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U. S. COMMISSION ON CIVIL RIGHTS

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PROCEEDINGS BEFORE THE CALIFORNIA :
ADVISORY COMMITTEE TO THE U. S. :
COMMISSION ON CIVIL RIGHTS :
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**Assembly Room,
State Office Building,
1111 Jackson Street,
Oakland, California,
Tuesday, May 12, 1964.**

Met, pursuant to notice, at 10:00 o'clock a.m.

BEFORE:

BISHOP J. A. PIKE, Chairman
HONORABLE ROBERT J. DREWES, Sub-Committee Chairman

MEMBERS PRESENT:

- WILLIAM BECKER, Assistant to Governor Edmund G. Brown on
Human Rights, Sacramento, California.**
- ALPHA L. MONTGOMERY, Attorney, San Diego, California.**
- DR. REYNALDO J. CARREON, JR., Los Angeles, California.**
- DR. HUBERT PHILLIPS, Fresno, California.**
- MRS. CARL KUCHMAN, Member of the Sacramento Board of
Education, Sacramento, California.**
- MERVYN M. DYMALLY, Schoolteacher, Los Angeles, California.**
- STEPHEN REINHARDT, Attorney, Los Angeles, California.**

ALSO PRESENT:

- REVEREND GEORGE V. KENNARD, Society of Jesus, San Francisco,
California.**
- PHILLIP L. HAMMER, Staff Consultant, San Jose, California.**

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P R O C E E D I N G S

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2 **BISHOP PIKE:** The meeting of the California State
3 Advisory Committee to the United States Civil Rights Commission
4 will come to order.

5 This is the second in a series of meetings through-
6 out the state this year devoted to a specific topic in the
7 field of Civil Rights following the precedence before our
8 Committee, a Committee consisting of volunteers and nonpartisans
9 selected from both parties or none which cannot stand continuous
10 session, though there are enough problems in this field we
11 could well use our time if we could, but taking a topic a year
12 and seeking to understand better what the situation is in our
13 state with reference to it for the purpose of advising the
14 United States Civil Rights Commission in regards to problems
15 which could call for recommendation for legislation in the
16 Congress for the purpose of making recommendations which would
17 be forwarded to local authorities and for public information.

18 While we are an official Government agency under the
19 United States Civil Rights Act, we are not a court or an
20 administrative agency in the strict sense of the word able to
21 hold hearings and subpoena witnesses. In effect, however, we
22 have not been hampered in a certain measure of usefulness by
23 that limitation because generally those whom we have asked to
24 come and consult with us have been quite willing to come. We
25 know of no exceptions in that regard. Should we find in the

1 state or in a given area a problem where the taking of formal
2 testimony with cross-examination and all of these procedures
3 would be relevant and necessary then we are able to recommend
4 to the United States Civil Rights Commission that they hold
5 such a hearing.

6 While our meetings are called informally they are
7 not, and it is important to make that distinction, they are
8 not hearings in the judicial or quasi judicial sense.

9 I will define the area we are dealing with, and
10 then we will turn our meeting to the Chairman of the Sub-
11 Committee for this Oakland meeting.

12 We have been concerned with allegations made that
13 the realty boards of our state in their admission of persons
14 as realtors, which is a word of art and protected by state
15 legislation from use by anyone not thus selected by a realty
16 board from the ranks of the real estate brokers who are
17 licensed by the state. In these procedures of admission there
18 has been discrimination as to race. The importance of this
19 discrimination, if it exists, has to do largely with status
20 symbols, the word "realtor" carrying with it somehow a more
21 authentic ring and also the use of multiple listings which are
22 available through realty boards and very much increases the
23 capacity of a given real estate broker to put together the
24 client and the property.

25 We had a rather extensive day in San Diego with

1 reference to this very problem and did not issue a report at
2 that time, it being our policy normally to sample as it were
3 several areas of the state trying to draw some conclusions from
4 that. As in the case of last year's project which had to do
5 with allegations of discrimination by the police sampling by
6 going to several places enabled us to draw some conclusions.
7 For example, we were very much more commendatory of the
8 situation in Oakland and this area, and we had certain criticism
9 of the situation in Los Angeles, so that this matter of going
10 several places seems to increase our capacity to draw conclusions,
11 and also to find some of the good and positive things which are
12 happening in communities as a basis of recommendation to other
13 communities.

14 We come to this area on this specific question with
15 an open mind. We are not a prosecuting body, and when we have
16 found over the years in given areas a good story in regards to
17 these matters we are very much delighted, far from feeling we
18 have wasted our time in coming. I think it is good to spread that
19 kind of word, too, that things are happening well in some places,
20 so it is with that open mind in the interest of implementation
21 of the American principals of quality and freedom of opportunity
22 that we hold this meeting.

23 In each region one of our members has served as a
24 sub-Committee Chairman and who, with other cooperative persons,
25 has developed the agenda for our meeting. The Chairman for

1 this meeting, therefore, is Judge Robert Drewes who sits at my
2 right, and with no further word from me except for perhaps
3 some closing comments at the end of our meeting, I will turn
4 this entirely over to him and become one of the members of the
5 Committee for purposes of questions and for purposes of
6 information.

7 JUDGE DREWES: Thank you, Bishop Pike.

8 Let me begin by introducing my colleagues very
9 briefly.

10 On my extreme right, Honorable Mervyn Dymally,
11 Assemblyman from Los Angeles.

12 On his left, Dr. R. J. Carreon, Jr., Physician and
13 Surgeon, some time member of the police commission of the City
14 of Los Angeles, and next to him Mrs. Alva Kuchman of Sacramento,
15 a member of the Board of Education of that city.

16 To my right, Dr. Hubert Phillips Professor, Fresno
17 State College.

18 On my extreme left -- he is here but not presently
19 seated -- is William Becker who is Special Assistant to our
20 Governor for Human Relations. That is not his specific title
21 but that conveys his responsibilities and his relationship to
22 the Governor.

23 Mr. Phillip Hammer at my extreme left, now seated is
24 our staff consultant, one time on the staff of the United
25 States Commission on Civil Rights, and now a practicing attorney

1 in San Jose.

2 To his right, Mr. Stephen Reinhardt, also a
3 practicing attorney from Los Angeles.

4 Now, turning to our agenda our first speaker is the
5 Honorable John C. Houlihan, Mayor of Oakland.

6 Mayor Houlihan.

7 BISHOP PIKE: Our apologies to you, sir, for our
8 delay in getting going.

9 STATEMENT OF THE HONORABLE JOHN C. HOULIHAN
10 Mayor of Oakland, California.

11 MAYOR HOULIHAN: I think we accommodate ourselves
12 to this in public life, Bishop.

13 Thank you very much, Mr. Chairman.

14 If I may this year again bring to you the official
15 welcome of the people of our community in my representative
16 capacity as their spokesman, and on a more personal basis
17 certainly from my visitation this morning with the Bishop, and
18 I am glad again to see my own comrade in arms Judge Drewes.

19 I listened to the remarks of the Bishop with some
20 reservations. My presentation last year on this police
21 question evidently was a powerful job of salesmanship because
22 it certainly resulted in some very fine comments in your report
23 which I was pleased to read.

24 Just so we don't get the notion I am here again to
25 oversell, I would like to say we are still having our difficulties

1 in our problem with our police. We are definitely working, I
2 think, way ahead of the other American cities in an attempt to
3 increase Negro involvement in our police and fire services.
4 We have a very interesting program which involves the extension
5 of our training system.

6 We have a three months probationary training system
7 and a fine police academy here, and perhaps the second -- I
8 have to say this in the presence of the Los Angelinos -- the
9 second finest professional police department in America, Los
10 Angeles being openly regarded as the first.

11 We are expanding this probationary system by an
12 additional three months. Recently we were designated,
13 unfortunately as a matter of political reaction as a distress
14 area by the A.R.A. This, however, has its blessings and we
15 are able to secure now Federal assistance. We intend to
16 begin a very intensive recruiting among people already employed.

17 People who are in the age bracket of somewhere
18 around 21 or 22 up to 26 to 27 years of age to invite them to
19 participate in a police career here in the City of Oakland.

20 To do this we are going to ask them to take leave
21 from their employment with assistance from their employers to
22 give them an intensive three-months training program resulting
23 either in acceptance for the additional three months in police
24 academy work as recruits of the Police Department or as trained
25 law enforcement people in a civilian capacity.

1 We have a complement in our police department of
2 somewhere around 890 of which 630 are sworn officers. We have
3 had recently in the past several years a reduction of sworn
4 personnel because we feel that the training of a professional
5 police officer cannot be wasted in civilian type duties and,
6 consequently, we get the maximum out of our trained professional
7 personnel.

8 This is slopping over now into the other police
9 departments of the area. Notably the suburban communities
10 were having some similar difficulites. The County Sheriff's
11 department, which is a large police organization, is now
12 interested in civil unification of their program.

13 We feel we can produce this academy training and
14 interest these young people in police work either on a
15 professional or non-professional status. This is a major
16 project of this administration which is on-going at the present
17 time.

18 We have it approved as an A.R.A. project by the
19 Administrator in Washington.

20 BISHOP PIKE: Excuse me, Mr. Mayor. Could I interrupt
21 to ask what A.R.A. means?

22 MAYOR HOULIHAN: Area Redevelopment Administration
23 which is a creation of Congress after the Kennedy election, if
24 you will recall his visitations to West Virginia and Appalachia
25 in the beginning of the A.R.A. program which has come under

1 considerable attack today is a very important part of the
2 President's property program.

3 Oakland is the only city west of the Mississippi
4 engaged in the program.

5 I wanted to make these few remarks so you would know
6 while we received these very lovely compliments last year we
7 didn't stop our project. We are moving forward in the field
8 of housing as certainly a part of this housing inquiry of yours
9 on admission of real estate brokers to the status. I
10 compliment you on the expression "word of art." Realtor -- I
11 divert there because as an attorney I am proud of my professional
12 status and I sometimes get a little bit concerned about
13 professionalization which occurs in other fields.

14 The problem is not entirely within my canvass. As a
15 matter of fact, what I know of the problem and the resentment
16 or the complaints, justified or otherwise, in our communities
17 on this score come to me second and third hand. They don't
18 come to me in any official capacity. They have come up quite
19 clearly, however, in my efforts to assume a responsibility on
20 the matter of housing in our community two years ago -- two and
21 a half years ago -- after coming into office I learned for
22 the first time that the City of Oakland was being denied
23 certification by the Housing and Home Finance Agency of its
24 redevelopment project. Some nine million dollars was being
25 withheld in Washington, which I learned after about three

1 trips back there in a conference with Dr. Weaver. This
2 certification or putting up of the money, so to speak, to
3 put the project in operation was attributed to a failure
4 of the community on an official basis to have established
5 here an equal opportunity official committee which is a
6 requirement of a workful program of H.H.F.A.

7 In examining the situation I found that while we
8 had a citizens committee in the community it was a
9 Committee of its own appointment. It was not a Mayor's
10 Committee. It was not an official Committee and,
11 consequently, I was required in order to complete the
12 redevelopment process to get it going to appoint such a
13 Committee under a workable program.

14 This Committee I called the Committee on Full
15 Opportunity, and sought among the groups most interested
16 in the community nominations for appointment to this
17 Committee. I followed the policy which I instituted on
18 other matters and have followed since in establishing
19 citizens Committees under the Mayor's appointment with
20 a direct charge stating the issues and the areas within
21 which they were to operate and the reports and the routes
22 of these reports, rather than give them the impression
23 they were permanent Committees or that they had the right
24 or freedom to report publicly or to the City Council, but
25 in this case to report directly to the Mayor with

1 recommendations for Council action in the areas where they
2 would find discrimination in housing.

3 I would say that prior to the appointment of this
4 Committee I had no firsthand knowledge of major complaints
5 in the City of Oakland on the question of open housing.

6 I have to repeat that certainly I had secondhand
7 information on complaints by real estate brokers of their
8 denial to the use of multiple housing listings, and such
9 other things.

10 However, we did have a substantial segment of the
11 Real Estate Fraternity in the community who were made up of
12 Negro brokers.

13 Several of these Negro brokers I appointed to
14 the Committee on full opportunity, and there for the first
15 time there was a full, free and frank discussion of the
16 problem, and this discussion has continued, I would say,
17 for this whole year -- a period of some two years.

18 I would say in the first six or eight months of the
19 Committee's activity it was more concerned with this
20 question of the realtor proposition than any other.

21 I think much more than even the question of
22 instances of housing discrimination in the matter of sales
23 and rentals and so forth.

24 The Committee has discussed this matter openly. It
25

1 was reported fully in the press. Representatives of the
2 Oakland Real Estate Board were invited to appear and did
3 appear and did express their positions.

4 I can't say now I know of any direct result in
5 the community. I would leave this to the professionals in
6 the field. It is my recollection that some changes have
7 been made in attitudes in this field.

8 However, the Committee has been more concerned
9 with addressing itself to the problem of actual housing
10 discrimination in the community.

11 Certainly the charges have been made and they
12 have been made to the satisfaction of the Committee without
13 any factual data behind it.

14 So, as a result the Committee came to the Mayor
15 about, oh, less than a year ago asking that the Mayor seek
16 Council support for a special study of this field, and
17 the request was for \$7500.00 for professional consultation
18 and for a factual study to be presented to the Committee
19 for its action.

20 Such appropriation was made. It was made around
21 August of last year and as a result the Committee, operating
22 entirely independently of the Mayor's office and on their
23 own advices selected Dr. Floyd Hunter to do this job.

24 He was in to see me recently and told me his
25 report is not yet complete. He asked me if I had any direction

1 to give him in the preparation of his report. I am
2 satisfied he was not being in any way intellectually
3 dishonest about the report he was about to present.

4 I think he was concerned maybe some part of the
5 report might or should be disclosed to the Mayor before
6 it was released publicly, and I told him at the time --
7 I am sure he will verify it when he talks to you --
8 there were no holds barred on this report.

9 He is to make the report on the advice of the
10 Committee and they will do with it what they will.

11 I will say that about sums up the situation
12 in the community at least from the official level.

13 We have had, of course, other areas of concern
14 with this matter. We have had the nine point presentation
15 made by the Civil Rights Coordinating Committee at about
16 the same time a Freedom Committee in San Francisco made
17 its demands on the San Francisco Government resulting in
18 the appointment of Mr. Mitchell over there.

19 We, on the other hand, met the nine point demand
20 by the appointment of a Committee by the Mayor for three
21 councilmen and the Mayor meeting with the Committee from
22 sometime in October until about two months ago in which
23 we resolved the nine points.

24 Some by reference to the county and some by
25 actual Council action. In the course of all of this we

1 again had to enact the council's public position on the
2 matter of open housing in the community.

3 This has been done, and recently we again
4 emphasized our position on this by the enactment of a
5 resolution covering three areas, housing, employment and
6 education.

7 Insofar as the City Council can get into these
8 areas. In Oakland, as you would know and has been
9 developed to you, the school system is under an Oakland
10 unified school district, a completely separate body from
11 the City Council, elected by the public and without any
12 control from the City Council.

13 It just so happens its boundries are conterminous
14 with the city boundries. We have other districts now in
15 the city. We have the Junior College District which is
16 a district made up of an area running from Albany on the
17 north down to Alameda and over to San Leandro, the area
18 of San Leandro.

19 This is the first time we have had any school
20 situation which was outside the geographical boundries
21 of Oakland. We are engaged presently in a very, very
22 difficult dispute with the Crowder Junior College District
23 over the location of this new institution.

24 The City Council is taking the very strong
25 position that it wants the Junior College located in what

1 is called the Civic Center area, this area directly to
2 my right and going on out to the east. We proposed the
3 time has come for the establishment of a college and
4 educational institution, if at all possible, within the
5 very heart of the city.

6 In this area where you are now sitting we have
7 some substantial cultural developments, a six and one-half
8 or seven million dollar museum center about a block away.

9 We have our main library here. We have all of
10 our culture and Governmental functions in this area.
11 We think it is a suitable place for education. We of
12 the City Council unanimously feel that efforts to place
13 this Junior College in a residential area up on top of
14 the hills are motivated more by racist sentiments than
15 they should be.

16 We feel quite strongly that the location of the
17 Junior College within the center of the city will serve
18 all of our citizens, and especially our minority citizens.

19 We feel the location of the Junior College in
20 the hills even further compounds the problem.

21 We look upon their establishment of the hill
22 area site as a white campus and the site in the downtown
23 area as a Negro campus.

24 Our City Council has unanimously, and I say
25 this with quite some pride because ours is entirely

1 Caucasian and we have not always been united in our
2 positions on race questions, but on this issue we have a
3 strong front.

4 We are taking the position that the City of
5 Oakland must step out in this field. We disagree with
6 the educators about the Ivy covered, monastic,
7 contemplative, open, tree studded, silvan glade type of
8 campus. We think it is time the educators began to think
9 in terms of education rather than surroundings.

10 There are some very brilliant men who have been
11 educated in tall buildings, and we feel this concentration
12 within the city is an important part of education.

13 It also has a lot to do with housing in our
14 community. We hope by this it will help us in the matter
15 of the complexion of our community.

16 We look forward in this community to even a
17 greater percentage of Negro residents, Negro citizenships.
18 It's being manifested in our school system by the number
19 in attendance and it's being manifested by our inability
20 to bring back many of our white refugee residents who are
21 now living suburbia.

22 This is the position of the City of Oakland at
23 the present time, Mr. Chairman. We are not giving a sales
24 job. We are facing up to the facts of life in this
25 community.

1 JUDGE DREWES: Thank you, Mayor.

2 Has Dr. Hunter indicated to you approximately
3 when his report will be completed?

4 MAYOR HOULIHAN: I was hopeful he would be here.
5 When he spoke to me last, which was, I guess, about three
6 weeks ago in the Mayor's office, he said he was getting
7 around to the wrapping up point.

8 Now, I don't know anymore about it than that
9 because, as I have told you, this has been conducted in
10 entirely by the Committee and without any direction of
11 the Mayor's office.

12 I think his visit to me was a courtesy visit. I
13 think some member of our Committee on full opportunity
14 can probably fill you in on this.

15 JUDGE DREWES: The Committee, I am sure, would
16 be very happy to receive a copy of his report when it is
17 completed and made available.

18 MAYOR HOULIHAN: When the report comes to my
19 office I will see to it a copy goes to your office.

20 JUDGE DREWES: Thank you.

21 Any questions on my right?

22 MR. BECKER: I have a question.

23 Mayor, were you aware of the practice of the
24 Oakland Real Estate Board of stating on its multiple listing
25 form "Caucasians only"?

1 MAYOR HOULIHAN: No. I had no knowledge of
2 this.

3 MR. BECKER: May I leave this with you to look
4 over.

5 MAYOR HOULIHAN: Yes, thank you. I have heard
6 this but I have never had it brought to my attention.

7 JUDGE DREWES: Anything further, Mr. Becker?

8 MR. BECKER: No.

9 MAYOR HOULIHAN: I think this has been brought
10 to the attention of the Committee, but when you ask me
11 directly, I have to say no.

12 JUDGE DREWES: Thank you, Mayor Houlihan.
13 Nice to see you again.

14 MAYOR HOULIHAN: Yes. Thank you. We are glad to
15 have you with us. We hope you will have a few moments
16 to walk around this very thriving community on the
17 mainland side of San Francisco Bay.

18 (Laughter.)

19 JUDGE DREWES: Our next speaker is Assemblyman
20 Nicholas O. Petris.

21 I understand Mr. Tarail is to appear for him.

22 Before you begin, sir, would you be kind enough
23 to identify yourself for the record so we will understand
24 you orientation.
25

1 **STATEMENT OF THEODORE TARAIL**
2 **Community Relations Consultant, Council of**
3 **Social Planning, Alameda County**

4 **MR. TARAIL: My name is Theodore Tarail. I am**
5 **a Community Relations Consultant with the Council of**
6 **Social Planning of Alameda County, and I am one of Assembly-**
7 **man Nick Petris' close associates, particularly in the**
8 **area of redevelopment and housing, and he has asked me to**
9 **present this statement for him.**

10 **He has a letter which he asked me to read to**
11 **the members of the Committee first, and then present this**
12 **statement, and answer any questions in relations to the**
13 **details of the statement.**

14 **This is addressed to Bishop Pike, the Chairman**
15 **of the Committee.**

16 **It says: "I regret very much that I shall be**
17 **unable to participate in the hearing of the California**
18 **Advisory Committee to the United States Commission on**
19 **Civil Rights on Tuesday, May 12. The Legislative Session**
20 **is now in its closing days and it is absolutely imperative**
21 **that I be in Sacramento.**

22 **"I want to thank the Committee for extending the**
23 **opportunity to me to participate. I am enclosing a copy**
24 **of a statement which I would like to submit for the**
25 **Committee's consideration. Discrimination in housing in**
 Oakland is a serious problem in spite of the pretenses of

1 those who would have use believe otherwise. The statement
2 sets forth information in support of my conclusion.

