negro families really don't get a fair shake, and most of the departments to which they turn, particularly that lowest group, low income, big families, no fathers, we are going to have to do almost a hand tailored job.

Next thing is urban renewal. This gives us a leverage, a negotiable point with urban renewal programs locally. And I think I'm biting off more than I can chew in a lot of this. I think we are going to have to get an urban renewal strategy for the state and not just for one community. Again I think when we get into the trade-off position, it may be politically difficult, but the leverage begins to be there. But we need even more than that, I think, for example, the 194 section, the model housing legislation, that 204 regulation ought to be beefed up to say that those municipalities which are willing to take low income people can get double their money for water and sewerage so that you put an incentive into the system and you make of this population an economic attraction rather than an economic deficit, and the American system works pretty well when it's got an incentive. It's easy to talk to, and I think all you gentlemen know what rough politics we are contending with, but I don't see the solutions by the headline approach.

MR. JAFFE: Paul, just before leaving the economic factor, you talked about an increase in the public spending area. Do you think that the state can make a significant contribution in that area outside of the federal increase



in public spending? My question is, is it fair to say that areas that area of a state increase in public spending, what areas could that increase be fruitful?

MR. YLIVISAKIS: Well, the increase is going to come at you anyway.

Did I mention Professor Samuel's theory? Bill Samuel at Cambridge is a very distinguished economist. He took a look at the performing arts to find out why they always need more money. As you move from the manufacturing of service economy certain things happen. In manufacturing you can increase the amount of the products and reduce the cost by reducing the cost of the labor. In the service sector labor is the end product and, therefore, you don't automate it out, you only increase it with an increased population, and the cost increases as the wage rate goes up.

So, built into our system right now is an escalated cost structure that we are just beginning to realize. If then one also raises his standards you have this kind of a thing, and the sales tax barrel nibbles into that. All of it in public sector are going to go through a crucible of public opinion this next five years as this cost curve has hit us. And I look through the figures that we are bound to bring in with

a change in program, necessarily, not just saying what we are going to have to do. So that is the backbone against which we are now talking. In addition to that we are talking about increased spending on education, raising standards. I'd agree any that the increase makes no sense in and of itself. You can just spend an extra penny and get no extra return on the product, unless certain things are done, and the kind of people in the system that you are operating and the strategies that you are working with.

Now, the point I was going to make here, going beyond that one, this sounds kind of funny, and yet would be depressed right riding through the central part and seeing the logic of where we were going that we were driving, more and more into a reactionary period on both sides where the increased public expenditures was not very great, and taking from one to give to the other. That may be the only answer is to sweep the problem in a way that regional planning has been talking about for a long time, if you take the metropolitan region, which is the wealthiest metropolitan region in the world, the choicest land in the world, and then you look at it knowing that it's going to grow to twice its size, and this is not superior, Wisconsin, where there is no demand for land, and the



you look at Newark, Jersey City and Patterson, you wonder by what logic you can give this kind of depression, and it may well be that we set a project to go to the moon in ten years and that we had better start talking serious about this kind of urban renewal. And you could just set yourself a target of twenty years and stage the rebuilding of this area, but this will take a level of conception and a level of capacities and a mixture of public/private that we have never really worked at. Bedford/Stuyvesant is a kind of elementary approach to this. This means drawing on the Spaulding and the Bell systems and Bell ICF, the kind of skills that can do a systems analysis with a stage selection with the idea of getting your investment mixed and your flows of revenues in such a way that you can plan temporary subsidies that can be an economic growth afterwards. That if you went to this school of activity, then everybody wins. This is economic growth and you get both sides gaining. But whatever formulation we come to, it will have to have the greatest that everybody wins. It's got to be an economic growth solution which underlies most of this stuff.

MR. JAFFE: Paul, you see, the condition in your view coming up with an analysis of this type of regional planning. Do you think that we are equipped?