3 "Sincerely yours, Nicholas C. Petris."

4 This is his statement: As part of my personal
5 interest and concern about Oakland and its problems I
6 serve as chairman of an advisory committee on redevelopment,
7 which is a part of the council of social planning of Alameda
8 County.

9 The Council of Social Planning is a non-profit
10 organization concerned with the development and improvement
11 of welfare, housing, health and recreation services in
12 the community.

13 For almost two years it has had a contract with the
14 Oakland Redevelopment Agency to provide the services of two
15 consultants, a Social Work Consultant and a Community
16 Relations Consultant.

17 The Committee on Redevelopment which I mentioned
18 previously serves as advisory body to these consultants. The
19 Committee has been very much interested and involved in ex-
20 amining and dealing with the housing restrictions which have
21 made it difficult for some families affected by redevelopment
22 to find decent, safe and sanitary housing.

23 In the course of our activities, we discovered the
24 following instances of housing restrictions based solely on
25 race. Most of these occurred prior to the passage of the

1 Runford Housing Act. All of them have been verified by
2 our staff.

3 The first area is in the area of restrictions
4 in the rental of apartments. This is in the City of
5 Oakland, exclusively.

6 The first example concerns an owner of an
7 apartment house in North Oakland who informed a prospective
8 tenant that she had an apartment for rent but she stated
9 that she would not rent it to non-whites "regardless of
10 qualifications."

11 The second instance I have is the owner of an
12 eight unit apartment house in East Oakland, who was a city
13 employee, informed a minority family who phoned in reply to
14 an ad in the Oakland Tribune that "in the past all his
15 tenants have been white and he wanted to keep it that way."

16 The third example, a rooming house advertising
17 "Housekeeping Rooms for Rent" informed a minority person
18 seeking a room that she does have rooms for rent but she
19 "will not rent to Negroes."

20 The fourth example, the owner of a twelve unit
21 apartment house on the border of a minority ghetto had
22 four vacant apartments in her building. She told a
23 prospective Negro tenant that she could rent only to
24 whites.

25 She refused to eliminate the factor of race as a

1 qualification even though she had four vacancies for
2 many months. This is one-third of the vacancies,
3 incidentally.

4 The next instance occurred after the passage of
5 the Rumford Act.

6 The owner of a duplex in North Oakland, who
7 lived outside of the city, refused to rent one of his
8 apartments to a responsible Negro family. He claimed that
9 his white tenant would move out.

10 There were only two tenants. It was a duplex.
11 The house involved was located on an integrated street with
12 Negroes and whites living peaceful side by side. The
13 owner took down the "for rent" sign and is now trying to
14 sell his house at an exorbitant price to a minority buyer.

15 He is also trying to involve three white property own-
16 ers next to his house in a similar plan.

17 The next section consists of instances of restriction
18 in the sale of homes prior to the passage of the Rumford
19 Act.

20 No. 1, a prospective Negro buyer made eight
21 different offers to purchase a substantial home in the
22 Lake District of Oakland.

23 In some cases the full asking price was offered
24 but the offers were rejected.

25 Two, in one instance, a Negro buyer, with
adequate funds and excellent standing, presented the total

1 asking price for the purchase of a home in the Lake Shore
2 area of Oakland. The owner who was a white real estate
3 salesman accepted the offer and then returned the deposit.

4 It turned out that the real estate broker for
5 whom he worked objected to having the house sold to a
6 Negro family. This happened the next day, incidentally.
7 The home was taken off the market. It was sold some months
8 later to a Chinese family for \$3,000 less than the offer
9 made by the Negro family.

10 The third instance, a Negro family bought a two-
11 family house in a predominantly white area in East Oakland.
12 After they purchased it, the family was reapproached by
13 the white broker who sold it to them. He wanted to buy
14 back the house at a higher price.

15 The owner, incidentally didn't sell. The fourth
16 instance, a property owner in the Lake District decided to
17 take his house off the market rather than sell to a non-white
18 family. He so instructed his Broker.

19 The fifth instance is the story which concerns
20 a minority staff member of the Oakland Redevelopment Agency
21 who was trying to purchase a home in the Crocker-Highland
22 area.

23 While driving by in the morning, he saw a house
24 which appeared to meet his needs and called the broker who
25 had the listing. Since the price and description of the

1 interior sounded attractive, he stated that he would call
2 back later to see the house.

3 Since his wife was a schoolteacher, she could not
4 be reached until late that afternoon. Later that same
5 morning the broker called him. He said that two Negro
6 families had expressed interest in the house and the real
7 estate brokers were trying "to keep the blacks out." He
8 said he would therefore welcome an offer from the staff
9 member.

10 He intimated that \$1500 less than the asking
11 price would be acceptable. Another problem we encountered
12 was the resistance of white real estate brokers to assisting
13 in the elimination of race as a qualification for housing
14 in Oakland.

15 For example, a number of prominent real estate
16 brokers were asked to find possible homes for a Negro family
17 of middle income in Montclair, the Lake Shore District and
18 in the Skyline area. They were unable to come up with any
19 suggestions.

20 Mr. Petris thought you would also be interested,
21 ladies and gentlemen, in a recent telephone survey made by
22 the staff of the Oakland Redevelopment Agency on sales and
23 rentals in housing in Oakland listed in the Sunday, April
24 26 issue of the Oakland Tribune.

25 This survey was made to determine what housing

1 there was available for prospective people who might be
2 seeking housing as a result of redevelopment, and so on.
3 It is part of the relocation process.

4 In connection with sales housing 486 telephone calls
5 were made. Incidentally, these telephone calls were all
6 made after the passage of the Rumford Fair Housing Act.

5 7 Of the 486 phone calls made on sales housing 103
8 or 21 per cent were restricted by reason of race.

9 BISHOP PIKE: Sir, could I interrupt to ask how
10 this was discovered in the phone call, that is, was that
11 question also asked?

12 MR. TARAIL: It was asked. It was directly asked.

13 There were 675 phone calls on rentals. These were
14 vacancies in the vicinity of Oakland. 675 phone calls on
15 rentals were made by the staff. Of these, 113 were restricted
16 by reason of race, involving 17 per cent of the number of
17 phone calls on rentals.

18 Now, of the total of 1,161 phone calls made
19 covering both sales and rentals, the staff was informed by
20 70 real estate brokers and agents that the listings were
21 racially restricted.

22 JUDGE DREWES: Again, this was after the Rumford
23 Act was passed?

24 MR. TARAIL: This was after the Rumford Act was
25 passed.

1 **BISHOP PIKE:** This is very important as a point
2 of information, if I may ask one other procedural question.

3 These phone calls made, I take it, were made in
4 some cases to brokers if they were the ones indicated and
5 sometimes to individuals?

6 **MR. TARAIL:** Yes.

7 **BISHOP PIKE:** So 70 brokers were involved in this
8 same phone process?

9 **MR. TARAIL:** Exactly. It happened to be the ones
10 listed in the ads to give you the information on the
11 apartment.

12 **JUDGE DREWES:** Sometimes brokers were called and
13 sometimes owners?

14 **MR. TARAIL:** Depending on the situation, or managers,
15 and so on.

16 I think I would like to share this with you. This
17 is not factual information. I stop here with the factual
18 information and give you the impressions of one of the staff
19 who made the phone calls as to what the reasons were for
20 some of the problems that you have seen in those statistics.
21 These are his comments.

22 I thought I would present this for the record,
23 ladies and gentlemen.

24 In connection with sales housing, the majority of
25 brokers are aware of the Rumford Fair Housing Act and,

1 therefore, deny restrictions. When questioned further about
2 home owner attitudes, a number state the owner might or would
3 restrict. They don't say they might or would restrict, and
4 he commented that restrictions apply heavily to such middle
5 class areas as Montclair, Skyline, Lake Merritt and Adams Point,
6 and in the lower priced areas the change seems to be occurring
7 and more housing seems to be available.

8 A number state plainly "Caucasian only," or "the
9 neighborhood is all white," or "Orientals are o.k."

10 This is typical, by the way. Orientals are becoming
11 more acceptable than Negroes in the housing market.

12 Larger brokers are more restrictive than smaller
13 companies or individuals as evidenced by the careful screening
14 of my questions and the careful answers for his salesmen.

15 In connection with rental housing the comments of
16 this staff person are as follows:

17 Higher priced apartments are usually managed and
18 invariably the manager ducks the question or otherwise indicated
19 restriction.

20 Lower priced apartments are in a changing or already
21 changed situation.

22 I question that personally, ladies and gentlemen. I
23 think -- this my own personal comment -- in some instances
24 yes and in some instances no, as a result of my experience.

25 A relatively few are openly hostile to integration.

1 Some would like to "experiment" but are afraid or
2 confused.

3 Where individual buildings are all white, the
4 practice seems to be to keep them that way.

5 I have the overall impression that more could and
6 should be done to bring together the willing owner and the
7 willing and capable tenant or home buyer, together.

8 Reasons given for race restrictions by owners and
9 apartment managers:

10 "I do not mind but if I mix, some of my tenants
11 might move.

12 "I have no personal objection, however, I prefer
13 whites since all my tenants are white.

14 "I prefer not to answer that question.

15 "I do not mind but the owner wants Caucasians only.

16 " The property is restricted to Caucasians only.

17 "The neighborhood is presently all white.

18 "Neighborhood is white but Orientals are o.k."

19 I just wanted to make one final comment, and that
20 is that the implications of the initiative in relation to
21 these housing patterns it seems to us would not only maintain
22 the status quo but creates the opportunity of moving backwards
23 in this direction.

24 In addition to that, it would seem to us the voters
25 of California on the basis of this kind of factual information

1 would be telling the minority groups of our state, "Keep
2 our second-class citizenship. That's the way we want it."

3 Those are my comments in Mr. Petris' statement.
4 I added some things of my own, if you will forgive me.

5 JUDGE DREWES: Well, during the course of your
6 presentation you said the following, and I have been
7 furnished a copy of your statement, "I have the overall
8 impression that more could and should be done to bring
9 together the willing owner and the willing and capable tenant
10 or home buyer."

11 Are you expressing your impression or is this the
12 staff person?

13 MR. TARAIL: The impressions of the staff person.
14 I am quoting from his statement.

15 I agree with this, by the way.

16 JUDGE DREWES: What, if anything, did this staff
17 person indicate he thought could be done in this particular
18 area?

19 MR. TARAIL: Well, as a matter of fact, relocation,
20 the relocation staff which is concerned with assisting
21 families find housing, and these are families who are affected
22 by this, and we do a great deal in trying to bring prospective
23 home owners and prospective buyers and tenants together with
24 many of the listings that are available.

25 They keep a complete listing of housing that is

1 available in the community, both sales, and rentals, and do
2 quite a job of attempting to bring together.

3 JUDGE DREWES: Do you have in mind some formal
4 structure or anything of that nature?

5 MR. TARAIL: No. As a matter of fact, this is the
6 kind of thing -- my own comments about this would be that a
7 very important educational job needs to be done through
8 all of our community instruments like the churches and the
9 civic organizations and various groups where people are
10 organized to discuss some of these problems and to create
11 a climate which will help to open up more housing opportunities
12 in the city and also in the county.

13 Now, one other thing I would like to say a word
14 about since I am rambling on, if I may be permitted to do so,
15 is the fact that if housing were made open and equality of
16 opportunity of housing were setup for the entire county of
17 Alameda there would be a chance over a period of time to have
18 people live where ever they want to live on the basis of
19 their ability to pay and on the basis of the standing they
20 have in the community, eliminating the factor of race, and
21 this would help to relieve the situation in Oakland, in our
22 opinion, a great deal because of the fact there are more
23 opportunities for minority groups to find housing in Oakland
24 in certain areas, and very little outside of the City of
25 Oakland.

1 Perhaps in the City of Berkeley there is also this
2 picture and in some areas of the City of Alameda, but outside
3 of that if you have looked at the facts in relation to the
4 minority groups participation in housing, both rental and
5 sales, in perhaps Southern Alameda County, you will see that
6 this is a real restricted new situation really.

7 BISHOP PIKE: Since we are interested in more than
8 Oakland I appreciate getting into that other point, and we
9 are asking you to elaborate a little bit.

10 I will put in the record this instance myself, not
11 naming the person or the particular Parish Church involved,
12 but one of our parishes in the East Bay, in the type of
13 community to which you are obviously referring, decided they
14 needed a second priest or curate, and the Rector nominated
15 to the vestry a Negro for this position, a recent graduate
16 of the seminary, a very qualified person.

17 I was quite pleased to find that the vestry elected
18 him and was willing to have him, though there was no Negro
19 family in the congregation, but then when it appeared he was
20 going to move into the community the vestry withdrew its
21 call.

22 They were very glad to have him in charge of the
23 youth work, in charge of administering to the sick as long as
24 he didn't live in this community, and he refused on principle
25 to live outside.

1 It might have been convenient under other circumstances
2 but I thought that was very revealing as to where the
3 prejudice gets most intense, and in housing seems to be
4 where it shows up.

5 MR. TARAIL: This is the area as far as we have
6 found, too.

7 BISHOP PIKE: Now, the surrounding suburbs of
8 Oakland, or whatever you would call them are the kind of
9 communities which are in some sense bedrooms for Oakland and
10 in other ways, have their own life and small industry some-
11 times, and so forth.

12 Would you say that the picture there is generally
13 a segregated one?

14 MR. TARAIL: Very much so. As a matter of fact --
15 I don't think I have the exact facts with me, but in some
16 communities like San Leandro, San Lorenzo, Hayward and Castro
17 Valley and Fremont, a study of the census figures revealed
18 that some of these communities have less than one-tenth of
19 one per cent Negro, and the changing pattern that is taking
20 place is an increase in Orientals that are moving in first.

21 This seems to be the beginning of the break, and
22 there has been very little improvement in connection with
23 the number of families moving into the suburbs of Southern
24 Alameda County.

25 One of the problems, incidentally, in addition to

1 serious restrictions that exist, is the very little low
2 income housing, by the way, that is available, so even if the
3 Rumford Act remained on the books and the initiative were
4 defeated it is important that income housing within the
5 pocketbook of the minority group family needs to be developed,
6 not only in the city but in the suburbs, in our opinion,
7 which would help tremendously in gathering and making a more
8 representative calculation picture in the suburbs of our
9 communities.

10 JUDGE DREWES: Any questions?

11 Before you ask a question, Father, let me introduce
12 you.

13 The man about to speak is Father George Kennard of
14 the Society of Jesus. We are indebted to him for his
15 assistance in organizing this meeting today.

16 FATHER KENNARD: Mr. Tarail, your suggestion that
17 there should be some instrumentality by which minority buyers
18 can be introduced directly to the home owners, it strikes me
19 that the community has a right to expect that the organized
20 real estate industry will itself perform such a function
21 since at least realtors subscribe to a code of ethics which
22 says that the realtor is the agency through which land owner-
23 ships secures its widest distribution, and the realtors
24 acknowledge a grave social responsibility and a patriotic
25 duty -- these are the words of their code -- to eliminate

1 from the communities and the practices which are harmful to
2 the common welfare.

3 Now, if that is the case, shouldn't the community,
4 in your opinion, insist that the organized real estate
5 industry itself make some effort to introduce minority
6 buyers to perhaps unwilling or uninformated majority owners?

7 MR. TARAIL: I speak for myself now. I couldn't
8 possibly speak for Nicholas Petris or for anybody else.

9 I think this is a very important role that the
10 real estate industry needs to perform, and I maintain as
11 part of the process of helping the real estate industry perform
12 that role that people will have to help them.

13 The climate that exist in the community is very
14 important to assist the real estate board in facing up to
15 its responsibility, and I would say at this particular
16 moment it is not.

17 JUDGE DREWES: Further questions?

18 MR. BECKER: Yes.

19 Mr. Tarail, when the redevelopment agency brings a
20 willing buyer together with a willing seller, does it collect
21 a commission?

22 MR. TARAIL: None whatsoever, no.

23 MR. BECKER: Do you mean the people can make a
24 transaction in the field of housing without paying a realtor's
25 commission?

1 **MR. TARAIL:** Yes, if there is no real estate broker
2 involved, obviously. The redevelopment agency provides a
3 listing of housing, for example, that may be F.H.A. or V.A.,
4 Bankrupt or Foreclosure.

5 They use the ads in the newspapers and people call
6 in and say they have this house for sale, and if there is no
7 broker involved they don't pay a commission.

8 **MR. BECKER:** How do they conclude the legalism of
9 getting the proper papers and recording of deed without using
10 a real estate broker?

11 **MR. TARAIL:** You have me there in terms of this.

12 **JUDGE DREWES:** The title insurance company. They
13 do all of the work anyway.

14 **MR. TARAIL:** I am not familiar with this. As a
15 matter of fact, it seems to me it is possible that an attorney
16 might perform some of these functions.

17 I can't answer the question. I don't know.

18 **JUDGE DREWES:** Someone in the audience has the
19 answer.

20 **HELEN HAMMERMAN:** I am Helen Hammerman, Relocation
21 Officer for the Redevelopment Agency of the City of Oakland.

22 I would like to clarify that point. While our
23 listing service is a listing of housing which has been
24 inspected and certified to be decent, safe and sanitary, which
25 is certified to be available without the discrimination based

1 on race, creed or color, we accept any listing which a broker
2 or a private owner or private landlord wishes to place with
3 us, and if this is being handled by a broker we simply serve
4 as the introducing agency and the details are worked out between
5 our displaced purchaser and the broker.

6 If there is no broker involved he is free to retain
7 his own broker or make whatever arrangements seem appropriate
8 to him.

9 We would advise that he have legal or qualified
10 broker assistance in consummating the sale because we
11 recognize that this is a highly technical and legal problem,
12 but the Agency itself makes no charge for its services, but
13 any listing is processed after that introduction in the same
14 way as a person coming off the open market would handle it.

15 JUDGE DREWES: Thank you very much.

16 We are, as usually, running somewhat behind, so I
17 will proceed to call our next speaker.

18 Thank you, Mr. Tarail.

19 BISHOP PIKE: It might be well to point out another
20 member of our Committee, Mr. Alpha Montgomery, Attorney from
21 San Diego, has joined us.

22 JUDGE DREWES: Is Mr. Clinton White present or
23 someone appearing for him?

24 (No response.)

25 JUDGE DREWES: Mr. White may appear later.

1 **Mr. Edward Eichler.**

2 **I have asked Mr. Eichler to tell us something**
3 **about the relationship between the suburbs in the central**
4 **cities generally in connection with the matter of our inquiry.**

5 **Will you tell us something about yourself, Mr.**
6 **Eichler, so my colleagues will appreciate your background.**

7 **STATEMENT OF EDWARD P. EICHLER**
8 **Chairman, Governor's Advisory Commission on Housing**

9 **MR. EICHLER: My name is Edward P. Eichler, Mr.**
10 **Chairman.**

11 **I am Chairman of the Governor's Advisory Commission**
12 **on housing. I was, up until a few months ago, president of**
13 **Eichler Homes. I am on leave from that job running an analysis**
14 **on new communities for the University of California a project**
15 **funded by the Ford Foundation.**

16 **In the letter that you addressed to me -- I am**
17 **sorry I do not have a written statement -- you asked me to**
18 **deal with questions of what I call overt discrimination as**
19 **opposed to more subtle problems.**

20 **I will go through those very briefly. It seems to**
21 **me that one matter about fair housing laws or executive orders**
22 **or any other kind of governmental action is often overlooked.**

23 **The whole purpose of this is to put kind of a shield**
24 **or blanket over the market so that discrimination can be**
25 **removed as a source of competition.**

1 Since the enactment of the Rumford Law and to some
2 degree before that, the enactment of the Unruh-Hawkins Law,
3 a number of builders and real estate brokers -- I know builders
4 better than I know real estate brokers -- have voluntarily,
5 you might say, without the direct action of a suit, have opened
6 their housing and found no great problem from this or the
7 problems have not been insurmountable. I doubt that any
8 Committee or any investigation would fine this very much.

9 There isn't very much known about it. They just do
10 it, and they are doing it in response to a law and using the
11 law as protection in saying to any prospective buyer or
12 resident who would object to the practice of a Negro living
13 in a suburban community, "Well, I can't do anything about
14 this. This is the law."

15 One other comment I would make about this, which
16 may be overly direct, is that on the business of the relation-
17 ship between a real estate broker and a seller, it is my
18 personal judgement from 15 years of experience in this matter,
19 that rarely does a home owner in the sale of his property pay
20 any attention to this matter.

21 He just doesn't think of it. He just goes to the
22 broker and says, "I want 'X' thousand dollars a house. I have
23 to have 'X' thousand dollars for my house. I have to move
24 somewhere," and it is my concerted judgement that the practice
25 of discrimination which is very wide spread obviously in the

1 sales of homes is largely a practice initiated by real estate
2 brokers making the determination not in response to that
3 particular seller but in the fear of the response of other
4 potential sellers in the neighborhood or the comments of their
5 colleagues or other fears that causes this sort of action.

6 Now, as to the problem in general in the suburbs,
7 obviously the statistics contained in the Governor's Advisory
8 Commission on Housing, as well as other reports, show that
9 by and large the suburbs are segregated. There are very
10 few Negroes in most suburban communities except for a few
11 enclaves here and there which have grown up by one accident or
12 another, and even those are, of course, are segregated
13 enclaves, like East Palo Alto.

14 The probability is more as a result of economic factors
15 than it is of direct overt discrimination. I have a simple
16 statement on this. If I could rule out overt discrimination
17 by law or by any other form of action tomorrow it would not
18 greatly alter the patterns of residents in suburban communities,
19 or to put it another way the relationship between older cities
20 like Berkley, Oakland and San Francisco and outlying
21 communities, so I want to go beyond the question.

22 I just want to take it as a fact that strong laws
23 are important, that the President's Executive Order, I think,
24 was in one sense tragic when it did not include used housing
25 and did not include housing financed by savings and loan:

1 institutions or other institutions having their deposits insured
2 by the Federal Government, and I would think the United
3 States Civil Rights Commission ought to pursue that matter at
4 every possible juncture.

5 This is like saying to someone you can sell drugs
6 in one market that are dangerous and drugs in another market
7 that are not. It just doesn't seem to me to make a great
8 deal of sense, but on the economic question we have to under-
9 stand that Negroes present a disproportionately high share of
10 lower income families, those families that Michael Harrington
11 characterized as "the other American."

12 There are a great many factors operating in the
13 suburban housing market which are likely to make this matter
14 in the next two decades worse, not better, than it was in the
15 preceding decade.

16 The report of my Commission, probably the most
17 elaborate report analysis of state housing that has ever been
18 done in this country, describes the situation in which the
19 cleavage between the older cities and the newer communities,
20 partly as the result of housing costs, partly as a result of
21 population growth, partly as a result of automation, and other
22 factors dealing with employment problems, that the cleavage
23 by 1975 or 1980 in this state would be greater than it is in
24 any state in the Union.

25 It seems to me we live in some kind of euphoria in

1 California assuming that integration is proceeding pretty
2 well and all we have to do is give it a little push here
3 and there.

4 One of the factors that is really a great problem
5 in this is the way we manage our public financing, not just
6 in this state but in any state, whereby we collect most of
7 the revenue for the support of local services, principally
8 the school property tax, and collect it at the local level
9 and we provide it at the local level.

10 There are some conventions from the state and
11 Federal Government, but they are not too large. Well, your
12 obviously putting any local jurisdiction in the position
13 whereby its physical interest is to insure, as the City
14 Manager of one very rich city in California once said to me,
15 "What you want to get is the highest price of housing with
16 the least number of children."

17 Well, that's not likely to run -- that will run
18 counter to, I think, social objectives. I think as long as
19 we maintain that kind of system we are going to see local
20 jurisdictions through zoning, through building codes, through
21 sub-division regulations, making every attempt to make the
22 costs of housing higher, and thereby cause economic and
23 thereby racial segregation to increase.

24 We also have the situation in California where we
25 develop, irrespective of the physical issue, extremely high

1 standards for the construction of housing and related
2 facilities. I think these standards are very good, but they
3 have their difficult characteristic and again promoting a
4 very high cost of housing.

5 You could put this very simply and say what we
6 found in the report was the cost of housing was increasing
7 faster than the rise of income throughout the decade, and it
8 showed every probability of increasing at an even faster
9 rate.

10 There are a whole variety of questions in the
11 Federal Tax Laws which are extremely damaging in this
12 situation. The whole system of taxing the sale of raw land
13 and capital gain rates having the holding of land costs, the
14 interest and taxes being deductible, it's as if the Federal
15 Government were running an ad in the Wall Street Journal every
16 day which said, "Please speculate in land," and we found, for
17 instance, the cost of land in California rose ten times
18 faster in this decade than the consumer index or rise in
19 construction cost.

20 I think this is not going to be any simple solution
21 to this sort of problem. As I said, I think one would be a
22 change in the state tax, state and local tax system, whereby
23 we collected taxes much more, either the metropolitan since
24 there is no metropolitan Government at the state level or at
25 some wider jurisdiction so that people will not be making the

1 choice of where they live on a physical basis that wherever
2 you live you will be paying taxes to support the general
3 needs of the community, but even that, I think, would not be
4 enough.

5 I think we will need a very strong program of both
6 subsidies and local interest rate loans in the suburbs, and
7 particularly it has been generally the history of this country
8 that whatever minor loans, low interest rate loans or subsidies
9 that have been granted by the Federal Government or the State
10 Government have been in a sense for the wrong purpose or not
11 for the most important purpose.

12 It does us little good, for instance, to say, "you
13 ought to provide help for people displaced by urban renewal
14 or more importantly by highways," when we realize we have a
15 basic shortage of housing in California, particularly for
16 low income groups.

17 If you will look at the problem in its broader
18 sense you would be saying the job is to expand the supply of
19 housing and that the only way to do that is to expand it
20 directly for lower income groups.

21 They need not all be new housing programs. It could
22 be subsidies for people buying used housing or renting used
23 housing. It could be either one. We made a variety of
24 recommendations to both the state and Federal Government that
25 there be programs of this sort, direct Governmental low
interest rate loans in the suburbs and cities for home ownership

1 or rental.

2 As some of you know, I think a Federal program
3 called 221-B-3, a low interest rate loan, is only for rental
4 and it is unusable in areas which have a workable program; a
5 desirable tag in a sense because a workable program of a
6 community is desirable, but on the other hand it means an
7 awful lot of suburbs are not eligible, and, therefore, the
8 market is locked.

9 The last comment I would like to make on that, and
10 then I will try to answer any specific questions on it, is
11 we may be facing in California, and we are going to try to
12 get some information on this in the study I am doing at the
13 University, not just the problem of housing but the absence of
14 low skilled jobs in the suburbs.

15 We may actually be seeing it now, but it isn't so
16 much just a question that the suburbs are in a sense forcing
17 minorities and other low income people to live in older areas
18 and commute out, but the jobs, though, there are lots of jobs
19 being created in the suburbs, they are primarily not jobs
20 which are easily filled by such people.

21 Again, this comes back to the physical question.
22 You get kind of a vicious circle going on in this where a
23 community, county or city or large developer whose interests
24 tend to be quite simpler to the community, and this is the
25 tax law structure, will attempt to find the kind of industry

1 which does not employ very many people like this.

2 If you read the brochures, for instance, of the
3 large developers in California who urge research, development
4 and science, you would find blight out of those brochures and,
5 of course, the city and county Government realizing these are
6 industries which pay lot of taxes and need relatively those
7 services, are very anxious to get this, so we kind of created
8 for ourselves a high cost housing market, a perverse tax
9 system, and we have a variety of overt discrimination practices
10 of which you are quite aware which are likely to make this
11 matter worse, and I would just close by saying I think the
12 dangers inherent in this situation are not only great in terms
13 of the interaction between groups in psychological situations
14 where you would have ghettoization not just at relatively
15 neighborhood level but ghettoization at a metropolitan level
16 where you have jurisdictions political and otherwise of a
17 hundred, two hundred, three hundred, four hundred and even
18 seven or eight hundred thousand people which would be largely
19 upper income, largely white families and jurisdiction beside
20 them which would be largely lower income non-white.

21 Not only are there interactions of phychological
22 problems in this but there are obviously the service question,
23 how is thepolitical jurisdiction like Oakland, for instance,
24 becoming largely non-white and largely low income, how is it
25 to provide the services to the people who need those services
the most?

1 I will close by saying again I do not think that
2 any form of action, desirable though it is, by Government to
3 try to ban discrimination in an overt sense will more than
4 scratch the surface of this problem.

5 Thank you. I will try to answer any questions.

6 JUDGE DREWES: Thank you, Mr. Eichler. I have a
7 question.

8 You mentioned the need for more moderate or low
9 cost housing in the suburban areas.

10 Does this necessarily involve State or Federal
11 action or can the developers be made to respond to some
12 inducements?

13 MR. EICHLER: No. I think the developers can be
14 made to respond only through carrots, to put it very bluntly.

15 First, they can be made to respond heartily by some
16 changes in the institutional system in the tax laws which I said,
17 for instance, which pushed them in the other direction.

18 Partly, though, by direct, the use of direct, low
19 interest rate loans or subsidies, I think probably both. There
20 are different kinds of situations where one would work or the
21 other will work whereby developers would be providing housing
22 but the effect of carrying costs of that house would be
23 reduced by a Governmental program.

24 The developers would be much more likely to take
25 this on with those sort of carrots, but the State Government

1 has in my judgement, a profound responsibility in this in
2 trying to rearrange the system of local Government so that
3 we don't put such a tremendous, well, perverse disincentive
4 upon local Government to get a reasonable form of economic
5 and racial integration.

6 It is not now in the interest from a physical basis
7 anyway, of a local Governmental jurisdiction to do this.

8 JUDGE DREWES: They compete among themselves for
9 a favorite position.

10 MR. EICHLER: That is right. We are always going
11 to have social forces playing the political field.

12 JUDGE DREWES: Questions?

13 DR. PHILLIPS: I would like to ask one.

14 Would you go far enough to say that the present tax
15 laws favor the slum land, a definite statement to that effect?

16 MR. EICHLER: Yes, to the degree to which the
17 present tax laws probably would be or changed sometime, I
18 think, to put a higher burden on land and a lower burden on
19 improvements.

20 DR. PHILLIPS: You didn't need to hesitate on that
21 answer.

22 MR. EICHLER: This is not a subject with which I
23 am terribly familiar.

24 DR. PHILLIPS: Well, it is my own conviction. I
25 wanted a little help on it.

1 MR. BECKER: I wanted to ask a question, Mr. Eichler.

2 You have had a lot of experience with integrated
3 developments which you and your father built over the years.

4 How is the experience on the subject of people
5 leaving the development because you have sold a home to a
6 minority family? Do people flee?

7 MR. EICHLER: We have no evidence of this. The
8 best way to get that kind of evidence would be in the resale
9 value. Any fleeing, either it would result in a decrease in
10 the value of the houses or an increase in the number of
11 Negroes, one or the other.

12 It hasn't resulted in any increase in the number of
13 Negroes. There are occasional resales, but they haven't greatly
14 altered the situation, and it hasn't resulted in a decrease in
15 the value.

16 What always shocks everybody is that our experience
17 is that we can build subdivisions when it is clearly known
18 in the community we will sell houses to Negroes, and we don't
19 get any Negro buyers, so the whole idea of a mass influx of
20 Negroes into a new community, even if we had subsidizing
21 housing, I don't think we could get any kind of a mass influx.

22 MR. MONTGOMERY: Mr. Eichler, do you feel as the
23 result of the Rumford Legislation that this Act has crystallized
24 the resistance of this real estate broker you mentioned or do
25 you find as a result of the legislation more brokers tend to

1 show or are willing to sell property to the minority people?

2 MR. EICHLER: Let me separate the home builders
3 and real estate. Clearly the large number -- not all of them,
4 but a large number of home builders have responded to the
5 Rumford Act and to the President's Order by quietly opening
6 up their housing, and I think particularly the largest home
7 builders, the ones who see themselves as permanent institutions,
8 would prefer to see the Rumford Act maintained. I am very
9 hard pressed to understand the actions of the real estate
10 brokers.

11 I think they are acting against their own interest.
12 I think if they want to have initiative they ought to have
13 initiative to apply the Rumford Act to houses sold whether
14 from real estate brokers or not, but I think that some kind of
15 a cause has been built up about this which has an ideological
16 cast entirely outside the question of the operation of the
17 real estate market.

18 Somehow this cause has captured the imagination of
19 large numbers of real estate brokers and it is almost like
20 going to a football game or something. It has gotten to be
21 that kind of a thing.

22 I can't find any real estate brokers who will explain
23 to me, and I have been spending too much of my recent life
24 debating publicly with real estate brokers on this issue, who
25 will explain to me where his self-interest lies in this matter.

1 It is usually cast in terms of the Government
2 ought not to enter this sort of field in general, at which
3 point I would then ask why the public accommodations statute
4 was not also introduced into the initiative issue or other
5 questions if it is the general belief about what the
6 Government ought or ought not to do.

7 **JUDGE DREWES:** We have put the same questions and
8 gotten more or less the same responses.

9 Thank you, Mr. Eichler. We appreciate your being
10 with us.

11 **Mrs. Arlene Slaughter.**

12 **STATEMENT OF MRS. ARLENE SLAUGHTER**
13 **Real Estate Broker, Oakland, California**

14 **MRS. SLAUGHTER:** To introduce myself, I am a
15 practicing real estate broker, member of the Oakland Real
16 Estate Board and the California Real Estate Association, but
17 I like to refer to myself as an "Equal Opportunity Broker."

18 I feel were it possible to take this Committee on
19 a two-hour tour in my automobile of Oakland and its adjoining
20 cities, the necessity of proving the existence of racially
21 segregated housing would be obviated.

22 The tour would commence with the West Oakland, North
23 Oakland, lower East Oakland, below East 14th Street, Havenscourt
24 and Brookfield Village areas, to establish the Negro ghetto
25 areas.

1 Then in turn we can proceed to the Berkeley Hills,
2 Rockridge, east of college, Montclair, Maxwell Park, Avenue
3 Terrace, piedmont,
4 San Lorenzo, San Leandro and El Cerrito Hill areas to discover
5 the white ghettos, and then needless to say we go "over the
6 hill" to white suburbia in the form of Orinda, Lafayette,
7 Walnut Creek, etcetera, where except for the existance of
8 Eichler tracts and this an "open occupancy policy" we find
9 practically no minority home owners.

10 Interspersed throughout the community we find what
11 we call little "pocket ghettos," that is to say, where
12 adjoining or neighboring properties are owned by Negroes on a
13 given street or two but nowhere else in the area as a whole
14 do not whites reside such as in sections of Oakmore, a small
15 area in Montclair, and recently in San Leandro.

16 Because of the existance of these "pocket ghettos"
17 no one can claim the existance of truly integrated areas.
18 With one or two minor exceptions, there is no such thing in
19 our East Bay cities.

20 All we have to do is drive by, on our tour, the
21 schools in these areas and first note the racial composition
22 of the children and then watch which direction their noses
23 are pointed as they head for home when school is out.

24 Definite racial forks in the road develop at this
25 time of day. I am sure there are others present here today

1 who are equipped with statistics in this regard.

2 In responding to your second area of concern insofar
3 as the impact of real estate sales practices on housing
4 among racial minority groups is concerned, I would have to
5 make a blanket statement on the role of realtors.

6 The realtor generally will only expose property to
7 Negroes where other Negroes already reside, thus extending
8 and perpetuating the already existing ghettos. He also
9 feels it is his ethical duty to inform any white home buyer
10 of the existence of any non-white residents in an area where
11 such might be the case.

12 When a non-white has sought to buy a home in a
13 previously all white area the realtor oftentimes will go door
14 to door in the area to get the "permission" of the neighbors
15 before allowing this purchase to be consummated, despite,
16 perhaps a favorable attitude by the seller of the home, and
17 finally despite existing laws the realtor will induce a
18 seller to limit the sale of his property to "Caucasians only"
19 in all-white areas for "the sake of the neighbors" as well as,
20 of course, for the sake of the realtor who is concerned about
21 keeping control of his area as well.

22 I feel I best qualified to contribute to this
23 hearing some of the effects of multiple listing arrangements
24 in maintenance of racially segregated housing.

25 Firstly, let me deal with our own office. Our
real estate company, Central Realty Service, is an inter-racial

1 company with 31 salespeople of whom approximately 50 per cent
2 are white and 50 per cent are non-white.

3 We do real estate business in about the same ratio
4 insofar as our clientele is concerned.

5 A year and a half ago we became members of the
6 Oakland Realty Board and thus had access to the multiple
7 listing service. I was amazed to discover that the Oakland
8 Real Estate Board still used "Caucasians only" on their
9 multiple listings.

10 Not only was this used on listings that supposedly
11 did not fall under the Rumford and Unruh Laws but also from
12 time to time on listings that did fall in these categories.

13 I bring you some examples of these listings.

14 JUDGE DREWES: May we have those?

15 MRS. SLAUGHTER: Yes. I will leave these with
16 you.

17 I related to the Oakland Real Estate Board my
18 concern about this situation. If I may take the liberty to
19 read a letter I wrote to the Oakland Real Estate Board.

20 This was January 31st, 1961. It was addressed to
21 Mr. Samuel Dotson, Chairman of the Multiple Listing Committee.

22 "Dear Mr. Dotson: I am very concerned with the
23 handling of our multiple listings in relation to our
24 compliance, as individual realtors, with the Unruh and
25 Rumford Laws.

1 **"I would like the Committee to investigate the**
2 **following problem situations:**

3 **"One, listings have come through with 'Caucasians**
4 **only, on property that has an existing F.H.A. or G.I.**
5 **loan and is owner-occupied. This property definitely**
6 **comes under the jurisdiction of the Rumford Law which**
7 **states that an owner cannot discriminate in selling his**
8 **property because of race of buyer, under the above**
9 **circumstances.**

10 **"Two, the terms 'Show to Caucasians or Orientals**
11 **only,' or 'Caucasians only' or 'Caucasians or Orientals**
12 **only' should not be construed to mean that the property**
13 **cannot be shown to non-whites.**

14 **"The Unruh Law specifically states that as real**
15 **estate brokers, we are obligated to show our listings**
16 **to all potential buyers regardless of race, creed or**
17 **national national origin.**

18 **"We are, incidentally, obligated to take and**
19 **present offers as well under these circumstances.**
20 **Apparently, many of our members are not aware of this**
21 **or do not so inform their sellers of these facts when**
22 **putting restrictive clauses in their listing contracts.**

23 **"I feel that we as responsible people in our**
24 **community want to obey all existing laws rather than**
25 **engage in a defiance of them in an organized manner.**

1 "I would like the opportunity to discuss this
2 further with your Committee if you should deem it necess-
3 ary.

4 "Sincerely, Arlene Slaughter."

5 The only response I had to this letter was a phone
6 call from the executive secretary of the Oakland Real Estate
7 Board during which conversation he disagreed with my
8 interpretation of the laws and, furthermore, informed me
9 that it was incumbent on an office such as ours, that is well-
10 known for its integrationist philosophy, to check with brokers
11 prior to showing a property in an area which might be all-
12 white in character.

13 He stated that it was our ethical duty to our fellow
14 realtors to inform them of the color of the buyer before
15 showing a multiple listing. This, mind you, whether or not
16 "Caucasians only" appeared on the listing. He also indicated
17 that we should take the same approach in showing homes that
18 were held open.

19 In other words, don't show unless you check with
20 broker "X" first.

21 JUDGE DREWES: Let me interrupt you there, Mrs.
22 Slaughter.

23 Did that come by mail or by telephone?

24 MRS. SLAUGHTER: The conversation was by telephone.
25 I never received a written response to the letter nor was a

1 meeting ever held at my request.

2 JUDGE DREWES: What is his name?

3 MRS. SLAUGHTER: Loren Morey who I had hoped might
4 be present today.

5 It is interesting to note that separate little
6 listing services are developing such as in the "Hill Mart,"
7 that is, the Montclair area in order to avoid having their
8 listings placed on the general multiple listing service and
9 thus be exposed to our and other offices.

10 In addition, it is also interesting to note that
11 several realtors will now get together and exchange information
12 with only one another to avoid the same consequence.

13 Lock-boxes were previously used extensively and
14 are now becoming a rarity. Addresses of property are being
15 excluded from ads with more and more consistency, and so with
16 the practices of "open houses."

17 With the advent of new laws to protect their rights,
18 minority buyers are becoming more and more insistent on
19 exercising their rights and thus more and more dodges are
20 required on the part of the realtor to keep them from doing
21 this.

22 As far as dealing with a company such as ours, when
23 we call for any information on a listing to a fellow realtor,
24 the first question we are asked is "who or what is your
25 buyer." I have instructed my agents not to answer this

1 question on grounds that it is in violation of the Unruh
2 Act.

3 Brokers call on our listings wanting to know first
4 the neighborhood composition before they will expose it to a
5 non-white buyer. When a Negro agent in our office showed a
6 property with a "Caucasian only" clause on the listing and
7 met the seller who welcomed him and assured him the property
8 was not restricted, the realtor who was the listing agent
9 swears it was.

10 When we listed a property in an all-white area the
11 neighboring realtors immediately visited the owner and attempted
12 to pressure them to cancel their listing because "Central
13 Realty Agents are a bunch of Mulattos and will sell to Negroes
14 only."

15 When offers are presented from our office to fellow
16 realtors from non-white buyers on realtors' listings it some-
17 times takes days and even weeks to get the offer presented to
18 the seller.