MR. VLIVISAN: I don't know, I think that first you have a question of whether or not you agree with this kind of analysis. Second, certainly you don't have the time and the capacities to do a regional plan. But if you should agree with it or think there's something there, you have two possibilities, one is to say what I think is clear that economics and sociology and everything are tied up here, you have got to have an economic base for anything that you do. And that the solution, there is no long term solution that doesn't put the negro poor into the open competitive market on their own terms so that they've got an effective income, live where they choose, and that means a strong economic base, and the economic base here is whimpering when it ought to be quite the opposite, and from there on in it's a public charge to guys like myself, you know, "what are you doing?".

If that charge ever came to me I wouldn't know what to do with it, because usually right now they say I have a five million budget, which is too much, and I'm a poor already.

MR. BRIDG: Now, let's assume that this commission were to aim for such a conclusion, wouldn't we then have to support it by some data or some position?

Now, in add to Sandy's question, let's assume that this is something in its concept that I ought to explore in order to say this should be done. Formerly you mentioned a study that was done by someone which pertained this somewhat, was that the regional plan?

MR. VLEISAKER: Yes.

MR. BROWN: Or is it a separate study?

MR. VLEISAKER: It is a separate study. The reason the money went to the Harvard Business School in this case was because the regional plan didn't have the economic economy to do this. They have now translated it into something which is a little inconsistent with the economic analysis. I think that it would be a very good idea for the regional plan people to testify before your commission.

MR. BROWN: I thought maybe if you could identify it Sandy would search it out for us.

MR. VLEISAKER: What you just asked for, New York Regional Plan Association, they have a New York counterpart, which I think many of your industry people here are interested in, Jim Horton's profile, I think the Governor, by the tone of his voice, that some of this is more physical than economic planning. I think they've got a start here,

they've made some projections of what this region is going to be and what its alternatives might be. So far they've been very, very hesitant to talk about who the people are and where the people would be. You know, it's all white on white and not black on white.

MR. BROWN: From what I've read and examined, nobody has ever come out and said this kind of thing. Have you read that it would include any group that would include people, for example, such as you see here?

MR. VLISBERG: Yes, it would, yes, but then take the McNamara Commission, which I was part of in a sense of helping finance through the Ford Foundation, and watching Mr. McNamara's own personal development through that thing. That started when McNamara was seized upon by Brown and called Jack McCoy at the Ford Foundation and said I need some help, they tell me I can't do this without some of those people -- those people. So, he went out and got some of those people and he turned out to get Warren Christopher, who is now the Chief Attorney General's right hand, they had a tremendous staff fight. It started, "Who is to blame for the negro riots and why the negro is rioting?" that was a remarkable document compared to what the presumptions were going in. During that period of time

there was a staff squabble in which a couple of guys resigned because they thought the commission was too negative in its orientation. Warren Christopher steered that kind out to at least, I guess they gave it a B plus in the trade. But Kefauver going out was not Kefauver going in. Immediately after that he became quite an ally in the Ford Foundation going on with the Chamber of Commerce, and with Chadwick out there, began to do what the S.I.C.C. is doing here in Newark, and there was kind of a sudden burst of enlightenment that went on by my terms. That's petered out a good deal, and Kefauver later became much more concerned than he was at the time.

MR. BROWN: Last night he didn't understand.

MR. VLIVIAKER: At least he was talking.

MR. LEWIS: Commissioner, with everything this commission could recommend, talk about regional planning or changing the local tax base so that we tax areas as regions instead of municipalities, or anything that we could come up with in a long run nature, what would in your opinion, will any of this have sort of a guarantee to prevent resurgence of violence next summer in New Jersey?

MR. YLUIBAKER: I think -- I wish to God it were otherwise, but it isn't otherwise -- I think what this group could say, should say is that the possibility of violence will continue with us for a decade. I just don't like it, but it's there. You can't have raised this kind of generation under these conditions and not have produced a long lasting hate and a beginning of a leadership for that kind of group. It's there. And the trouble is anyone of us who give to work constructively in that kind of environment gets tied with that thing. Okay, why didn't you solve it? But that's the understanding that has to be got through and purveyed.

MR. LEONHART: And therefore New Haven doesn't represent failure?