19 This definitely affects the minority buyer, let alone
20 does it affect the Negro real estate salesmen who, incidentally,
21 although a realtor can't even become a member of the Oakland
22 Real Estate Board Golf Club.

23 An additional point of interest insofar as the
24 relationship of real estate brokers and minority brokers is
25 the attitude taken by the Berkeley Realty Board.

1 After three months of postponements the Berkeley
2 Realty Board finally refused to allow our office to become
3 "non-resident members" on the grounds that I rented space in
4 the rear of my premises to C.O.R.E. and this would be in
5 conflict with board membership somehow.

6 JUDGE DREWES: How were you advised of that?

7 MRS. SLAUGHTER: By a public statement on the part
8 of the executive secretary of the Berkeley Realty Board.

9 JUDGE DREWES: Published?

10 MRS. SLAUGHTER: It was published, yes.

11 By denying us membership we are unable to avail
12 ourselves of the use of the Berkeley multiple listing service
13 and also must work for a lesser fee on sales made by us of a
14 Berkeley realtors' listing.

15 They can also deny us the right to cooperate on
16 their listings by virtue of the fact that we are non-board
17 members, and round and round it goes.

18 Needless to say, I have consulted with attorneys
19 regarding this matter and they are in the process of preparing
20 the necessary papers to file a suit on my behalf against the
21 Berkeley Realty Board.

22 The practices of the multiple listing service alone
23 do not only affect the minority buyer, the educational policy
24 of the board adversely affects him, too.

25 The Oakland Real Estate Board refused to have any

1 type of democratic discussion of the issues involved in the
2 Rumford or Unruh Laws or the subsequent initiative to outlaw
3 these laws. Never once have they had a speaker at their
4 weekly luncheons dealing favorably with these or any other
5 housing legislation.

6 They have continually refused to allow representatives
7 from the inter-faith committee on religion and race or even
8 FEPC to address the membership on a pro-fair housing stand.
9 This does not allow for realtors to hear both sides of the
10 question and couple this with continuing mailings advocating
11 the "initiative" going out to each realtor, a brain-washing
12 process develops that must reflect itself in the realtors'
13 relations with his clients.

14 And finally, when the realtors were presented with
15 fair housing legislation they countered that what was necessary
16 was education. They setup "an Equal Opportunities Committee"
17 state-wide that has never functioned.

18 In this connection I would also like to read a
19 letter that was written to Emmett Kilpatrick, President of
20 the Oakland Real Estate Board, who is supposed to be here
21 today.

22 This was in January of this year.

23 "Dear Mr. Kilpatrick: It is my understanding, that
24 during the course of 1963, it was decided by California
25 Real Estate Association that an 'Equal Rights Committee'

1 was to be established on a state-wide regional-wide
2 local-board basis.

3 "I know the Committee exists on the state level and
4 have made inquiries from time to time about its formation
5 on a local level.

6 "Because of many existing internal and external
7 problems that might very well fall under the jurisdiction
8 of such a Committee, I would like at this time to urge
9 you to give serious consideration to the formation of
10 such a Committee.

11 "I, for one, would be very happy to serve on this
12 Committee. I feel that my experience may be of assistance
13 to the Board," et cetera, "Very sincerely, Arlene
14 Slaughter."

15 No such Committee exists locally.

16 MR. PHILLIPS: Any reply to that letter?

17 MRS. SLAUGHTER: My reply to this letter was in the
18 form of a letter from Mr. Kilpatrick who said he would take
19 the matter under consideration.

20 So with the percentage of "Caucasian only" listings
21 increasing, and this can be established, I am sure, very
22 easily, and nothing being done from within or without the
23 real estate boards successfully to re-educate their membership,
24 discriminatory practices are bound to persist and in the
25 absence of a strong local Fair Housing ordinance, Oakland's

1 shifting population will continue to move with ghettos
2 expanding and finally meeting other ghettos rather than a
3 truly integrated community being on the horizon as a reality.

4 I would be happy to answer questions about the
5 statements I have made and also to suggest some of the
6 corrective actions that might be useful in alleviating this
7 situation.

8 I am sure the members of your Committee will be
9 hearing and have heard a great deal about our California
10 Laws in this general area.

11 However, before I conclude I would like to make one
12 or two suggestions on an issue that may not be developed to
13 any great extent today.

14 This was written prior to Mr. Eichler's testimony,
15 and he did go into the question of the President's Executive
16 Order which I also urge be strengthened and enlarged to cover
17 conventional lending institutions.

18 Now, any questions the Committee wishes to ask I
19 will be more than happy to try to answer them.

20 JUDGE DREWES: Thank you, Mrs. Slaughter.

21 Questions?

22 MR. DYMALLY: Mrs. Slaughter, are you a realtor?

23 MRS. SLAUGHTER: Yes. I am a member of the Oakland
24 Real Estate Board.

25 MR. DYMALLY: Do you now rent to C.O.R.E.?

1 MRS. SLAUGHTER: Yes, I do.

2 MR. DYMALLY: Do you anticipate any repercussions
3 as a result of your testimony here today?

4 MRS. SLAUGHTER: It is entirely possible, Mr.
5 Dymally.

6 DR. CARREON: Mrs. Slaughter, do you know if there
7 are any Negro realtors on the local real estate board?

8 MRS. SLAUGHTER: Yes, there are.

9 DR. CARREON: How many?

10 MRS. SLAUGHTER: At the present time -- you see,
11 the Oakland Realty Board had a policy of refusing to admit
12 Negroes until just recent years.

13 As a matter of fact, that's why my office was not
14 part of the Board. We were denied membership in previous
15 years because I employed Negro sales people.

16 Within the last two or three years I would say they
17 have perhaps now about a dozen Negro realtor members.

18 I would like to go back to Mr. Dymally's question
19 for a moment. When you asked do I expect any repercussions,
20 in all honesty, Mr. Dymally, I feel that the real reason for
21 my refusal to be admitted to the Berkeley Board is because I
22 have been vocal in support of the Rumford Fair Housing Law
23 and this is their major concern.

24 MR. DYMALLY: You said there are Negroes who are
25 realtors in Oakland. In Los Angeles we have Negroes who are

1 realtors but they are not members of any local board, so,
2 therefore, they do not get the multiple listings.

3 MRS. SLAUGHTER: That is not the case here. The
4 multiple listings service is part of the realty board here
5 so they do receive the multiple listings.

6 MR. REINHARDT: What about the Berkeley Board, are
7 there Negro members of the Berkeley Board?

8 MRS. SLAUGHTER: One Negro member at the Berkeley
9 Board.

10 MR. REINHARDT: You say your attorney is preparing
11 a suit to compel your admission to the Berkeley Board?

12 MRS. SLAUGHTER: Yes, sir.

13 MR. REINHARDT: Since we had our hearing in Los
14 Angeles, as Mr. Dymally has mentioned, we did have testimony
15 that the Negro realtors there were members of the general
16 board, but were not admitted to the Southwest Realty Board.

17 As a result, they could not obtain multiple listings.
18 Since our hearing a suit has been filed in Los Angeles to
19 compel the Southwest Realty Board to take those Negro realtors
20 into membership.

21 I would imagine it would be the same type of suit
22 you would be bringing here.

23 MRS. SLAUGHTER: Yes. My attorneys are in contact
24 with the attorneys in the South.

25 Despite the fact the multiple listings are received,

1 I have pointed out in my statement that separate little
2 multiple listing organizations are developing in order to
3 prevent the Negro brokers from receiving information on
4 properties in restricted areas such as the Hill Mart Listing
5 Service, you see.

6 No Negro is a member of that group nor do those
7 listings ever get to a Negro broker. It is not an overt
8 situation here. The subtlety is much greater.

9 MR. REINHARDT: Perhaps I misunderstood one thing
10 in the letter read. Did I understand you to say that if a
11 tenant or if a owner of a house asks to have it listed, if
12 it is not covered by the law, and an owner asks to have it
13 listed as "Caucasian only" that it should be listed that way?

14 MRS. SLAUGHTER: No, I did not say this in the
15 letter. What I indicated was that at times, often times, in
16 concurrence with what Mr. Eichler stated, it is the realtor
17 who either automatically lists the property as "Caucasian
18 only" without even discussing it with the owner, or if there
19 is any question on the part of the owner the realtor often times
20 will induce the owner for the sake of the neighbors to list it
21 as "Caucasians only."

22 JUDGE DREWES: Or take a voluntary poll of the
23 neighborhood to see how people think about it and report
24 back to the owner.

25 MRS. SLAUGHTER: That is right.

1 BISHOP PIKE: Might I ask a question about that
2 particular listing service system. I have forgotten the
3 neighborhood you mentioned.

4 What area did you mention a moment ago?

5 MRS. SLAUGHTER: The Montclair area.

6 BISHOP PIKE: Take that, for example. There is a
7 multiple listing for that, a little one, you would say, would
8 you not?

9 MRS. SLAUGHTER: Yes.

10 BISHOP PIKE: Now, who actually operates that? Is
11 that run by some other group in your association or is it run
12 by the realty board?

13 MRS. SLAUGHTER: The Montclair section is part of
14 Oakland, and this listing service is not an official body.
15 The Montclair realtors get together themselves, you see, and
16 expose this information to one another.

17 BISHOP PIKE: That's in addition to general listing?

18 MRS. SLAUGHTER: Yes.

19 BISHOP PIKE: Would these houses also be in the
20 general pool or not?

21 MRS. SLAUGHTER: This is designed to avoid that.

22 BISHOP PIKE: Thank you.

23 MR. MONTGOMERY: Can you give us an estimate of
24 just what per cent this collateral/additional listing occupies
25 in your over-all multiple listing system?

1 **MRS. SLAUGHTER:** I am sorry, I can't, Mr.
2 Montgomery. I am not exposed to these listings and, there-
3 fore, I don't know.

4 All I know is there is a real absence of listings
5 from Montclair on the general multiple listing service where
6 there used to be -- I know for a fact there are many, many
7 homes for sale in this area.

8 They just don't appear on the general multiple
9 listing.

10 **MR. MONTGOMERY:** Do you feel that the real estate
11 broker believes that he has some type of mandate from the
12 seller not to show or sell his property to a minority
13 person or is this just something he has undertaken on his
14 own prerogative?

15 **MRS. SLAUGHTER:** I would say more often than not
16 it is something he has undertaken on his own prerogative. We
17 have found many instances where sellers are even unaware that
18 there were restrictions placed on their property.

19 **MR. MONTGOMERY:** That's the majority situation?

20 **MRS. SLAUGHTER:** I would not like to use percentages.
21 I can tell you there are many situations of this type.

22 **DR. CARREON:** Mrs. Slaughter, it seems as though
23 there was no mention of discrimination against Mexican-
24 Americans as there was against Negroes.

25 Do you find much of a problem on the matter of

1 discrimination against Mexican-Americans in this area?

2 MRS. SLAUGHTER: No, not very much. I would say,
3 Dr. not very much. Maybe in specific areas moreso. For
4 example, in the San Leandro area where we had one case of
5 really overt discrimination against an American Indian.

6 This area is perhaps more discriminatory than
7 certain sections of Oakland.

8 DR. CARREON: Thank you.

9 FATHER KENNARD: Mrs. Slaughter, would you estimate
10 what portion or percentage of the multiple listings in
11 Oakland actually carry some kind of discriminatory notation
12 such as "Caucasians only"?

13 MRS. SLAUGHTER: Yes. We have been keeping a
14 running track of this in our office, and I would say it runs
15 between 10 and 15 per cent of the total number of listings
16 that come out. These come out twice a week, and this counts,
17 incidentally, is from January of this year.

18 FATHER KENNARD: Mrs. Slaughter, since, as you
19 indicate, the realtors rely upon education as the solution, I
20 am quite puzzled as to why they do not begin educating their
21 own membership to their own more recent developments.

22 The attitude which you called a attention to, the
23 assumption there is an ethical duty to protect the integrity
24 of white neighborhoods runs counter to a revision in the
25 Realtors Code of Ethics which was made by Mr. Consor, I belie

1 about six years ago, and which just last year was widely
2 publicized as being covered in a new book put out by N.A.R.E.B.

3 Is this fact that Article 5, a realtor shall not
4 be instrumental in introducing, and so on, not intended by
5 N.A.R.E.B. to apply to race? Is this fact widely publicized
6 among the realtors, and if not how can they in conscience
7 appeal to education?

8 MRS. SLAUGHTER: You know what I wish you would do,
9 Father Kennard, ask Mr. Kilpatrick or Mr. Robinson or Mr.
10 Force who I understand are to appear here today this question.

11 It's an enigma to me because, frankly, in my own
12 personal experience with the Oakland Real Estate Board and
13 with the Berkeley Realty Board I have found it a lot of
14 double talk.

15 FATHER KENNARD: Mr. Chairman, for the record, I
16 would like to say Mrs. Slaughter who is not a Catholic has
17 been written up in a feature article in the Diocesan paper
18 here as actively promoting the ideals of Catholic Social
19 Philosophy and, as a matter of fact, the Catholic Interracial
20 Council has gone on record with a public statement urging
21 the Catholic realtors of Berkeley to support her application
22 for admission, and the Interracial Council is now running an
23 ad in the Catholic paper urging Catholic realtors to support
24 Mrs. Slaughter.

25 JUDGE DREWES: Thank you, Mrs. Slaughter.

1 We have the usual time problem, and our agenda
2 indicates that there are two persons yet to appear this
3 morning before we adjourn.

4 One is the Reverend Eugene R. Wolfe. Is he here?

5 Thank you, and also Mr. Stephen Arnold. Is he
6 here? Thank you.

7 Let me put this to you. We can only hear from one
8 of you before we recess. Would it be terribly inconvenient
9 to either one of you or both of you if you came back?

10 You are indicating, Mr. Arnold, you could come
11 back at 1:15 without any difficulty? Fine. Then we will
12 hear from Reverend Wolfe who is next on our agenda.

13 STATEMENT OF REVEREND EUGENE R. WOLFE
14 Chairman, Citizens Committee for Fair Housing

15 REVEREND WOLFE: Mr. Chairman, and members of the
16 Committee, I would like to make my presentation dealing in
17 three areas.

18 One, an overview of what the extent of racial
19 distribution and patterns are in Oakland and the East Bay,
20 although I don't want to repeat what has been said from others,
21 but I want to sum up the picture so you can see the extent of
22 the ghettos patterns in the East Bay.

23 JUDGE DREWES: Before you do that, would you tell
24 us who you are for our record.

25 REVEREND WOLFE: I am Reverend Eugene R. Wolfe, and

1 I am Chairman of the Citizens Committee for Fair Housing in
2 the City of Oakland. This is an organization which is
3 described in this pamphlet.

4 It's a volunteer organization of citizens who are
5 working for expanding equal housing opportunities in the
6 City of Oakland.

7 BISHOP PIKE: For the record also, which church do
8 you serve?

9 REVEREND WOLFE: I serve as a Social Service
10 Director with the Oakland Council of Churches. I am an
11 ordained Baptist Clergyman of the American Baptist Convention.

12 BISHOP PIKE: Thank you very much.

13 REVEREND WOLFE: Then secondly, I would like to give
14 the highlights of a field survey that a Committee of our
15 citizens group did among Negro home owners in the Hill area
16 section of Oakland and some of the things we gleaned from
17 that survey, and then thirdly I would like to make some
18 references to the interaction between school practices in
19 terms of tenant boundaries and areas as they affect and
20 influence housing patterns.

21 It has often been said that schools are victims of
22 housing patterns. I would like to suggest there are some
23 ways perhaps school practices may also aggravate racial
24 imbalance in our city.

25 So to begin with back in 1930 and 1940 in both

1 times Oakland's Negro population was about 3 per cent of its
2 total population. Then in the 20 years between 1940 and 1960
3 was when the greatest net increase came in non-white
4 population in our areas in many northern cities, and in 1940
5 and 1950 the Negro population has increased 5 times in that
6 10-year decade, and in the last decade it increased 87 per cent,
7 so the net result today is we have 22.8 per cent of our
8 population -- that was in 1960 -- that was Negro, or roughly
9 83000 Negroes in the City of Oakland.

10 This is much higher today and I can show this by
11 terms of the racial population in our schools. The county
12 as a whole has around 111,000 Negroes, and so Oakland has
13 75 per cent of all Negroes in the County of Alameda.

14 Berkeley has about another 20 per cent. That makes
15 up 95 per cent, and then Alameda and Emeryville have another
16 3 per cent which leaves in the whole vast lands of the Southern
17 Alameda County less than 2 per cent of all the Negroes in
18 Alameda County, and down there there are roughly 2000 Negroes
19 in a population of over a half million, and of those 2000
20 Negroes you are going to take away 1,000 of them who are
21 living in institutions, so you only have a thousand Negroes
22 who are living in terms of their homes or renting places of
23 residence in Southern Alameda County, and of that thousand
24 half of them are residents of a little town called Russell
25 City which the county has recently decided to be a redevelopment

1 project to make an industrial park, and so half of the Negroes
2 who live in Southern Alameda County in Russell City will be
3 wiped out by that project, so that will reduce the Negro
4 population to roughly 500, presuming that most of these
5 Negroes will not find relocation in Southern Alameda County.

6 So you can see the great concentration of the
7 Negro population increase has been in the central cities of
8 Oakland and Berkeley.

9 At the same time, there has been this increase in
10 Negro population. For 1930 to 1950 there was a steady
11 increase in white population, but then in the decade of 1950
12 to 1960 Oakland lost in one decade the white population that
13 it had gained in the previous two decades.

14 So today in Oakland we have fewer white persons
15 living here now than who lived here in 1930. In other words,
16 there was just an exchange of the net increase in gain in
17 the Negro population with a net loss of the white population
18 moving from the city.

19 This map over here indicates the concentrations and
20 the percentages and how it is growing. Initially back in 1930
21 the Negro ghetto was pretty much confined over in this
22 corner of West Oakland but then as the ghetto expanded it
23 began to expand up in North Oakland and on out in various
24 sections of East Oakland in the lower flat-lands of our city.

25 Our city has flat-lands, foot-hills and the hills.

1 You know the topography of Oakland, so basically the flat-lands
2 have been the areas of inmigration in areas where Negroes and
3 Spanish surnames persons could move more readily, and this
4 ghetto, as you see, has expanded throughout the city because
5 it is increasing in population and it is in this area where
6 we are also having great losses in the white population.

7 67,000 persons moved out of Oakland, white persons
8 moved out of Oakland, from 1950 to 1960, and all of these
9 white persons moved out of the flat-land section of our
10 community because the hill land area above Warren Freeway in
11 the Montclair area and other sections of the Hill had a net
12 increase of almost 10,000 persons, and this is essentially
13 white persons.

14 We had an increase of 38 Negro persons in the Hill
15 area in that 10-year period, which seems one Negro family a
16 year has moved into our Hill area section.

17 In the Hill area of Oakland less than one-third of
18 one per cent of the population is Negro. So the Hill area of
19 Oakland is as badly a white ghetto segregated as is the
20 suburban area of Southern Alameda County and out through the
21 tunnel in Contra Costa County.

22 I will give you the highlights of our interviews
23 with half of those Negro families we talked to in the Hill
24 area. In addition to the flat-lands there is a small ghetto
25 of high-priced homes in the Lake Shore area of Oakland where

1 Negroes have been able to purchase homes, and according to
2 other speakers here once a Negro is in an area or two families
3 the realtors will gradually show other Negro families who
4 are looking for that price home to that same area rather than
5 giving them the freedom of choosing throughout the city.

6 They will direct them to the ghettos that they
7 themselves are creating. So in this area here though the
8 census tract is colored, 75 per cent of the Negroes in that
9 census tract live in one-quarter of the tract so even the
10 whole tract isn't dispersed.

11 They are forced to live in certain blocks that are
12 contiguous, and there is another one out in East Oakland there
13 in the hills in the Tolar Heights where the same pattern is
14 developing where probably a little bit cheaper homes are, in
15 the twenty and twenty-five thousand or thirty thousand dollar
16 range, whereas Lake Shore goes all the way up to \$40,000
17 homes.

18 If these people had freedom to move throughout
19 the city where they wanted probably many of them would be
20 living throughout the Hill area and you would hardly notice
21 them.

22 There wouldn't be that many involved.

23 JUDGE DREWES: Did I understand you to say that
24 prospective buyers in the minority peoples are directed to
25 that area by the salesman or broker?

1 REVEREND WOLFE: If a Negro is looking for a home
2 in the \$35,000 or \$40,000 price range inevitably he will be
3 shown the Lake Shore area of Oakland and will not be shown
4 any sections of the Hill area.

5 JUDGE DREWES: What is your basis for your statement,
6 from talking to the purchasers?

7 REVEREND WOLFE: Yes, and also talking to Negro
8 families looking for homes, and this is what the pattern is.
9 They are directed to those kind of places, and I can indicate
10 how the Negroes got to the Hill area and the problems they
11 had there.