MR. YLUIBAKER: No. By the way, the law of Seligs has been, "only when hope emerges do you get revolution." Some of the fellows that are on the way up and begin saying what it can be, see one sense, this is hope. It means that once you get that and the expectation of even more, one doesn't panic in the face of it and one doesn't set all his policies in a panic in response to it. What you do next to this, you keep this other curve of constructive response going and this overtime cuts, and this purveys. But if you



play this one, then that happens (indicating with his hand); this is what our danger was in Newark, what our danger is now of the force taking over. What is these guys are going to do a lot more violence, we are going to be ready for them, the whites were ready in Brooklyn today. They had an anti-tank gun. This was in Brooklyn today, and throughout New Jersey I think you are going to find this kind of armament developing in many places.

MR. BROWN: Aren't you saying really we are going to have to worry about the white response?

Incidentally, how would you expect Atlantic City to react when trained people like yourself and everybody of good will is confused? What the hell else is he supposed to do? What could we expect him to do by react in a traditional pattern. So, wouldn't this commission have to consider some kind of a short for the white community as well as a report?

MR. VULISANER: Yes, I think that a guy like Dave Kelly, Dave knows what is going on in the inner reaches of his own state police.

GOVERNOR DRISCOLL: Did he come up from the ranks, Bob?

GOVERNOR REYER: Yes.

MR. BROWN: All the way from the ranks.

MR. VLVISANER: Dave Kelly has got to have the discipline and loyalty of his men.

GOVERNOR REYER: I'm also worried about those programs that provide -- well, there are going to be more jobs, more money, more public housing. What agencies have any of these agencies had in developing a sense of participation, a sense of ownership on the part of these people? I just made the suggestion that maybe it would be a lot better that instead of having an urban renewal deal, to go out and buy some houses and give them to these people, so maybe they will watch about cleaning up the garbage and get rid of the rodents and policing their own neighborhood. What's been done along those lines? Is there any encouraging note in this, in giving them a sense of participation, a sense of ownership?

MR. VLVISANER: Let me first say, Ah, a backdrop against that, this I learned from the sessions I used to have in Asbury Park. I used to go down to the Bell Shores and preach to them, but they in turn converted me, but at that time I had to go into the population statistics, and I discovered that until 1984 we are going to produce a depop-



dependency load. And since there are more aged there is more infirmity. So, we have a background of a dependency ratio that the public ought to understand, that is no matter what you do from year to year there will be more of our transferred payments from people who are not able bodied and people who are working. If we understand that, then we don't panic, we don't say this program has failed because the welfare program continues to rise.

Now, to the governor's question. I'd say any program that doesn't have as its strategy the attainment of self help and independence, there is something wrong with it and I would test everything we do in the public sector with whether it contributes to self help.

And I think, for example, this is why I got caught saying I was for a guaranteed income awhile ago. I am impressed that even with a guy like me, my bureaucracy doesn't produce as fast as with a consumer with a dollar in his pocket to spend. That is, if you put a guy on the market with a dollar in his pocket he will get a better product, even though they say spend their money badly, that I would trust their expenditure pattern faster than I'd trust myself to produce that result.



Second, and a more specific thing.

yes, I think instead of a large public housing project I'd like to see rent supplements, the purchase of places and subsidies for home purchase by individuals. Watts apparently has shown it is cheaper to buy these people automobiles than provide public transportation, and the pattern continuously shows, give it the chance on his own and he does it faster than the rest of us. I would absolutely agree.

MR. JAFFE: Paul, do you have any ideas as to the kind of data that the commission should get into and what it can get?

MR. YLIVISAKER: I don't think we have a very good idea if you would coordinate with the national group to see whether your research checks out at both ends. I think their developing a fairly sophisticated data collection, and they've debated whether they should do any new research or just mine what is presently available. I would guess that you ought to go through the literature and find out their background. It becomes rather embarrassing to all of us that in 1917 a definitive work was written, and for every city in the United States there's been a group like yours to have fought its cause. I would just go back over that.

MR. GIBSON: What is the definitive work?

MR. YLVISAKER: I can show it to you for you.

MR. JAFFE: Paul, I don't know whether it is through Paul's section or not, but the state was kind enough to give me a summer intern who is with me until September 1st, and one of the tasks I asked him to do yesterday was to go and collect a bibliography and get it typed.

GOVERNOR DRISCOLL: The National Science Foundation published it, in fact, I have a copy of their publication, which contains a tremendous number of titles.

MR. BROWN: Isn't that all together now?

MR. YLVISAKER: I think you might do some careful looking at the people who are apprehended during the riots, which also the national commission is doing with a couple caveats. It may well be that Lloyd McDermie would be a better source in a statistical survey. I have a feeling Lloyd gets pretty quickly to the guys that are there.

Also, the fellows that got arrested are the guys who didn't run, they didn't do anything. The guys that got arrested were the employed people kind of con-

that, that because you gave them jobs they plotted. That kind of stuff I think is significant, but I think the best kind of research is the coronation members themselves trying to get to where it was and feel it like it is, and I think I'm sure.

Oliver, you could be helpful in identifying some of the people who do a competent witness tapes, instead of a formal one like this, might just unburden themselves.

MR. BRAUN: May I ask a research type something? Do people like to respond to a tape recording? I've had mixed experience with it and I think so much of this has to be on record if the members are not present to share. What has been your research, if you have ever had a tape recorder? What is the reaction of the persons being interviewed?

MR. ULVISAHER: My reaction would be coupled, one if you can get over that original feeling that they're going to be taped for a trial, then after the tape recorder becomes a real invitation to talk. For the first time they're ego is played to and they begin really letting themselves go, then I guess you have to watch out a little bit for maybe they begin inventing stories.

Oliver, how would you react to it?

MR. LEPTON: I would think that as far



as that kind of situation is concerned, basically what we are interested in is the information rather than the identity of that person, and I think if it's handled correctly, again with the suspect, properly, making it known to them that as far as the tape recording is concerned they wouldn't have to be identified by name or otherwise, that this is just basic for tests of gathering information for assessing certain of the feelings and attitudes and so forth. I think the people may not react either way. Either way would produce the kind of thing we don't want, and over exaggerated situation being put on the tape, or the opposite situation of a person not coming forward. I think if it is handled properly we may tend to get something accurate.

MR. VLEISHNER: It wouldn't be the worst thing for some of you individually to join us in a team of negotiation.

MR. JAFFE: I had a conversation with Dick Scanlon, and he seemed to feel that there is a role of research in this area, but there are no answers and he felt that the way he wanted to steer the national commission was to bring as much information and have as many witnesses and have as many hearings as possible, and if there were any answers

at all it could come from the commissions, and that this type of study was very different from the type of study of any other commissions and their experiences, which would be brought to bear upon the facts which would be brought to them. Now I see that you stress that point too. He seemed to stress that in a national thing.

MR. WILKINSON: To bring in a number of the police officials here, and this can be a double service both for you to hear them and start putting them in a climate of questions and considerations that will begin giving them a different environment for them to live in than they now do.

MR. JAFFE: Just to pursue the data question once more, is your department now doing any research in this area, any surveys that would be helpful to us?

MR. WILKINSON: I think some of it would be helpful. We are available to help.

MR. JAFFE: What I was thinking about is that if you could let your staff, people under you could let us know what your department is doing in this area so we would know who to call and what's available. That kind of thing, because I don't think we would want to duplicate anything that is being done by anybody else.

MR. WILSON: We are available and I hope you are now available, you'll have to kind of side with us to the five even in while

GOVERNOR NEWBERG: You mention the fact that it might be a good idea if some of us went to Atlantic City. Before you say it is a mere discussion matter, we should visit Garden, where we've been informed that there is a rather tense situation, and the discussion took place to see how we likely to trigger an incident or might we be able to forestall a calming influence. Under if you could express an opinion as to which way it might go.

MR. WILSON: That's enough for you know, we didn't go into Atlantic City until we were in that position too. And it is very hard to give an opinion, particularly give an one or for you

When I was talking about the group that I'm talking to probably never met in his life, and you could talk in, over the next week, and walk into that next Atlantic City and see what they're just one of the other. If you could see the situation especially in the light of the fact that it would be very hard to give an opinion as to which way it might go.



it's about ready to get out of hand, you have some intelligence that we don't have.