12 JUDGE DREWES: Thank you.

13 REVEREND WOLFE: In Oakland there are around 3,000
14 non-white families who earn over \$8,000 who presumably could
15 be living in homes of \$20,000 and up if they chose to and
16 were able to without any discrimination, 3,000 non-white
17 families.

18 The facts are that only 55 non-white families who
19 live in homes in Oakland valued at \$20,000 and up. I don't
20 know whether this proves anything, but it suggests that there
21 are large numbers of good earning Negro families, non-white
22 families who have earning power to have more expensive homes
23 than what they apparently have in Oakland, but it would need
24 more investigation to prove that in detail, but they don't
25 have housing commensurate with their income, that proportion

1 of the population.

2 JUDGE DREWES: That would make an interesting study.

3 REVEREND WOLFE: Then the non-white home ownership
4 pattern is very much on the increase in Oakland as in many
5 central cities.

6 The Negroes have found, many of them have found,
7 it easier to buy a home in the flats, flat-lands of the city
8 rather than face discrimination in various places as they
9 move around the community.

10 They can usually get more housing for their money
11 in home purchasing plus less discrimination as long as they
12 are willing to go into a black ghetto than they can seeking
13 rental housing, what they can get for their money in rental
14 housing, so the home ownership pattern from 1950 to 1960
15 increased roughly from about 35 per cent of the Negroes who
16 owned their homes.

17 In 1960 it showed 42 per cent of all Negroes who
18 owned their homes in our Community. They are indigenous home
19 owning people, tax paying people in large degrees, and the
20 white proportion of home owners is on the decline in the
21 city.

22 It decreased from 51 percent of white families who
23 owned their homes to 49 per cent in 1960. So it will be only
24 a very short time before the Negroes will have as high a per
25 cent in home owners as the whites in the City of Oakland.

1 Enough on the general overview of that picture of
2 racial distribution. With regards to the interviews we did
3 with families in the Hill area, I said there were 56 non-white
4 families who live in this area above Warren Freeway, the full
5 length of the city from Berkeley to San Leandro, the San
6 Leandro line, 56 non-white persons who we can estimate
7 approximately half are Negro and half are Oriental families.

8 It was this group of people that we attempted to
9 seek interviews with to find out how they got there, whether
10 they faced problems to get in there, whether it was easy or
11 whether they faced other experiences of discrimination, and
12 we found almost a complete blank as far as desire to cooperate
13 from Oriental families in the survey, unwillingness to get
14 involved in this type of thing even though it would be held
15 confidential of this particular information.

16 The only Oriental families we got information from
17 were those who happened to be neighbors of some of our
18 interviewers, and because of their neighbor they were willing
19 to respond.

20 We were able to interview over half of the Negro
21 families in the Hill area as well as any families in the
22 ghetto I referred to, and other persons have referred to in
23 Oakland, Warren Freeway, below Warren Freeway, and in those,
24 a summation of what we found there was that no white realtor
25 handled any of the above transactions except the proxy ones

1 which were about 50 per cent of the cases where persons acquired
2 their homes eventually by buying through a broker.

3 The Negroes who live in the Hill area are pretty
4 sophisticated persons about how to acquire a house and they
5 have too no longer face the embarrassment of the normal
6 pattern, so most of them if they want to go there the easiest
7 way is to find someone to buy through, and this is the way
8 50 per cent of them have done.

9 No white realtor or member of the Oakland Real
10 Estate Board has handled any of the above transactions. No
11 member of the Oakland Real Estate Board has knowingly handled
12 any tranfer of Hill area homes to a Negro family.

13 Some of them handled it because they were handling
14 the proxy. But they were not aware of it.

15 MR. DYMALLY: Proxies are Caucasians, of course.

16 REVEREND WOLFE: Yes. In one case it is a case of
17 a mixed marriage and the white wife bought in with the husband
18 staying away. Of the families we interviewed 30 per cent of
19 them bought their lots and then built their houses.

20 This they found was another way of getting around it,
21 to buy the lot, and even some of the lots were bought through
22 proxy or usually directly from an owner, and not going through
23 a realtor.

24 30 per cent of them bought through proxy, bought
25 their homes directly, and the other proxy ones are the ones

1 who bought their lots. 30 per cent of them bought through a
2 white owner directly. In other words, rather than going
3 through a realtor they went directly -- when they found a
4 home for sale and were able to make a deal with the white
5 owner who was willing to sell.

6 In one case the white owner was willing to sell
7 because he apparently sold at a price of \$4,000 above what
8 had been the asking price earlier in the advertisement, and
9 so the Negro family was willing to pay a premium of \$4,000.

10 In spite of the protestation of the white realtor
11 who did not want to handle this transaction and would not
12 handle it, the white home owner decided, I guess, she could
13 get more money by selling to a Negro so she found a Negro
14 realtor who handled it for her.

15 The Negro realtor was just the innocent victim of
16 wanting to get someone in a home. He wasn't trying to make a
17 fast dollar on the thing, but no white realtor would handle
18 it, and so the Negro realtor stepped in at the request of the
19 home owner.

20 JUDGE DREWES: He got a bigger commission?

21 REVEREND WOLFE: He got a bigger commission, but at
22 the same time no white person was willing to get the big
23 commission.

24 JUDGE DREWES: This relates to Mr. Eichler's query
25 as to where the self-interest lies.

1 REVEREND WOLFE: I want to read several paragraphs
2 from three of these cases to indicate some of their own
3 observations of their experiences.

4 In this one case they previously had approached the
5 realtor, had not been shown anything in predominantly white
6 areas. This is along the lines I was saying before.

7 Saw houses in the Hill area and the client called
8 the realtor. Not realizing she was a Negro he praised the
9 house and said it was an all-white area. He was embarrassed
10 when the client said she was Negro. She did not pursue it
11 further.

12 In buying this home the owner was willing to sell
13 through a Negro realtor because of the price differential of
14 \$14,000. The morning after the client bought the house a
15 realtor who handled many houses in that area of Montclair
16 called at 6:00 a.m. in the morning indicating he had been
17 approached by others to call them and ask if they wished to
18 sell.

19 The client said if he could find a similar house at
20 the same price with a view, et cetera, he would consider it.
21 The realtor shrugged his shoulders. He had also begun
22 questioning by asking of the children whether the children
23 would be playing outside.

24 The client replied, "You can't teach a horse to
25 run in a stable." Three others in a group representing

1 themselves as being from an improvement association in the
2 Hill area offered them the \$18,000 asking price which had
3 been previously asked for, and, of course, he rejected it.

4 They were not aware he had been -- they were not
5 aware he had made \$4,000 more for it, so it was an attempt
6 by the improvement group to buy him out.

7 Another case in purchasing this home was shown the
8 home by Negro realtor friend who had the house on multiple
9 listing. This relates to that practice now of the Montclair
10 realtors withdrawing their homes from the city-wide listing
11 and just exchanging it among themselves because now with the
12 advent of Negro members on the Oakland Real Estate Board who
13 have access to multiple listings, they had to devise some way
14 to avoid having Negro members show homes in the Hill area to
15 their clients.

16 This was when the Negro realtors were first
17 admitted before they started this matter of withdrawing the
18 homes in Montclair from multiple listing, and he had the
19 home on multiple listing. He put in a bid and was told the
20 higher bid had been accepted and the sold sign appeared.

21 Later it was taken down. After a while when the
22 for sale sign went up again the client stopped by and told the
23 owner he was still interested. The owner called the realtor
24 friend and said he wouldn't sell to a Negro.

25 The client then got a proxy, a close friend to buy

1 the house, and after the deal was completed the seller
2 realized who he had sold to and he called the broker and was
3 angry.

4 In the original dealing the Negro realtor had
5 nothing to do with the subsequent proxy dealing, however, the
6 Montclair Realty Firm who had obtained the house originally
7 thought he had called him and threatened to cause him
8 difficulties within the Board because they thought he had
9 actually handled the transaction, so I would assume that
10 Negro members of the Oakland Real Estate Board are in for
11 problems if they consider showing or selling a home to a
12 Negro client in an all-white area.

13 In another case here a person applied for lots in
14 the Hills, building lots in the Hills, to the real estate
15 offices. The first office actually showed them the lot they
16 now own, so when they came back to make further inquiry they
17 were told the owners objected to a sale to a non-white.

18 Inquiries through other real estate offices in
19 Montclair resulted in both discreet and rude answers which
20 indicated Negroes were not welcome, that the dealers would not
21 sell to them. They finally purchased the lot through a white
22 intermediary and the man was able to purchase the lot immediately
23 and got it for \$250.00 less. These are just three of the
24 cases which illustrates some of the problems the Negro families
25 have, even those who get there.

1 Often we hear very high qualified leaders in our
2 city telling us there are no problems for a Negro who has a
3 high income and wants to buy a home in the Hill area, if he
4 has the money he can do it.

5 They make this conclusion because they see a few
6 Negroes scattered up there and they assume they had no problems
7 or had to use various devices to get in, and this would
8 illustrate that is not quite the picture.

9 Now, the third and final thing I wanted to say was
10 something about the effect of racial imbalance in our schools
11 as a result of housing patterns, how some of the schools
12 practices might also influence racial imbalance in neighbor-
13 hoods in housing pictures.

14 The Oakland schools, even though the city-wide
15 average of Negro population in 1960 in Oakland is 22.8 per
16 cent, today in Oakland 44.8 per cent of all of the school
17 population is Negro, not now white but is Negro.

18 The Negro group is the largest ethnic group in the
19 City of Oakland in terms of all its public schools. In the
20 elementary schools they are the largest. In the Junior High
21 slightly less, but in the Senior High slightly less but the
22 net over-all effect is 44.8 per cent.

23 Median age of Negro families in Oakland is 25. The
24 median age of white families is 40. This is the explanation
25 for why the child rearing age of the young family are Negro

1 families and why they are on such an increase.

2 In eight months between last September and this
3 March there have been radical changes in the racial imbalance
4 in our schools in Oakland. There was a racial headcount done
5 last June of '63 and there was a racial headcount done by the
6 school officials in March '64.

7 In that eight-month period there was a net loss of
8 1200 white persons from out Senior High schools and a net
9 gain of 1200 Negro persons, and the same thing to be said if
10 you did it for Junior High and Elementary.

11 It is showing very much the changing patterns in
12 neighborhood by neighborhood. One of the things resulting in
13 this is the drawing in of the boundry for our new Skyline
14 High School in Oakland.

15 Traditionally the boundries for our six High Schools
16 in Oakland have gone from the estuary down along Alameda
17 vertical up to the Hills. This insured that of our High
18 Schools practically, except from way over in the West Oakland
19 ghetto and didn't go to the Hill, the other five High Schools
20 which had a line going from the estuary to the Hill,
21 traditionally they have been integrated schools, both
22 economically, racially and culturally because of the way their
23 patterns were drawn.

24 With the advent of the new high school located up
25 on the edge of the city up in the Hills where they had to

1 annex part of the land to get it in the city to build it, then
2 they drew the lines for this attendance district and they
3 cut off the whole Hill area which had all fed into various
4 schools in the flatlands before, so this has made it into a
5 very homogeneous economic high income white school and has
6 tipped the other schools in the flatlands quite radically
7 just in that one act when they opened up Skyline that one
8 year.

9 The Negro proportion in some of the flatland High
10 Schools increased to 5 per cent from just that one action
11 because 100 white families or 200 white families in this
12 school.

13 I will leave these sheets here which will describe
14 the pattern.

15 JUDGE DREWES: I wish you would. If you don't
16 mind, Reverend, this is not the principal point of this
17 hearing, although intensely interesting, so if you don't
18 object I would rather give the members of the Committee a
19 chance of questioning you on the first part of your statement
20 and you may leave with us any information you have on the
21 school situation.

22 Are there questions?

23 BISHOP PIKE: I have just one question, Judge Drewes.
24 This redistributing which was done was there protest
25 at the time?

1 REVEREND WOLFE: There was protest from the Civil
2 Rights group but no other non-Civil Rights group seemed to
3 be too much interested or concerned about this fact, but
4 the information was brought to their attention.

5 It is a major issue in our communities.

6 JUDGE DREWES: Thank you very much, Reverend Wolfe.

7 We will recess now until 1:15.

8 (Whereupon, at 12:20 o'clock p.m., a recess was
9 taken until 1:15 o'clock p.m.)

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AFTERNOON SESSION

1:15 p.m.

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3 JUDGE DREWES: The afternoon session of these pro-
4 ceedings before the California Advisory Committee to the
5 United States Commission on Civil Rights is now in order.

6 Mr. Stephen Arnold.

7 Will you identify yourself, Mr. Arnold?

8 STATEMENT OF STEPHEN A. ARNOLD
9 Berkeley Realty Board
10 California Real Estate Association
Member, California Realtors for Fair
Housing, Northern Section

11 MR. ARNOLD: I am Stephen A. Arnold. I am a member
12 of the Berkeley Realty Board, California Real Estate Associa-
13 tion, and also I am the Chairman of the Northern Section,
14 California Realtors for Fair Housing.

15 As a member of the California Real State Association,
16 I am proud of its efforts to upgrade the professional status
17 of the realtor by encouraging continuing education in the
18 field of real estate.

19 The benefits of this attained competency through
20 participation in the C.R.E.A. educational programs by realtors
21 are, of course, passed on to the public, and the public has
22 accepted the realtor as a qualified advisor and expert in the
23 field of real estate.

24 Surely, no one of this distinguished committee
25 assembled here could deny the role the C.R.E.A. has played in

1 the upgrading of the real estate profession. However, the
2 realtor owes its clients more than just sales competency. We
3 are not a trade group. We are a professional organization
4 licensed by the public.

5 Our obligation should not be solely limited to the
6 maintenance of private property interests.

7 But what has been done by the C.R.E.A. to further
8 the honor, dignity and public usefulness for the real estate
9 business? How far have we fallen from our proclaimed stan-
10 dard of the "Golden Rule" and our pledge to observe its high
11 ideals?

12 Instead of fostering human values to attain under-
13 standing, we have turned our back on the problem of social
14 justice at a time in history of this great republic when the
15 issue of equal opportunity in housing dominates the landscape
16 of the earth's greatest "free society."

17 It is most regrettable that the California Real
18 Estate Association did not search for and endorse methods to
19 better afford minorities the means of overcoming prejudices
20 that prevent them from realizing full citizenship rights in
21 education, employment and housing.

22 Housing discrimination results in denials of educa-
23 tion which in turn create denials in employment. As Gene
24 Consor, executive secretary of the National Association of
25 Real Estate Boards, so aptly pointed out in "Realtors

1 Headlines," November 11, 1963, and I would like to quote,
2 "The Negro presents a more difficult problem of such long
3 standing that he has the right to seek solutions aggressively.
4 The problem calls for more attention than we and others have
5 been willing to give it. Let us foreclose further daydream-
6 ing. The pressures for recognition, politically applied, will
7 not go away."

8 I interpret this message by a national leader of
9 realtors as a challenge to realtors, and their state associa-
10 tions, to offer a positive program, a program, if you will,
11 of education, education of realtors to the facts of life.
12 So far, the California Real Estate Association has only given
13 "lip service" to this call.

14 By establishing an equal rights committee in the
15 California Real Estate Association, my colleagues feel that
16 they have made their contribution. However, my local realty
17 board, Berkeley, has not as yet engaged in the formation of
18 such a group.

19 Our activities in the field of human understanding
20 are directed toward "preservation of individual freedom" by
21 supporting the constitutional amendment that will destroy the
22 fair housing legislation in this state.

23 While commending the California Real Estate Associa-
24 tion for upholding its lofty ideals in the past, I feel
25 justified in criticizing the Association for the failure of

1 its leadership to use the talents and forces of this huge
2 organization to educate the member boards and individual mem-
3 bers for the purpose of establishing a cooperative and har-
4 monious relationship in the fields of property rights and
5 individual human rights.

6 The local realty board can then encourage positive
7 action in the community instead of being in the negative posi-
8 tion of reaction.

9 Since the purpose of this hearing is for facts and
10 ideals, we must examine the present posture of the California
11 Real Estate Association and what it understands its position
12 to be as a responsible organization dealing with the problem
13 of race and property.

14 It is reasonable to say that the C.R.E.A. has little
15 affection for our fair housing laws and has demonstrated its
16 feeling by joining with other groups and individuals to defeat
17 this needed legislation.

18 Many realtors have objected to the California Real
19 Estate Association's approach as a solution to the problem
20 and resent the organized "brainwashing" technique employed by
21 the Realtors Association to win support from its membership.
22 Many patriotic realtors object to the Communist label because
23 they dare disagree with the C.R.E.A. leadership.

24 Many realtors object because qualified licensees
25 are excluded from participation in multiple listing services

1 just because they are Negro.

2 Some realtors are not satisfied with the image that
3 has been placed on this profession because we have not needed
4 the pronouncement made by our national executive secretary
5 Gene Consor, and I quote again from his November 11, 1963
6 article:

7 "The problem calls for more attention than we have
8 been willing to give it," and we must assume the attention
9 Mr. Consor speaks of is not the insidious constitutional
10 initiative amendment offered by some of my colleagues. Please
11 believe me when I say that every realtor in the State of
12 California does not coldly walk away from the proposition that
13 equal opportunity in housing and equal opportunity to make a
14 living in the real estate profession is not only a constitu-
15 tional right, but a desired goal that will truly give status
16 and create an image of the word "realtor" that our children
17 and our children's children can be proud of.

18 Not every realtor can turn his back on human values.
19 Some will fight to influence his realty board and state
20 association and join with other realtors for freedom, dignity
21 and human fulfillment.

22 But we should not be concerned with these realtors
23 who have made a decision for social justice. The problem
24 lies with the vast majority of realtors of good will who have
25 remained uncommitted, or who have not been willing to openly

1 oppose the California Real Estate Association's indifference
2 to social inequities.

3 What are the responsibilities of the real estate
4 profession to resolve problems and conflicts that exist in
5 the area of minority housing? Surely the California Real
6 Estate Association no longer advocates, and I quote from an
7 editorial in the California Real Estate Magazine dated September
8 1948:

9 "The threat of occupancy by Negroes of property in
10 such areas depreciates the value of all home properties and
11 constitutes a direct deterrent to investment in the construc-
12 tion or acquisition of homes of superior quality, whether
13 large or small. The experience has been uniform that whenever
14 and wherever Negroes have occupied homes in such areas, this
15 has not only depreciated values of the properties which they
16 own, but has depreciated the values of all surrounding pro-
17 perties."

18 This is attached as Exhibit A.

19 Maybe this was true in 1948, maybe, but this is 1964,
20 and we have plenty of studies to disprove this theory. Yet
21 I have never read anything in our state magazine to the con-
22 trary. It may be only a coincidence, but neither the State
23 Association nor the local board has ever openly explored these
24 myths.

25 I am a witness to the fact that it is extremely

1 difficult, if not impossible, to get both sides of this con-
2 troversy presented openly in any meeting of a realtors group
3 Although many groups and organizations have flooded the
4 realtors and boards with information, this has been denounced
5 as Socialist propaganda by some members of the controlling
6 group.

7 My realtor colleagues should not be written off as
8 a lost cause. As I have previously said, the vast majority are
9 highly ethical men of good will who will respect the truth if
10 they can get it.

2 11 The Association should be encouraged to self-help
12 educational methods. It is the realtor who needs the educa-
13 tion. Realtors should be asked to serve on local community
14 projects involving housing for minorities.

15 Association with other well meaning groups is bound
16 to broaden the realtors' attitude. The tests to qualify for
17 the real estate salesman and brokers' examinations should have
18 comprehensive questions regarding minority housing problems.
19 The new people coming into the business should be prepared to
20 face facts.

21 I am not sure that I have contributed anything of
22 real value to this committee today, but I hope the realtors in
23 attendance here will be willing to try a positive approach as
24 an alternative to the rear guard action we are now engaged in.

25 The greatest and most lasting contribution that can

1 be made in the field of housing for all Americans can best be
2 accomplished by those people who earn their livelihood in
3 real estate.

4 Encourage him. He is your local realtor.

5 That is all I have to say, gentlemen and ladies.

6 JUDGE DREWES: Further questions?

7 MR. MONTGOMERY: I have one.

8 Mr. Arnold, how widespread is the practice of res-
9 tricted listing or to show the Caucasians only in the use of
10 this multiple-listing system you mentioned?

11 MR. ARNOLD: Actually, in the Berkeley Realty Board,
12 there is, you might say, a gentleman's agreement to keep
13 minority groups restricted to certain areas. In the West
14 Contra Costa Board, of which I am a member, too, I think this
15 is pretty well understood there.

16 However, there have been cases where homes have been
17 shown to Negroes and have been sold without any difficulty at
18 all. I don't think there is a direct conspiracy by officials
19 of the Board. It seems to be a gentleman's agreement on the
20 part of the participants, the participating realtors, not to
21 engage in integrating neighborhoods.

22 MR. MONTGOMERY: As a broker, do you feel this atti-
23 tude is one that the broker takes upon himself to foster or
24 does he believe that the property owner wants him to act in
25 this manner?