Also, you've got to be careful that it can suddenly morph that the loaded guy, either the monkey's off the back and suddenly they start coming to you, you become the mayor of Camden very fast, but I think in a case like this, can you have quiet meetings there outside of Camden without coming publicly to town?

MR. LILLET: I'd like to pursue what I think is a very lucrative offer on your part. We said this morning, I think all of us agree, to see a riot in the morning would be educational, and we were fearful, as Governor Quince said, of the consequences, but if several of us could sit with you in Atlantic City we would be an individual commission, we would do just what you had in mind, Ray, and this wouldn't interfere with your progress.

MR. YULISAKER: I wouldn't want to take more than one or two with me. Is anybody free tonight?

MR. BROWN: I will make the trip with you tonight.

MR. YULISAKER: I'll have to make a quick judgement there, I wouldn't tell anybody that anybody is

ending because when that gets out you're going to be right in the middle of the fire, but if it just happens that you drive down with me tonight, at least you could be in the periphery of what the meetings are like.

MR. GIBBONS: Is Murray Federick a very active participant?

MR. VLWISNER: I have not seen him in this one.

MR. GIBBONS: He was identified in the paper as reading the city's position.

MR. VLWISNER: When it comes to the recommendations, I hope you understand that I'm talking about a tremendous range all the way from the very little things that can be done immediately to the very bigger things. I happen to think that we are going up to them now in America. Some of the ones you may lose sight of, I don't know, we tend to become very bureaucratic about recommendations and sometimes I like to go out and talk to some of the people, particularly some of the women on the street, because they just speak so directly to what needs to be done. One I've discovered is very important in every community and every institution is to have a very sensitive experienced person in an exposure position, that means

particular, schools, whatever. There is a guy named Hugh Strayhorn, negro and indian. Strayhorn has saved not only two of my kids but generations of kids in Nightstown from going the route that we are talking about. You know, the realistic route. He inspires and motivates. One Strayhorn keeps Nightstown school system from blowing, in effect.

And Sergeant Lane, I think, is that in Atlantic City. If the sergeant weren't there it would be a tougher situation than you've got. I think we ought to be deliberately going to find these people who are humane, sensitive, and make sure that they are in every system that we've got. And if you had one of those placed strategically in most of our cities and police forces and schools, you'd have a real insurance policy here. But I think that this has to be known that this isn't part of the way one gets ahead, not by doing the usual but by being this kind of a person. That's one of the recommendations I make.

The other, I notice that Lindsey is coming to and you've come to, it is damn important now that we clean up these areas all the way from rate to refuse collection, and we at the states level are going to work on this very hard, but some very simple things like this can be done. If that's all



you do, it's not enough.

The third thing is to get into the administration of justice. The Vera Foundation and what it represents in New York, I think, has to come into New Jersey so that we are beginning as systems engineers to take a look all the way from present arrest to probation to make certain that the system doesn't grind out the wrong product as it presently is doing. That means release on our recognizance, clearing the courts of a lot of the really non-criminal actions, actions like drunkenness, alcoholism and so forth. In my shop we are going to ask the Vera Institute to set up in New Jersey a New Jersey counterpart, I'm not sure what the best auspices would be, and I'd welcome the advice of any of you who are jurists and legalists here, it would make a great dent in the present system.

CHAIRMAN LILLER: Paul, you mentioned a systems engineering several times, I just say that because it is factual, it was invented in the Bell system.

The one thing that concerns me where it's used successfully, it operates in a hospitable climate, and how do you feel about imposing something like systems engineering into what is an inhospitable climate?

MR. WILCOXER: We have to make our own way. The guy who did Vera was Herb Stura, who lives in Princeton, did it by fantastically ingenious personality devotion. He got Bernie Paton to think that it was his reform, he got Howard Leary in a moment when Howard was in a tough spot to welcome this as his salvation. He got the Bar Association to say this was a good thing and Chief Justice Warren. He began very practically and very small without scaring anybody off. But it has grown to be a real yeast in the system. I have a feeling we can find some sympathetic jurisdictions and beginning points in New York. But that will be part of the arts.