1 **MR. ARNOLD:** I think the broker almost always
2 initiates this practice. This is my feeling.

3 **JUDGE DREWS:** You were present, I think, this morning
4 when Mr. Eichler said that he had discussed the problems with
5 which we are concerned on many occasions with brokers, and he
6 has never yet met one who could clearly articulate where his
7 own best interest lay in this particular regard.

8 Do you care to comment on that?

9 **MR. ARNOLD:** Actually, without having the facts
10 before me, I believe we are involved in a political situation
11 regarding the California Real Estate Association. I honestly
12 believe our Board has been taken over by some extreme people,
13 and without evidence that I could justly present here -- it
14 is more of a political situation, and I think an economic
15 situation or belief that the realty board is going to be
16 damaged by integration.

17 They feel that their position is not understood by
18 the present administration and, consequently, they not only
19 want to change the present administration, but they would like
20 to embarrass it as much as possible.

21 That is what I honestly believe.

22 **JUDGE DREWS:** What about the typical broker, does
23 he think in political terms or economic terms in connection
24 with these practices?

25 **MR. ARNOLD:** Actually, I don't believe the broker

1 gets too involved in political activities, but actually the
2 typical broker doesn't get involved in the politics within
3 the California Real Estate Association.

4 This information that is passed on to us, what I
5 call brainwashing, is formulated by the executive group who
6 obviously have some political ideas of their own, and I think
7 it is pretty much accepted by the average broker that this
8 is where their best interests lay, and I don't honestly think
9 that the average real estate person is too concerned with
10 political affairs, although we are a conservative group.

11 I don't think we are very demonstrative in politi-
12 cal activities.

13 BISHOP PIKE: Might I ask, in connection with this
14 last answer, when you say the extreme persons who have gained
15 control, you mean of the C.R.E.A.?

16 MR. ARNOLD: Right, I mean the California Real
17 Estate Association.

18 MR. REINHARDT: May I just ask about the problem
19 with your local board?

20 You are a member of the Berkeley Board?

21 MR. ARNOLD: Berkeley, and West Contra Costa.

22 MR. REINHARDT: Are there Negro members of the
23 Berkeley Board?

24 MR. ARNOLD: We have one Negro member that was
25 admitted, I think, about three years ago, due to influence,

1 I believe, of the Attorney General's Office, if I am not
2 mistaken.

3 MR. REINHARDT: Do you attend the meetings of your
4 local Board?

5 MR. ARNOLD: I try to attend most of the meetings
6 of the local Board. I should say the general meetings I
7 haven't been going too often, but I try to attend the Board
8 of Directors meetings.

9 MR. REINHARDT: Mrs. Slaughter testified this morning
10 and told us the application of her agency for membership in
11 the Berkeley Board had been turned down.

12 Are you familiar with that matter?

13 MR. ARNOLD: Oh, yes.

14 MR. REINHARDT: Was there a discussion in the Berkeley
15 Board about that, an open discussion?

16 MR. ARNOLD: Yes, there was. I was not at the exact
17 meeting where her application was turned down, but her appli-
18 cation had been tabled for several meetings, and it was dis-
19 cussed that they were investigating whether activities might
20 be with C.O.R.E. due to the fact that C.O.R.E. rented some
21 little building in back of her office, or something to that
22 effect, and I think that this might be part of the reason why
23 they are concerned, and I think the fact that Mrs. Slaughter
24 has an integrated office is another reason, too.

25 MR. DYMALLY: Do you think that legislation to

1 correct some of these practices, such as having racial iden-
2 tification on the multiple listing would help correct this
3 situation?

4 MR. ARNOLD: I think many things would help correct
5 the situation. I think the most important thing we have to
6 do is to get to the individual realtors and get information
7 to them, what I call the facts of life, which is generally
8 the situation.

9 They must be aware of the surveys and the educational
10 material that will help them make up their own minds. We have
11 nothing in our libraries at any of the realty boards that
12 even discuss problems or theories of race and property. The
13 only thing we hear are negative things about integration,
14 and because we are licensed by the public I think we owe the
15 public something.

16 I think the term "realtor" is a registered trade-
17 mark or copied name. It is protected by the people, and I
18 think we owe the people something.

19 MR. DYMALLY: One observation. We had a bill to
20 eliminate the term "realtor" from the Code, but we found in
21 the Senate that they were so anxious to have it eliminated,
22 the C.R.E.A., that we thought we ought to keep it because
23 there must be some reason.

24 Our conclusion was that they feel now that it is in
25 the Code, that the State has some kind of legal jurisdiction

1 over this term, and might take them into Court, but if they
2 eliminate it from the Code and the State can't say anything
3 about it, so as a result of which the bill almost passed the
4 Senate, and we stopped it.

5 At any time they oppose us, we will bring back the
6 bill. As long as they are supporting us, I think we ought
7 to keep it that way.

8 (Laughter.)

9 MR. ARNOLD: In the Real Estate Code, there is pro-
10 tection for the term "realtor." If it is used by a non-realtor,
11 I think a person's license is in jeopardy. This is certainly
12 something that should be investigated, too.

13 MR. REINHARDT: We did ask the Attorney-General at
14 our Los Angeles meeting whether he didn't feel having that
15 term in the Code meant that the Realty Boards had a duty to
16 apply the term fairly without discrimination.

17 I am still somewhat at a loss to understand his
18 answer that this was a matter for private litigation. He did
19 indicate, I recall, however, that he felt if it were tested
20 through privately, private litigation, that possibly the
21 result that Mr. Dymally suggests would be the result, that if
22 they do take advantage of a term the benefits which they
23 secure under a state statute, then it might have to be applied
24 equally.

25 I think the private litigation is now in progress.

1 Whether or not the State could take action also is a different
2 question, but as a result of the Los Angeles suit, and perhaps
3 the suit Mrs. Slaughter is bringing, I think we should have
4 a determination as to whether the State statute supported by
5 the term "realtor" does carry the obligations with it.

6 I would certainly think it would.

7 MR. ARNOLD: I would certainly agree with you.

8 JUDGE DREWES: Further questions?

9 (No response.)

10 JUDGE DREWES: Thank you, Mr. Arnold.

11 BISHOP PIKE: Thank you very much.

12 JUDGE DREWES: We appreciate your being with us.

13 Mr. Clive Graham.

14 STATEMENT OF CLIVE GRAHAM
15 Fair Employment Practice Commission
16 State of California

17 MR. GRAHAM: Mr. Chairman.

18 JUDGE DREWES: Nice to have you with us.

19 I understand you are a member of the Fair Employment
20 Practice Commission of the State of California.

21 MR. GRAHAM: That is correct.

22 JUDGE DREWES: And a realtor?

23 MR. GRAHAM: Yes.

24 JUDGE DREWES: And former president of the C.R.E.A.

25 MR. GRAHAM: That is correct.

JUDGE DREWES: Nice to have you.

1 MR. GRAHAM: Thank you. I am delighted to be here,
2 and my position is somewhat unusual in that I do get most of
3 the literature that is sent out from both C.R.E.A. and, of
4 course, I am aware of the things that are happening as far as
5 the F.E.P.C. is concerned.

6 I am going to take advantage of one of the phrases
7 in the letter that I received about the area related to this
8 problem, rather than a specific problem and dealing probably
9 with what the proponents are doing to promote the initiative.

10 Some of these things I am sure you are aware of,
11 but probably from the point of recipient and a member in the
12 Association and how we are receiving the material, and how
13 they obtain their financial support; the ones supporting the
14 initiative, and then in a general discussion what has the
15 realtor with an open mind learned since September 1963, when
16 the State Association agreed to circulate the petition.

17 So, first of all, they are organizing and providing
18 a speaker service for boards and groups, and some of the
19 speakers that are continuing on, of course, are very busy.
20 Recently a Southland newspaper stated that one of the realtors
21 was making a speech at a breakfast and a luncheon and a
22 dinner, in the same day, and then they added, "The bigger the
23 bigot, the busier the bee."

24 (Laughter.)

25 So you can see, "The bigger the bigot, the busier

1 they really are."

2 Press releases are coming from the California Real
3 Estate Association or, rather, from the Committee for Home
4 Protection, which was supposed to have been set up for
5 supporting the initiative and promoting the passage of it. I
6 have just received a California Real Estate Association News
7 Service from the meetings that are being held in Chicago now.
8 Now the seminar that was held for the executives all over the
9 country, why, they brought counsel for the Michigan Real
10 Estate Association to speak to them.

11 Of course, this is the type of thing that slanted
12 in the general direction of the big bad wolf that is taking
13 over the entire country and slanted that direction, and this
14 is picked up and quoted by our executive vice-president to be
15 disseminated here in California.

16 This will go to all of the directors, all of the past
17 presidents, of course, all the boards and presidents and secre-
18 taries, I am sure, as well as the newspapers, so it gets pretty
19 wide coverage in that respect.

20 I have another news release that goes to the direc-
21 tors of N.A.R.E.B., and our president of the National
22 Association is going to say tomorrow night, make this statement
23 at a dinner, "A dramatic turn of public opinion in the nation
24 against the forced housing laws adopted or proposed by a
number of states and cities were reported here last night by

1 Ed Mendenhall, whose home is High Point, North Carolina."

2 So it goes with the same type of thing, the trans-
3 parency we read in all of these, but these are picked up,
4 these little statements are picked up and used where they can
5 find any outlet for them at all. Publishing pamphlets --
6 now, this is the one effort, and I am going to leave some of
7 these with the committee in the event they haven't seen it,
8 but this, "Protect your home, Yes," is the only publication
9 that I have seen from the committee for home protection, and
10 this in itself is probably as great a fraud and misrepresen-
11 tation of facts that has been forced on the people of the
12 State of California in a long time.

13 If a licensee were to describe a property in the
14 same manner that we have described the facts here, why, he
15 would be out of business in short order, but I think this is
16 something you will be interested in seeing. It is completely
17 distorted in every respect.

18 They are continual, "Protect your home," and
19 throughout it, it talks about the home owner and what it is
20 going to do for the home owner, in practically all of these
21 instances, so this one is really vicious.

22 Now, the California Real Estate Association under
23 their banner has developed this little pamphlet and this is
24 "Freedom of Choice versus Forced Housing."

25 While this deals with more facts, there are only

1 two or three instances in it where it has completely twisted
2 the Rumford Act around to fit that, so I am going to leave
3 most of these with you.

4 If there are some questions on these, we can discuss
5 it after a while. Without any written directive -- there was
6 something that came out in the very beginning, right after the
7 convention in Los Angeles in '63, where the directors agreed
8 to support the initiative.

9 There was a directive that came out that asked the
10 boards not to hear any speakers opposing the initiative until
11 it had a chance to do some screening.

12 Well, there has been nothing come out that has con-
13 tradicted that in the meantime, and because it did receive
14 quite a bit of publicity, why, I don't think anything will be
15 coming out prohibiting speakers from appearing on the other
16 side of the question, except at local board option.

17 There is sort of a discussion that goes on at most
18 of the seminars or meetings that it is just prohibited on the
19 local level, so you are not hearing the story as Mr. Arnold
20 mentioned. You can get up, and I attend all of my local meet-
21 ings, and say just about anything you want to say in favor
22 of initiative, regardless of any facts, and you just meet with
23 all sorts of applause.

24 It is just terrific, but if anyone even attempts to
25 say something on the other side, why, they certainly receive

1 the wrong kind of a reception in a hurry in most cases. There
2 are a few exceptions the judicial board has taken a pretty
3 firm stand, and they are hearing a little bit about both
4 sides, but I think you probably would be interested in knowing
5 how they obtain their financial support.

6 They solicit the members of the local real estate
7 board for contributions to the Committee for Home Protection.
8 The money is supposed to be paid to the Committee for Home
9 Protection, and some local boards have organized teams to
10 solicit the home owners, and again they are using the same
11 type of misstatements, the same kind of carelessness in obtain-
12 ing these funds they used in obtaining the signatures on the
13 ballots on the initiative in the first place, so it is with-
14 out regard in that respect.

15 People have contributed to this that I know. I have
16 talked to them later, and they said, "Yes, I gave something,
17 but do you know what the person said to me?"

18 And so they make these ridiculous statements to the
19 people. A lot of it is being obtained on that basis, too.
20 However, they are getting a great deal of criticism from the
21 members themselves in the manner in which they handle it. It
22 goes from hand to hand without any receipts or without any
23 accounting or auditing at the local level, and usually is just
24 delivered to the C.R.E.A. in just any form they happened to
25 have it in their pocket at the time.

1 They are in great need of funds, and now the local
2 boards -- they are leaving it largely up to the local boards
3 to institute their own program, setting a quota based upon the
4 number of members in their board.

5 Why, they will ask the board to institute some sort
6 of program to raise funds based upon that. I am not certain
7 how many boards have met their quota. They probably never
8 will because the quota keeps going. They are on the second
9 ground now, and they are asking people for the second time
10 to come in and renew all of their efforts, claiming that the
11 tremendous legal expense is the thing that is siphoning off
12 most of the money and, consequently, they have a P.R. man
13 that is really suffering at this point in being able to have
14 more pamphlets and more information to put out, so that part
15 of the work is the reason why they are not getting the complete
16 coverage in the newspapers and getting all of the material that
17 they would like to have to support this.

18 I feel that the realtor with an open mind has learned
19 a lot of things since September 1963, and that is when our
20 State Association almost unanimously voted to quietly go about
21 letting people decide whether or not they were in favor of the
22 Rumford Act.

23 Number one, the realtor has found out this, that the
24 leaders miscalculated on the expenses involved.

25 Number two, the leaders miscalculated on the

1 opposition and, three, the leaders miscalculated on the
2 language of the initiative, and more and more are learning of
3 the weaknesses and inconsistencies of the initiative itself.

4 Now, we are talking about the general run of fellow
5 that hasn't been involved in this thing one way or the other.

6 Five, more and more are becoming aware of the moral
7 issue and, six, more and more are becoming aware of the bene-
8 fits derived from an open and free market.

9 Seven, more and more are becoming acquainted with
10 the workings of the Rumford Act, and they see the true bene-
11 fits and effects on the housing market. They can actually
12 see this in practice.

13 Eight, a few realize now that if the realtors had
14 taken a firm position years ago in housing, we would have
15 solved the problem of defacto segregation in schools and con-
16 tributed greatly to the total problem of equal opportunity.

17 I don't mean to infer the majority of realtors were
18 doing an about face, but even realtors eventually recognize
19 the situation.

20 So, therefore, the time between now and November
21 will be in favor of fair housing if the initiative lasts that
22 long, so if there are some questions I could be helpful in
23 answering, I would be very delighted to do so.

24 DR. PHILLIPS: On that question of finance, I have
25 friends who feel that this enormous expense has been met in

1 part by outside money. Have you any ideas on that?

2 MR. GRAHAM: I have heard of one fairly sizeable
3 contribution made here in the North. I don't know who made it,
4 but this was in the San Francisco area. That is the only one
5 I know of from an outside source.

6 DR. PHILLIPS: One other question. This is rather
7 personal. I should have really asked it of Mrs. Slaughter
8 this morning.

9 I have been wondering what sort of pressure, what
10 harassment comes to folks like you and Mrs. Slaughter who
11 don't run with your crowd, to use that expression.

12 Now, I know from what some folks have told me they
13 have had pressure. In what form does it take?

14 MR. GRAHAM: Well, this was, I think, first common
15 knowledge to the industry that I was not with them on this in
16 San Diego at the annual meeting, and almost immediately a lot
17 of my friends were asking other friends, "What can we do for
18 poor Clive?"

19 (Laughter.)

20 And a lot of people were afraid to speak to me, and
21 so, consequently, you are standing alone for a while but, oddly
22 enough, at that time they just thought the entire world was
23 with them in this, and since then they are realizing that it
24 certainly is a divided issue, and more and more I find at
25 state meetings, and at local board level, why, I have more and

1 more people sitting at my table, and some of them actually
2 wanting to be identified along with our side.

3 That is why I say more and more people are under-
4 standing a lot more about it now than they dreamed was
5 involved.

6 MR. HAMMER: Commissioner Graham, are you also
7 active in the National Association of the Real Estate Board?

8 MR. GRAHAM: Yes.

9 MR. HAMMER: Has the National Association taken a
10 position on legislation of this kind through the years?

11 MR. GRAHAM: No, except in a general way, in their
12 general statements that they are protecting the rights of the
13 property owner, and that type of thing.

14 However, the State Association Committee has formu-
15 lated or has put together a kit of what is being done on so-
16 called forced housing in all of the states, and this is being
17 made available to the various people that are interested in
18 the states to see what is being done in the various states
19 that have met this problem.

20 There is a general statement, and this president,
21 while the president last year of N.A.R.E.B. completely avoided
22 getting involved in this type of thing, this one has made
23 statements that are certainly emanating from the press release
24 area of N.A.R.E.B. but, however, unless there is action being
25 taken today in Chicago, why, there is nothing in there to have

1 them actually step into this.

2 They feel this is something that should be con-
3 ducted on the state level, and that N.A.R.E.B. shouldn't be
4 in it except to make available all the information on what
5 other states are doing.

6 MR. HAMMER: Are you aware of campaigns in other
7 states similar to the one that is occurring in California?

8 MR. GRAHAM: Yes. The N.A.R.E.B. president will say
9 tomorrow night, will express confidence that the voters of
10 Illinois and California will express their resounding accord
11 when they cast their ballots on upcoming referendum on the
12 same subject.

13 I don't know, but I believe the one in Illinois is
14 a referendum and not an initiative.

15 MR. REINHARDT: In Illinois, by the way, I think
16 they had the same experience you mentioned here. I have for-
17 gotten the name -- the Committee for Home Protection.

18 In Illinois, the ad started out under the name of
19 the Committee for Home Protection.

20 I heard a radio broadcast the other day. I think it
21 was a series CBS has been doing on this subject. They said
22 when you call the telephone number listed for the Committee
23 for Home Protection, you get the Illinois Real Estate
24 Association, so apparently they are using the same front group
25 name here and in Illinois, but in both instances all they use

1 is the name and they just use the address, phone number,
2 offices of the real estate association.

3 MR. GRAHAM: They may have a different telephone
4 number, and it is down the hall, of course, keeping it
5 separate, but Mr. Wilson, our immediate past president, you
6 see, is the chairman of this, so that would be enough associa-
7 tion to put us in the same family with them anyway.

8 I don't want to say this, though, that having an
9 opportunity to see the method in which F.E.B.C. works on these
10 housing cases, I am more convinced than ever that if more
11 realtors could and were exposed to the true functioning and
12 the true experiences, they would see that this is a tremendous
13 role they could play as negotiators.

14 This is our whole business, negotiating and concilia-
15 tion between the buyer and seller, but in this case, between
16 the complainant and respondent, and from the success we have
17 had from these, you can't possibly measure the success of the
18 agency with the number of complaints, because we know of case
19 after case.

20 Now, a lot of people are law-abiding citizens, and
21 it is the law, and they are going to go along with it. We
22 are having case after case of where we are hearing about these
23 things, and they want to know if it was because they had been
24 told by the F.E.P.C. to move the people in.

25 The landlord in many instances is saying no. It

1 happens to be the law. I know a lot of banks that have
2 issued their policies. We have had consultations with some
3 of the larger banks and property management in types to where
4 it is widespread, and a directive goes out from the bank, and
5 believe me it is open occupancy in its truest form. I know
6 that.

5 7 MR. HAMMER: We have heard from a number of speakers
8 today on that point, at least more than yourself, that there
9 is a serious problem of misinformation or miseducation of
10 individual realtors, that somehow they are not informed of
11 what is the issue.

12 How, from your experience in this industry, does
13 one get through to individual realtors? What should be done
14 by public agencies and citizens group?

15 MR. GRAHAM: We are making every attempt to have
16 them engage in a debate in their own communities. However, it
17 is difficult to get them into the board itself, but when you
18 do, why, you at least get to discuss some of the real issues.

19 We are hopeful we can get a directive coming from
20 the committee of the California Real Estate Association
21 advising all of the boards to open it up, and invite people
22 in that have a different point of view, shame them into it,
23 if nothing else.

24 MR. DYMALLY: Do you think there is a need for some
25 more basic education on the part of the real estate broker,

1 other than high school graduation is not enough to hold a
2 broker's license?

3 MR. GRAHAM: No. I don't think that is necessary
4 or related to this problem. However, by and large, the
5 licensee that is not involved in board politics or board
6 offices, that is just running his business and working in the
7 field, we find in our area which we do a little business in
8 Orange County and in the southern part of Long Beach, Los
9 Angeles County, outside of the Southwest Branch, we do find
10 that our salesmen are working within the law and have been for
11 a number of years..

12 Now, when we have open houses, there is no problem,
13 and there is no problem in showing it any more. The public
14 in most areas, and especially in ours, has accepted the fact
15 this is the law, and no longer are you considered unique by
16 the mere fact you happen to have in your car a Negro or
17 Mexican-American or Japanese-American, or anyone else.