MR. BROWN: I do feel that we should know that there has been this climate, and the federal people were interested. Stearns gave us the time, but working as an anonymous group, what Judge Del Marro considered to be a bunch of liberal votes, but that's where a commission like this can make the tremendous impact, and, of course, it is a charge to the senior and trusted members, because I don't think I could call myself a trusted member by any damn body, but I just wanted you to know that it isn't altogether hopeless.

MR. WILCOXER: One recommendation I again to go back to the one perception of this thing, what you

are seeing in this civil disturbance, whatever you want to call it, is the beginning of civic protest which is long needed, and in many respects is legitimate. And this ought not to be left as just the negro burden right now. The trouble is that he's the only guy in many of these cities right now that's beginning to talk about the things that have to be done. If you leave him alone he can't sustain it. He's only got ten percent of the vote, and, therefore, it is an exercise as a frailty to the negro crusade who then turns it over to the militant who says, "I'll do it with a fire bomb or sell out." So, where it is legitimate the white population must join in that crusade, that makes it a legitimate movement of some capacity. It's going to be very hard because many of us have gotten into, you know, alliances which make it difficult to admit that a piece may be corrupt or whatever, but it has to happen, otherwise what you're going to see, and I think what I find when I go down and walk those streets and talk to some of those people, many of those people who even throw the bricks see themselves in a righteous crusade and see themselves sold out.

MR. LOFTON: Commission, I want to go into it again, the question that Governor Haynes mentioned in terms of the economics of a feeling of ownership. Is it true

feeling in talking with the people in the area that considering the small percentage of those, and I think everybody is just about ready to admit that it was only a small segment of the black community that participated in the hostilities themselves, but is it your feeling that the greatest segment of the people in the neighborhood that did not participate sympathized with the people that did, and, therefore, provided comfort with the person who did throw the fire bomb?

MR. VLKISANER: Yes, it is a cycle, you come back and the just complaint didn't come through, and you sympathize with him.

MR. LOTTEN: Isn't it imperative for the person who may be inclined to be the extremist be isolated in that -- what I mean is isolated from the comfort that he feels in operating in this environment? In other words, I'm getting at the fact, it seems to me that in terms of economics of the situation, in terms of, say, finding more negro businesses. When I say finding more, I mean creating more negro businesses in the area, not only that doing something with this money in terms of expanding the negro businesses that are there -- in other words, what I'm talking about is to get more people in the black community involved in the ownership and of what's occurring



in their community. Don't you feel as though this would have a tendency to cause this greater community reaction against anybody that would come in there and talk about throwing fire bombs?

MR. YLVISAKER: I think that a much larger part of the negro male population should be in positions of influence and power, whether it's owned by ownership or what ever. And so that the other guys can feel that as you move up by this route you are somebody and you get certain things done. If the feeling is that even after high school and college you don't get anywhere, then this guy does it by his methods and he's approved by the whole community because his methods didn't work. Negro ownership of homes and businesses is important, but ownership, qua ownership, can be also illusory, because you also know how many of the Uncle Toms in the community have acquired it only for themselves, and it didn't become a weapon for anything. So, instead of becoming an important part of the community they became a rich person. So, a real test here is if a man in a negro community works, the doors ought to be opened so that he gets the just rewards of influence that go with it. If he doesn't, then the other guy says I'll do it the other route, and that's the fire bomb.

MR. LEPTON: You mentioned the various state programs, say, for the building of housing and that sort of thing. In terms of a development and so forth. I know that there are certain groups like the Inter-racial Council of Business Opportunity and so forth, and certain groups of individuals that have spun off, say, non-profit corporations. Is it not possible for the state to take, so to speak, under its wing, so to speak, who are moving in this area in terms of giving them the technical assistance to be able to reach out to tap, say, contact with a developer? But the ownership of that development belongs to that, say, a non-profit corporation, let's say, then that non-profit corporation could then spin off a profit making corporation for the persons to run that business. The businesses would then be run by people from the community hired from the community. I'm talking about things in that area.