18 MR. DYMALLY: There has been a lot of reference here
19 to this question of education. I get the impression that
20 real estate brokers are not very well educated.

21 (Laughter.)

22 They don't seem to understand human relations, and
23 they don't seem to understand the law. Maybe they need to
24 have a higher quality of education, be more prepared on some
25 of the basic sciences and arts before they hold a broker's

1 license.

2 MR. GRAHAM: I was serving on President Consor's
3 advisory committee at the Real Estate Commission when we dis-
4 cussed this at great length, and he was opposed to us putting
5 in eventhe high school requirement, and he thought it should
6 be left absolutejyopen, because he thought the real estate
7 industry was allowing itself to be criticized for setting a
8 standard at that level, or any level, as far as that goes.

9 He pointed out the university does not have that.

10 There are a few exceptions that come in without
11 academic training, but nevertheless he felt this was a mistake,
12 so maybe since they have set a level that you are right, maybe
13 it could be pushed up the ladder and made more effective.

14 MR. BECKER: Mr. Graham, in Mr. Shaddock's testimony
15 in Los Angeles, he said, of course, the standards for getting
16 a license had been increased, that when he got a license all
17 that it was necessary to do was to pay ten dollars. This is
18 quite a few years ago.

19 Do you think that we should examine -- I am talking
20 now about the licensing apparatus -- the proposition of occa-
21 sional re-examination of licensees in order to see whether
22 they are keeping up with the new laws enacted, so if someone
23 who came in on ten dollars thirty years ago shouldn't neces-
24 sarilybe presumed to be acquainted with thirgs like the
25 Runford Fair Housing Act.

1 MR. GRAHAM: Well, frankly, I don't know. I would
2 have to give that a lot of thought. Did he feel they should

3 MR. BECKER: No.

4 (Laughter.)

5 MR. GRAHAM: I am not sure that I would -- we are
6 certainly doing everything we can do on a voluntary basis to
7 encourage the people to attend all of the conferences, and
8 there are designations being given to these people that will
9 specialize in certain fields in order to stimulate their up-
10 grading their business, but this other point is one that will
11 be --

12 BISHOP PIKE: I would be very nervous about that.
13 I would hate now, for example, to take even my bar examina-
14 tions or my theological examinations.

15 (Laughter.)

16 MRS. KUCHMAN: I suppose the matter of education is
17 helping. We assume education does, but yet I hope we will
18 remember what Charles Dickens said in his attempt to indicate
19 that he thought educated people would then know right from
20 wrong, but to his dismay he learned that education doesn't
21 make you choose the right way.

22 I think in this area is one not only of ration but
23 emotion, that education at the level where the broker operates
24 is not the only answer.

25 MR. GRAHAM: I think when I refer to education here,

1 is education on this subject, and in that broad term that they
2 need to be educated to what relevant facts are involved.

3 DR. PHILLIPS: Mr. Wilson, whose name appears often
4 in these hearings, was formerly associated with Mrs. Kuchman
5 and myself, and we had something to do with his college edu-
6 cation.

7 (Laughter.)

8 He is a grand person, personally. This is a grand
9 person, from a fine family, but here -- well, something...

10 MR. GRAHAM: I understand how they feel, truly, I
11 do. They have placed a big shroud around the property itself,
12 and they are just going all out and to any extreme, and Mr.
13 Shaddock has made this statement, "This is a fight, and we
14 will do anything to win."

15 JUDGE DREWES: I was going to ask you that,
16 Commissioner.

17 Why does such a substantial portion of the industry
18 feel that segregated housing somehow is in its best interest?
19 What is the identification between this kind of approach and
20 the real estate industry?

21 Does it restrict the market, in fact?

22 MR. GRAHAM: No. In practically every release, and
23 here, too, they say in it if you just separate the paragraph
24 before it or following it, they make the statement that the
25 end is highly desirable, that we are all seeking, it is the

1 method of achieving it, and I think that they will always make
2 the statement in practically every release I have read.

3 I could take that out and I could say it very nicely
4 anyplace at all, and it would be just the proper thing to say,
5 but then when they throw it into centralized government --
6 this is the peculiar thing, you hear so much about they are
7 fighting centralized government.

8 California is the leader in developing a division
9 exactly like the Fair Employment Practices Commission, and
10 through our lobbying and legislative work we have been able
11 to create a licensig law pattern for all of the states. We
12 were one of the very first states to have a licensing law, and
13 we went out, and we sold it to the nation.

14 We got all of the states. We finally succeeded, I
15 think, just last year in getting the last two states to adopt
16 the licensing law, and we are constantly going back to the
17 Legislature and asking for more things to make it more res-
18 trictive on our people that are operating in here for the
19 protection of the public.

20 We should have started in a good many years ago if
21 this is the thing we are talking about in that field.

22 MRS. KUCHMAN: Mr. Graham, you comment upon some of
23 the things that were in this little booklet that has an eagle
24 on it, and how in error they were.

25 I think you ought to know on the front of that is a

1 quotation from Judge Irving Perluss, who is a Sacramento judge,
2 and if I am not mistaken this probably was lifted from his
3 Judicial Order, at which time he ruled against the Sacramento
4 City School District and ordered a racial balance to be
5 created in a new junior high school set-up.

6 So I would think this was being lifted, and is being
7 used in quite --

8 MR. REINHARDT: Before you rely on that, I don't
9 think that is what it is lifted from.

10 MRS. KUCHMAN: Is that right? I am glad to know,
11 because I thought perhaps it was.

12 MR. REINHARDT: Judge Perluss is a very outstanding
13 liberal judge who I am sure is wholeheartedly opposed to the
14 initiative, and I am sure he would be very distressed to learn
15 that his name is being used on a pamphlet supporting the
16 initiative.

17 However, he was asked to rule on the question of the
18 constitutionality of placing the initiative on the ballot. As
19 a Superior Court Judge, I think it is clear he didn't have
20 any alternative but to say under the present state of the law
21 it was constitutional, and really it is a problem that would'
22 have to be finally resolved by the Supreme Court of California
23 where it is now pending.

24 I would be fairly sure this statement comes from his
25 lower court ruling on that question.

1 **MR. DYMALLY:** His position was that even if there
2 were, even if this was unconstitutional, the people had a
3 right to vote on it.

4 He did not want to pass judgment on the constitu-
5 tionality, but it was not in support as they would imply here
6 on initiative.

7 **MR. REINHARDT:** Yes. When we are discussing this,
8 "Is it fundamental in our democratic society, the rights of
9 people are reserved to them, must always be jealously guarded,"
10 they are implying that he, of course, is denying this, but
11 our interpretation --

12 **JUDGE DREWES:** Well, this makes it seem the right
13 he is talking about is the right related to private property.
14 The right he is talking about is the right to vote on an issue.

15 **MR. REINHARDT:** He made the ruling before it was on
16 the ballot, and he thought it should be qualified before they
17 even got into it. It was on the basis such as that he denied
18 the registrar from taking the vote.

19 **JUDGE DREWES:** This is certainly a perfect veridion of
20 his philosophy in what he was saying.

21 **MR. GRAHAM:** I think the only thing they have stated
22 accurately is the language on the initiative. For instance,
23 this entire second page, "Is this initiative constitutional?"

24 This was printed after the initiative was on the
25 ballot, and here they devote an entire article here citing

1 Article 1, and why they ever put this on here, I don't know,
2 when acquiring is your key word and the first word of the
3 things guaranteed to you under Article 1; and then Article 4;
4 and then they throw in these other remarks on Judge Perluss.
5 This entire page was something that shouldn't have been sent,
6 but now the realtors are learning, though, the home owner, if
7 he is exempt now, will not be in any different position after
8 the initiative if it were to pass.

9 He is learning, also, that they are not even involved
10 in this one way or the other, and if the initiative does pass
11 those who publicly assist in financing will not be exempt
12 under the initiative, and so it all boils down we are talking
13 about the landlord and practices that are not right.

14 It is a small area that is making a lot of them very
15 unhappy.

16 DR. CARREON: Commissioner Graham, from all that
17 has been said implies a lot of education is needed among
18 realtors, which we grant.

19 By the same token, if there were to be an election
20 tomorrow, is it your opinion that the initiative would win and,
21 if so, is it necessary then to education the public and, if so,
22 what is the F.E.P.C. doing about it?

23 You are on both sides of the fence, apparently.

24 MR. GRAHAM: Well, the first part of the question,
25 if the election were tomorrow, I believe the initiative would

1 win because there are too many people uninformed. Then we
2 say again, what is the F.E.P.C. doing about it? I think
3 everyone in the Division itself are working overtime and
4 engaged in speaking engagements.

5 I am rushing back to one tonight. We have, I think,
6 one every night this week, and this is on their own time, the
7 consultants, the staff and everyone else.

8 They call for someone to speak on the subject, so
9 they are doing everything they can, but you are absolutely
10 right. We are doing everything we can to appear before groups.
11 We are limited as to budget, as to what we can do with the
12 publication.

13 We do have a very fine fact sheet of questions and
14 answers on the Rumford Act, but we are not fighting the initia-
15 tive, as such. This is something we have to do on our own time,
16 and at our own discretion.

17 MR. MONTGOMERY: I have this one short question, Mr.
18 Chairman.

19 Mr. Graham, in your experience as a broker, do you
20 find that the restricted listing is a widespread practice
21 among various realty boards, or is it just a minor segment of
22 your entire overall listing system?

23 MR. GRAHAM: I would say it is minor, very minor.

24 MR. MONTGOMERY: Is it placed there by the broker
25 himself, or do you feel he is motivated by the property owner

1 to put this type of thing, for example, we had this morning,
2 "Show to Caucasians or show to Orientals only."

3 MR. GRAHAM: I didn't hear this testimony this
4 morning, but many offices have the policy they will not have
5 a restricted license, number one.

6 BISHOP PIKE: Restricted listing.

7 MR. GRAHAM: Yes, restricted listing.

8 Two, the salesman and the broker, if given an oppor-
9 tunity, unless he is really a bigot, can function much better
10 in an open and free market. There should be no restriction on
11 him whatsoever, and the seller selling a home to the highest
12 and best price, and the broader we can make the exposure and
13 the broader we can make the market, the higher price, and more
14 nearly he is going to receive value for his property.

15 If we have to narrow the buyer down to a member of
16 a church, we will say, because it is nearer, well, the man
17 will probably get 25 per cent and maybe less than his value,
18 and even lower.

19 JUDGE DREWES: That was the point I was trying to
20 make a moment ago. If this is so, why does such a substantial
21 segment of the industry want it otherwise?

22 MR. GRAHAM: I think it is like Mr. Arnold said, we
23 do have some leaders that have gotten themselves out into a
24 position here where they are committed to this thing, and they
25 are going along with it, believing that this is a right that

1 the property owner should have.

2 We had a man several years ago, eight or ten years
3 ago, in the National Association, that wanted N.A.R.E.B. to
4 take a stand on this, and he had some support, but not enough,
5 apparently, for us to do something about it.

6 So the Rumford Act has been made to appear such a
7 tremendous club over everyone's head that they just haven't
8 begun to realize that it is not.

9 JUDGE DREWES: Mr. Commissioner, this doesn't have,
10 if I understand it correctly, this kind of immediacy, as I
11 see it.

12 It came to my attention recently that as long ago as
13 1948 some officer of the C.R.E.A. was advocating that the
14 Federal Constitution be amended to overrule the Supreme
15 Court's decision on restricted covenant.

16 There has been this kind of thinking apparently held
17 by a substantial segment of the industry for a long, long time.

18 MR. GRAHAM: Well, this is true. We really and
19 firmly believe right down to the grass roots of the organiza-
20 tion that the home is everything, and we want to protect it.

21 However, that was the president of the Los Angeles
22 Realty Board, and he wasn't a national officer at the time,
23 but nevertheless he carried the message back, and I am sure he
24 reflected the general opinion of everyone in that regard.

25 In light of that, we can see how ridiculous it is

1 now, and by the same amount of forecast we should be able to
2 see where we are going to end up with this.

3 MR. BECKER: I wanted to respond a little bit to the
4 question Dr. Carreon put to Mr. Graham, and that is I hope we
5 don't convey the impression the only educational work which
6 needs to be done should be done by the F.E.P.C., and that
7 this committee and its members are exempt from that respon-
8 sibility.

9 BISHOP PIKE: Thank you.

10 DR. CARREON: I knew what answers he was going to
11 give. I just wanted to get them on the record.

12 FATHER KENNARD: I would like to ask Mr. Graham if
13 possibly a motive, subconscious perhaps, of realtors might
14 be that since realtors don't build homes, they only sell them,
15 the more often existing homes are sold, the more commissions
16 realtors pick up and, therefore, if there is high residential
17 mobility, white people moving out at the slightest scare, and
18 their homes becoming available at the fringes of the neighbor-
19 hood, isn't this in general, this flight from the central
20 cities, to the suburbs, a pattern of high residential mobility
21 in which the realtor stands to profit more than he would if
22 people realized more neighborhoods were going to be more or
23 less integrated and would, therefore, settle down and not sell
24 their homes as often?

25 Isn't that possible a financial motive underlying this

1 whole attempt to keep the present pattern?

2 MR. GRAHAM: No, I wouldn't say that was underlying
3 the entire -- I don't think a lot of people have thought that
4 far ahead.

5 (Laughter.)

6 I think we have to -- each time that there is a
7 sale, there is an impelling reason for it. The seller has
8 some reason. He is either going up the ladder or going down,
9 or he is moving or has lost his job. There is always some-
10 thing.

11 Practically every listing you take, the reason for
12 selling is the most important reason why you should take the
13 listing, number one, and that reason is one, and they have
14 gone on record as opposing block-busting.

15 There are people that do that type of thing wherever
16 they possibly can, but I am sure they haven't begun -- this
17 has not reached proportions of overall financial gain to the
18 individual realtors. They really feel differently than that,
19 I am sure.

20 FATHER KENNARD: One reason I asked that, this
21 morning we had testimony which seemed to indicate that as
22 soon as the school population began to reach a certain per-
23 centage of minority students, that then people began to move
24 out of the neighborhood, so that a very impelling motive for
25 going elsewhere, buying a home elsewhere, is the school

1 pattern, and that means, therefore, that where this motive
2 obtains there will be one additional motive for selling your
3 present home and buying another one.

4 MR. GRAHAM: I can see where there would be instances
5 and areas that would fall in that category, but talking about
6 the larger cities, they are pretty well developed, and their
7 areas are outlined, defined.

8 MR. DYMALLY: Isn't there some threat, then, if this
9 initiative passes to the agency agreement, that the seller
10 could say, just before the sale is concluded, "In my absolute
11 discretion, I refuse to sell," and then go over the broker,
12 all of the arrangements having been made, and sell to the
13 person directly?

14 MR. GRAHAM: You are absolutely right. The greatest
15 pastime the public has at the present time is to beat the real
16 estate agent out of his commission, and I maintain this, that,
17 of course, we have got all of these saying, "No, this is not
18 true."

19 But I maintain as we go along we will be in a very
20 precarious position if the initiative were to carry, that he
21 cannot waive his constitutional rights.

22 We have been advised it is not enforceable. While
23 now we do have an enforceable contract in our listing, and if
24 we are able to supply a purchaser we have earned our com-
25 mission whether we sell it to him or not, but in this case we

1 will not, and it will not be enforceable.

2 We can't take it to court and collect our commission.

3 However, the State Association has come out and said they
4 have been advised by their attorney they can draft such a
5 contract.

6 We haven't seen it yet.

7 JUDGE DREWES: Thank you very much, Mr. Graham. We
8 appreciate your appearing before us.

9 BISHOP PIKE: Thank you, sir.

10 JUDGE DREWES: Is Mr. Albert McKee with us?

11 MR. McKee, we are running behind time, as usual, and
12 I would appreciate it if you would summarize your remarks to
13 the extent you are able to. If you prepared a statement, you
14 can file it with us.

15 **STATEMENT OF ALBERT L. MCKEE**
16 **Realtor**
Oakland, California

17 MR. MCKEE: I have prepared a very short statement.
18 In fact, I think the greatest value I could be to you is in
19 answering your questions first as a professional broker who
20 operates the first integrated office in the Bay Area for the
21 last 11 years and, secondly, as a Negro who has been in the
22 housing market for some years.

23 Now, my statement is very short, if you want me to
24 read this.

25 JUDGE DREWES: Yes, proceed.

1 **MR. McKEE:** Members of the California Advisory
2 Committee. This statement was prepared on the questionnaire
3 you sent me, and I have just attempted to answer those ques-
4 tions.

5 Yes, there is racially segregated housing in Oakland
6 and Berkeley. These are the areas that I can speak about
7 professionally. They were created in the same manner that
8 segregated housing was created in the eastern cities.

9 One, the availability of only the oldest housing in
10 the city to minorities.

11 Two, the low down payment of minority buyers due to
12 economic discrimination.

13 Three, the discriminatory practices of real estate
14 brokers and lending institutions. The discriminatory practices
15 of the public.

16 I think that real estate sales practices have a
17 great deal of effect on the housing pattern of a city, and I
18 think that if the realtor and realtist -- I happen to be a
19 member of both organizations -- have a real responsibility in
20 this area.

21 I think that we real estate brokers may segregate or
22 desegregate a neighborhood if we decide on such a policy and
23 follow it. I think the expanded opportunity for unsegregated
24 housing in this area is a testimony to real estate brokers of
25 good will in both groups.

1 **The effect of multiple listing arrangements and**
2 **restrictive listings in maintenance of racially segregated**
3 **housing is a disasterous flow to full integration in housing.**
4 **It is an inviduous conspiracy, and I think illegal.**

5 **Some of my fellow realtors honestly disagree, and I**
6 **will fight for their right to disagree, but I will do all in**
7 **my power to defeat their ideology and practices.**

8 **I think they are dead wrong in the light of today's**
9 **public policy, as stated by our local, state and national**
10 **leaders, and by our moral and ethical standards. The speaker,**
11 **as past president of the California Association of Real**
12 **Brokers, called the first meeting of the Realtists and Realtors,**
13 **andled a continuous attack on realtors for a period of years**
14 **to achieve the integration in the realtors that is now coming**
15 **about in this area.**

16 **I have paid a severe price, as I was just admitted**
17 **to the Board this year. I felt a sense of frustratio and**
18 **bitterness. I expected to run into all kinds of chicanery and**
19 **deceit in the official policy of the Board.**

20 **I must confess as I sit here that I have found men**
21 **of good will in the realtors, and that many of my fears were**
22 **unfounded, that the light of progfess is also dawning in the**
23 **realtor's ranks.**

24 **I think that many realtors are still in the dark**
25 **ages in their apcial thinking, but as real estate brokers of**

1 good will on the outside of the Board continue to join and
2 unite with brokers of good will inside the Board, we may yet
3 lead our entire fraternity into the high noon of progress.

4 I think the realtors will set integrated housing and
5 civil rights back years by passing the initiative which is
6 designed to negate and nullify the civil rights legislation
7 which has been passed, that is to say Unruh and Rumford Bills,
8 but the damage that will be done to the organized real estate
9 profession as a result may be the proper lesson that we may
10 have to learn in order to properly prepare us for the duty
11 and responsibility of brokers and leaders in a changing world
12 of social responsibility.

13 I think that it is the responsibility of the ever-
14 increasing number of minority brokers who are becoming members
15 of the realtors to become active in the ranks and help their
16 colleagues to see the new era of integrated housing.

17 To help change some of the archaic concepts of
18 housing and to foster the notion that property rights are only
19 valuable to humans and, therefore, must never take precedence
20 over human rights.

8 21 To prove that, ethics, morality and decency are never
22 measured by color, race, or creed, but by environments and
23 education, whether formal or otherwise.

24 That nothing in integrated housing contradicts or
25 defeats the ideology of the realtor as expressed in the

1 Realtors' Creed.

2 That as a profession we must constantly remain
3 aware of changing conditions, not only in the marketplace,
4 but in the relationships of people to people. Everyone today
5 yearns for freedom, dignity, and a place in the sun.

6 I think no group or combination of groups can deny
7 individuals or groups of individuals realization of these
8 yearnings without paying a severe price for the denial. My
9 commitment for the years to come is to do my part among my
10 colleagues to place our group on the side of freedom and
11 dignity.

12 JUDGE DREWES: Thank you, Mr. McKee.

13 Are there questions?

14 What board did you say you are a member of?

15 MR. MCKEE: Well, I am a member of the Oakland Real
16 Estate Board, the California Real Estate Association, and the
17 National Association of Real Estate Brokers.

18 I am also a member of the Association of Real Property
19 Brokers, the California Association of Real Estate Brokers,
20 the National Association of Real Estate Brokers.

21 The last three organizations were organizations that
22 came into existence due to the fact that for many, many years
23 members of the minority group were not permitted to join the
24 other groups, and so we are still active.