MR. VLVISAKER: This is the general line of the programs we are now beginning to talk to people about.

GOVERNOR LEVNER: Our experiences with that Inter-racial Council for Business Opportunity was that for a small business corporation they made a lot of noise, but

they never had any money to give us, get the ghetto swept, and the new program at the national level, and when we tried to process some of the people, there was no doubt there, they had a lot of people sitting around to process loans.

MR. BROWN: In Jersey City we tried to do this -- let me give you just a brief answer. I think it is important because it shows the frustrations which we've had to consider. Under the housing act, and this very modern thing we have in the state, it is possible for a non-profit thing to build. So, I have a very solid church, a thousand member church. So, we have the minister and these thousand people, and we went to the city and we said to them, "well, look, certain sections of the city have already been declared blighted and so forth" -- and Kislak was in on this, because he helped us to set up one of the projects, the one that is working badly. So, we said we are not talking about high rise, we are talking about here is an area which is half burned out, two blocks not being used, could you help us to get in here and to build garden type housing, and we even had a city planner, who I paid, to come in and give me a plan and idea. This will tie in this area, it is within a block of a school and a block of a housing setup, and under the contribution element of the federal statute, this so called

middle income housing can be sponsored either on a lease arrangement with low income people so that you have a truly integrated unit, not two hundred and fifty, let us build ten units in this corner of the block. It took us two months to get an appointment with the housing man, Sidney Willis, to sit down and plan it. Then when we got it, we were told that the mayor had already thought of this, and one architect, Bernard Kennedy, was to be the architect, one lawyer and one architect. So, the next thing we know they're about to give the whole damn grant. I don't think they're going to be able to do it now with all the hell that's been raised. Then we have the small business loan people, and they think it's great, but they can't give you a quarter. These people devote time, effort, and then we run not into the local corruption, but into federal massivity. It doesn't move. If this is why it is such a hell of a thing to do, the long range thing is tremendous.

CHAIRMAN LILLEV: This is an area where this commission can speak out.

MR. LOFTON: The question I'm raising, for example, where you have the situation in Hawaii with respect to Bethany Baptist Church, this situation is a situation where the non-profit corporation was conceived after the profit making

corporation, so you go around and find a black figure head and set them up, but where the money is being made is somewhere else. Why can't the non-profit corporation spin off its own profit making corporation and hire these people to do this, all this building, and where the money is being made? I'm talking about why can't that profit making corporation be a corporation of the people who live in the area?

MR. BRUM: Let me give you one answer to that, to find the negroes who have the expertise and the experience to do this is extremely difficult. For example, we searched high and low for a negro involved in planning, and architectural and environmental guy who could do it, we couldn't find one. We tried to work with negro real estate operators and we got sucked into the Hialak deals because we had to have the experience to tell us how to acquire the land. We couldn't find anybody in Jersey City who had any experience. This is too where we have to begin, but, of course, the government could help if we could get a negro real estate man with a potential and then deliberately support him in such a venture.

GOVERNOR MEYNER: Look what happened to that savings and loan outfit that started here, they didn't have the competence. The Commissioner of Banking and Insurance said



it was desirable and -- off the record.

(At which time a discussion was held off the record.)

CHAIRMAN LILLEY: Commissioners, you were tired when you started with us over three hours ago, and I think unless there is a pressing question we ought to release you with great thanks.

MR. BROWN: Just one comment, I spoke to Bishop Taylor at lunch and he was talking about the fact that in Africa, that Africans are suddenly realizing what it means to be governed by Africans, and that all the problems still go on. The black isn't going to make any difference. The fact that the negro is going to cut another and do all the rest, how in the name of God that we can seal in the idea that it isn't black, it's people and the way they grow. Because in Africa, as you pointed out to me, the same problems are there. What in the world is the difference? If we can just get the black out of the damn thing.

CHAIRMAN LILLEY: Well, Commissioner, thank you.

(At this time Mr. George Conant was brought into the hearing room to testify before the Governor's