25 JUDGE DREWES: Did I understand you to say you

1 joined the Oakland Board within just the past year?

2 MR. McKEE: Yes.

3 JUDGE DREWES: How long have you been in business?

4 MR. Mc KEE: Eleven years.

5 JUDGE DREWES: How does it happen you joined just in
6 the last year?

7 MR. McKEE: Well, my membership was not acceptable
8 for 11 years.

9 JUDGE DREWES: How many times did you apply?

10 MR. McKEE: Three times-- no, officially twice.
11 Unofficially, about six times.

12 JUDGE DREWES: Were you given the reason for your
13 application having been denied in earlier years?

14 MR. McKEE: Yes.

15 JUDGE DREWES: What was the reason?

16 MR. McKEE: I did not pass the membership committee,
17 and I was not recommended to the board of directors. That was
18 in 1945.

19 In 1960, I passed the membership committee, but I
20 did not pass the -- I didn't pass the board of directors, and
21 then I passed the membership committee twice more, and then the
22 third go-round I passed the board of directors.

23 JUDGE DREWES: How many other Negro realtors are
24 there in Oakland?

25 MR. McKEE: In the present board?

1 JUDGE E EWES: Yes.

2 MR. McKEE: I think there is about ten now.

3 JUDGE DREWES: And have they all joined within the
4 last year?

5 MR. McKEE: Yes. Actually, we have been fighting
6 to get Negroes into the Oakland Real Estate Board for a period
7 of ten years, active fight, and we have been very successful,
8 and I think the Oakland Real Estate Board has shown great
9 progress in this direction.

10 As I have said, I must confess that things were a
11 lot better inside than I expected them to be.

12 JUDGE DREWES: Do you attend meetings regularly?

13 MR. McKEE: Every meeting I know about.

14 JUDGE DREWES: Have you expressed your views on
15 initiative?

16 MR. McKEE: I think everybody who happens to know
17 me in this area knows my views.

18 JUDGE DREWES: You haven't expressed them?

19 MR. McKEE: I have constantly expressed my views.
20 If I had not expressed my views, I might have been on the board
21 eight years ago.

22 JUDGE DREWES: My point is, have you expressed them
23 since you have been on the board at meetings?

24 MR. McKEE: Constantly.

25 JUDGE DREWES: What reception did you receive?

1 MR. McKEE: Well, I think that I would have to give
2 you the history of my getting into the board.

3 MR. DREWES: I don't think we have time for that.

4 MR. McKEE: There were certain -- I think the board
5 and I have mutual respect for each other in that I feel they
6 have a right to think as they think, and I think I have a
7 right to think as I think.

8 I think we began to move forward when we stopped
9 insisting we didn't like each other.

10 I am for the initiative, and I speak for it, and
11 those on the board against initiative, they speak against it,
12 and it is still --

13 MR. BECKER: You mean vice versa.

14 MR. DYMALLY: You are for the Rumford Act.

15 MR. McKEE: I am against the initiative which would
16 nullify the civil rights legislation which we have on the
17 books, and I think that I have had some realtors who attempted
18 to put their point of view across to me, but I have an advan-
19 tage over them.

20 I have been Negro for 47 years, and I know more
21 about the housing market than they do.

22 MR. MONTGOMERY: I have this one question.

23 Mr. McKee, you alluded in your statement that there
24 was existence of some discrimination on the part of the public
25 that perhaps contributed to the maintenance of segregated

1 housing. Don't you feel that the real estate broker himself
2 is the one that is largely responsible for segregated housing
3 in your particular community?

4 MR. McKEE: I said in my paper that I feel the real
5 estate broker could create a segregated or an unsegregated
6 neighborhood. In other words, if the brokers as a group
7 decided to have a neighborhood segregated, I think they could
8 segregate it or desegregate a neighborhood.

9 However, I am not going to put all of the respon-
10 sibility of attitude on the shoulders of the broker. You
11 first have to have a prejudiced public in order for the broker
12 to operate on, and certainly the broker has been responsible
13 for being the agitator for keeping neighborhoods unsegregated
14 but you still have a certain -- a large percentage of the
15 American public that are prejudiced, even some of our
16 greatest liberals.

17 They are liberal up to a point, up to the point of
18 the Negro living next door to them, so we still have a large
19 portion of the public that is prejudiced.

20 Otherwise, if we had a run-off today, the initiative
21 would not win.

22 MR. BECKER: Mr. McKee, how many members are there
23 of the real property brokers, the realists in Oakland?

24 MR. McKEE: I would say about 30 brokers.

25 MR. BECKER: The other 20 don't want to join the

1 **Oakland Board?**

2 **MR. McKEE:** I think they are joining in ever-
3 increasing numbers. I think there has been a certain amount
4 of fear about joining the Board and, of course, people are
5 individuals.

6 There are some people who feel if they don't want
7 me, I don't want them. I would say generally, as the ranks
8 are opening as far as the Board is concerned, that other
9 Negro brokers are coming in, and I think eventually the major
10 portion of the brokers will be in the Oakland Board.

11 **BISHOP PIKE:** May I ask a question for clarification.
12 You mentioned the word realtist. Were you referring to what
13 exists in some communities a predominantly Negro, a totally
14 Negro Board?

15 That word realtist sometimes is used that way.

16 **MR. McKEE:** May I give you the official definition?
17 This word is an incorporated word, the same as realtor. The
18 National Association of Real Estate Boards, N.A.R.E.B., is
19 the official designation of Realtor.

20 The National Association of Real Estate Brokers is
21 the realtist designation, and it is incorporated, and has the
22 same type of protection nationally as realtor.

23 **BESHOP PIKE:** What is the local chapter called of
24 this realtist group?

25 **MR. McKEE:** They have individual names. For instance,

1 in this area they are called the Associated Real Property
2 Broker.

3 BISHOP PIKE: Is this the one we are talking about,
4 or are we talking about the Realty Board and the realtor
5 category?

6 MR. McKEE: I think the conversations previously
7 were concerning realtor.

8 BISHOP PIKE: That is the one you indicated there
9 were what? Did you say 30 Negro members?

10 MR. McKEE: No, no. There are not that many. As
11 far as I know, to the best of my knowledge, there are approxi-
12 mately ten Negro brokers in the Oakland Real Estate Board who
13 have either completed their probation or are in the process of
14 probation.

15 There is a six-month period of probation in the
16 Oakland Real Estate Board.

17 BISHOP PIKE: There are ten realtors, potential
18 realtors, out of how many Negro real estate operators, would
19 you think?

20 MR. McKEE: I think the last official count I knew
21 of in this area was 80. Don't take that as the figure, but as
22 I remember a couple of years ago it was about 80.

23 BISHOP PIKE: But then others belong to the other
24 group are realtists?

25 MR. McKEE: Yes.

1 BISHOP PIKE: How large a percentage do you think
2 there are in that group?

3 MR. McKEE: I think it is about 30.

4 BISHOP PIKE: Now, is the realtist group entirely
5 Negro, or are there white members, too?

6 MR. McKEE: No. It is not entirely Negro, because
7 we have some brokers who happen not to be Negro. Mrs. Slaughter
8 is a member of it, and she is not Negro.

9 As far as our constitution is concerned, it is open
10 to everybody.

11 MR. DYMALLY: It is predominantly Negro, isn't it?

12 MR. McKEE: I didn't understand you.

13 MR. DYMALLY: It is predominantly Negro, isn't it,
14 the realtist group?

15 MR. McKEE: Yes. The only reason for the existence
16 of the Associated Real Property Brokers was that we were not
17 able to get into the Oakland Real Estate Board.

18 BISHOP PIKE: Similarly, in some other professions,
19 this has happened.

20 FATHER KENNARD: Mr. McKee, you have spoken of the
21 Oakland Board, and I am happy to hear that they are becoming
22 more open to Negro brokers.

23 However, there are a number of other boards in this
24 area, the West Contra Costa Board and the Southern Alameda,
25 and the Central Contra Costa Board, there was a well publicized

1 case of a Negro broker, I think the first seeking membership
2 from Richmond in the West Contra Costa Board, recently, and
3 the reasons given for his exclusion indicated that the realtors
4 conduct a very exhaustive investigation of the whole previous
5 life of applicants.

6 I think the reason given had something to do with
7 something in his early youth.

8 Is it your experience that the identical set of
9 criteria are used in investigating prospective white realtors
10 as are used in investigating prospective Negro realtors?

11 MR. McKEE: No, no. I don't think it is any secret
12 if you belong to an organization and you want to keep somebody
13 out, you use a different set of standards, or either you
14 intensify the qualifications that you have.

15 This has been done by boards that wanted to keep
16 Negroes out. It is no secret.

17 JUDGE DREWES: Thank you very much, Mr. McKee. We
18 appreciate your being with us.

19 Is Mr. Corona with us, Mr. Bert Corona?

20 MR. RAMOS: Mr. Corona is not here, Judge, and he
21 asked me to appear in his stead.

22 JUDGE DREWES: Please do.

23 Will you identify yourself, sir.
24
25

1 **STATEMENT OF JOSE RAFAEL RAMOS**
2 **Chairman, Oakland Chapter**
3 **Mexican-American Political Association**

4 **MR. RAMOS: Yes. My name is Jose Rafael Ramos. I**
5 **am the Chairman of the Oakland Chapter of the Mexican-American**
6 **Political Association.**

7 **Mr. Bert Corona is the state secretary of the**
8 **Mexican-American Political Association.**

9 **In response to your questions which were specifically**
10 **stated at the beginning of the questionnaire which you sent**
11 **out announcing the meetings, the Mexican-American community**
12 **has not conducted a systematic survey of complaints concerning**
13 **realty practices.**

14 **However, it is the belief of most persons whom I**
15 **have talked to and who spoke at the meetings that we conducted**
16 **in order to define answers to your questions that Mexicans who**
17 **are trigueno or dark suffer the same barriers which Negroes**
18 **suffer, and the color barrier seems to cut across national**
19 **ethnic groups.**

20 **The Mexican-Americans are the largest minority in**
21 **this county outside of the principal cities of Oakland and**
22 **Berkeley, and they are the second largest minority in Berkeley**
23 **and Oakland.**

24 **Surprisingly enough, there is a large percentage of**
25 **Mexican-American home ownership in this county, larger than**
 there is among the general population. However, the median

1 value of the home is about \$1500 lower, \$13,600 compared to
2 \$16,000, and they own more deteriorating homes and twice as
3 many homes which are dilapidated.

4 Mexican-Americans live in homes which are somewhat
5 more crowded than homes generally in the county. There is
6 3.3 persons per housing unit compared with about 2.5, so
7 there is about one more person living in the Mexican-American
8 housing unit than there is among the general population.

9 Now, statistics hide a multitude of sins, and there
10 are pockets in Oakland which represent little ghettos, places
11 where the value of the property has deteriorated, where
12 Mexicans don't have enough money to keep their property up.

13 For one thing, the unemployment for Mexican-
14 Americans is about 1.6 per cent higher than the county average,
15 which is about six per cent, and that gives us an unemployment
16 rate which at times does go over eight per cent, and sometimes
17 reaches nine per cent.

18 One of the sources of this unemployment, or one of
19 the bases of this unemployment we think is the low level of
20 education. Practically only one out of five Mexican-Americans
21 is graduated from high school in this county, and nearly 50
22 per cent or half have a grade school education or less.

23 We foresee serious difficulties arising out of this.
24 In the future, it is quite likely that the Mexican-American
25 will be at the bottom of the ladder, having less education,

1 less professionals, less political power, less political
2 voice.

3 For instance, there isn't a single Mexican-American
4 on any board or commission in this county. There hasn't been
5 an elected official in this county whois of Mexican-American
6 descent until recently when several Mexican-American organiza-
7 tions got together in Union City, the southern end of the
8 county where there is a majority of Mexican-Americans, and
9 worked out a registration drive and an election drive, and
10 had a councilman elected.

11 MR. DYMALLY: What is the name of that city?

12 MR. RAMOS: Union City. That includes Alvarado and
13 Decoto.

14 The name of the councilman elected was Bernie
15 Morales, and he was elected on April 14th of this year.

16 Mexican-Americans have been moving away from the
17 older areas of Oakland, and this has resulted in a fewer number
18 of students in the elementary and junior high schools. In
19 an eight-month period between June of '63 and March of this
20 year, there were, for instance, 184 fewer elementary school
21 students and 136 fewer junior high school students.

22 There was an increase in senior high school students
23 in '63. This reflects the fact that the older families have
24 stayed in Oakland, and the younger families have moved out
25 to the southernend of the county.

1 The Mexican-American, as a group, has an ambivalent
2 attitude toward the Negro. Among the Mexican-American leader-
3 ship you will find cooperation with Negro groups, and you will
4 find, for instance, that the Oakland Chapter of MAPA endorsed
5 the school boycott.

6 On the other hand, there are many Mexican-Americans
7 who do not wish to associate themselves with Negro groups. I
8 received a very vehement call this morning informing me that
9 many Mexican-Americans in another group were very upset that
10 it appeared that they had gone on record as supporting the
11 boycott, or had gone on record as having gone on record as
12 having worked with the NAACP.

13 Now, I have pointed out there is quite a high per-
14 centage of Mexican-American ownership of homes. Many Mexican
15 Americans have signed the petition for the initiative, and
16 there are serious obstacles in educating many of the Mexican-
17 Americans in civil rights.

18 There are obstacles in educating the Mexican-
19 American in his own interests civically and politically.

20 I think there are two reasons why these obstacles
21 exist. The first is that the Mexican-American is poorly
22 educated, and, secondly, that he has a low economic and social
23 status, probably as a result of his poor education.

24 When I say he is poorly educated, I mean he is poorly
25 educated from an academic point of view and from a civic point

1 of view.

2 The academic difficulties of the Mexican-American
3 can be overcome by a program of education which looks toward
4 solution of the peculiar problems of the Mexican-American
5 child.

6 The civic ignorance of the majority of Mexican-
7 Americans can be overcome only by attempting to bring them
8 into the social life of the community. This is not being done.
9 For instance, on the newly created human relations commission
10 of Alameda County, there is not a single Mexican-American,
11 although this is a County Commission, and they constitute by
12 far the largest minority in the county outside of Berkeley and
13 Oakland.

14 That is what I wish to summarize from the report
15 which I have handed to the Chairman.

16 JUDGE DREWES: Thank you, sir.

17 Are there questions?

18 MR. HAMMER: Yes, Judge.

19 Has M.A.P.A. taken a position on the initiative
20 itself?

21 MR. RAMOS: Yes. The State Board of Mexican-
22 Americans Political Association has taken a position against
23 the initiative, and in favor of the Rumford Act.

24 MR. HAMMER: That is a constituent convention?

25 MR. RAMOS: No, it is not. This question may come up

1 in June when the endorsing convention and the State conven-
2 tion of M.A.P.A. comes up.

3 We expect a fight.

4 MR. HAMMER: You do expect a fight?

5 MR. RAMOS: Yes.

6 MR. HAMMER: What about the other Mexican-American
7 or Spanish-American groups of the area? Have others taken
8 positions in the initiative?

9 MR. RAMOS: Yes. I am sorry to see that other
10 Mexican-American groups have not been here to testify today.
11 The Mexican-American groups in this area are the Community
12 Service Organization, the American G.I. Forum.

13 MR. DEMALLY: What about LULAX?

14 MR. RAMOS: LULAX are not active in this area.
15 They are active in Southern California.

16 Are you from Southern California, sir?

17 MR. DYMALLY: Yes.

18 MR. RAMOS: I see. Real recently got together with
19 them in an effort for unity. One of the real points in a
20 separate community is the feeling that Mexican-Americans have
21 been left out of the projects proposed, like the Interagency
22 Project, and they have been left out of proposals for
23 improvement of education.

24 MR. MONTGOMERY: I have this one question.

25 Mr. Ramos, can you give us an estimate of the

1 number of Mexican-American real estate brokers in your county?

2 MR. RAMOS: No, I cannot.

3 MR. MONTGOMERY: But there are some that identify
4 themselves that have Mexican surnames; is that right?

5 MR. RAMOS: Yes. There are some. There are not
6 many. There are two that I know.

7 BISHOP PIKE: Do you know if either of those are
8 realtors, that is, members of a realty board?

9 MR. RAMOS: Neither is a realtor.

10 BISHOP PIKE: Is the housing grouping for Mexican-
11 Americans evident in terms of mapping it? Is there a ten-
12 dency to concentrate it or be concentrated or be forced to be
13 concentrated in certain areas, or is the Mexican-American
14 population generally spread out?

15 MR. RAMOS: In Oakland, the Mexican-American popula-
16 tion is quite concentrated. Seventy per cent of the Mexican-
17 Americans attend the two out of six high schools. This shows
18 the concentration of Mexican-Americans in certain sections of
19 East Oakland.

20 Fifty-three per cent of the Mexican-Americans attend
21 five out of 16 junior high schools. This shows, also, a con-
22 centration of Mexican-Americans in certain areas, and they
23 are generally just outside the Negro areas.

24 BISHOP PIKE: Would you attribute that to the simple
25 desire to want to be together, or is it because of the type of

1 discrimination in housing suggested where a darker Mexican-
2 American, for example, has difficulty, or is it both factors?

3 MR. RAMOS: I think both factors operate. The older
4 Mexican-American likes to be close to his community. There
5 are many fair Mexican-Americans who will tell you that he can
6 buy anywhere, and there are many realtors who will tell you
7 the same, but when one talks to the darker Mexican-American
8 one gets a different answer.

9 JUDGE DREWES: Other questions?

10 (No response.)

11 JUDGE DREWES: Thank you very much, sir.

12 Is Mr. L. P. Hines with us?

13 (No response.)

14 JUDGE DREWES: Is Mr. Charles Goady with us?

15 Will you identify yourself, Mr. Goady.

16 STATEMENT OF CHARLES W. GOADY
17 First Vice-President
Trans-Bay Federal Savings and Loan Association

18 MR. GOADY: To the Commission and those assembled,
19 my name is Charles W. Goady, and I am First Vice-President for
20 Trans-Bay Federal Savings and Loan Association in Oakland, and
21 the manager of the Oakland office.

22 I took the liberty to bring some information that I
23 had a chance to accumulate last year by way of a report for
24 the savings and loan industry at the graduate school in
25 Indiana last year.

1 This information is an excerpt or some excerpts of
2 a report that I did which is at the Chicago office, and it
3 deals primarily with the importance of the Negro real estate
4 market in California.

5 I took five standard metropolitan statistical areas,
6 which is the category which is used by the U. S. Census in
7 breaking down areas of 50,000 or more inhabitants, and I took
8 five of those areas, of which Oakland was one, San Francisco
9 was another, Los Angeles and Long Beach, Bakersfield and
10 Sacramento.

11 Some of these areas were joint areas such as the
12 San Francisco-Oakland area and the Long Beach-Los Angeles area.
13 They were joint areas.

14 I would like to share this report with you. As I
15 said, it is just an outline of it.

16 JUDGE DREWES: Would you summarize to the extent you
17 can, Mr. Goady, having filed the report with us?

18 MR. GOADY: Yes, I will.

19 In the introduction here, I would like to shed some
20 light on the problem, that the importance of the Negro real
21 estate market, as considered in this report, is most signifi-
22 cant amidst the complexities of potential, social and
23 economic problems.

24 The whites are of the opinion that Negroes who
25 work with them and live in their household poses no social or

1 economic problem, but when an affluent, cultural or pro-
2 fessional Negro endeavors to secure housing, not in the same
3 household but in the same community, he is thought to jeopard-
4 ize the social and economic status of the residence.

5 Dr. Robert C. Turner in his lectures on economic
6 growths said, "The ultimate way to improve the quality of
7 economic growth is to improve the quality of human minds."

11 8 The influx of Negroes is a factor that warrants
9 attention nationally, statewide, and on community levels.
10 They figure significantly in the vacillating population
11 trends and growth of our nation as individuals. They bring
12 or acquire an imposed economic standard set within our com-
13 munity, and it is within these standards that the basic fun-
14 damental housing needs of the Negro family must evolve.

15 In view of possible economic adversities, it might
16 be well to consider the far-reaching resources of the Negro
17 real estate market. The President's economic report, January
18 of 1963, states:

19 "The foundation of America's economic greatness
20 lies in the adaptability of our population."

21 Leo Grubler's Report on Housing: An economic
22 stabilization policy status. Housing in its various aspects
23 affect our economic stabilization policy.

24 As you can see, I may interject here. I am taking
25 this particular approach strictly from an economic means. I

1 am not going at it from the sociological aspect. The pos-
2 sible failure of real estate brokers and financial institu-
3 tions to fully exercise their prudent influence has contri-
4 buted to and sustained the existence of profiteers.

5 These profiteers confiscate communities' proficiency
6 and evaluate good real estate into a perpetual slum area. The
7 \$210 billion mortgage debt ending December 1962 was second
8 only to the Federal Government's outstanding debt of \$256
9 billion ending the same period.

10 California is one of the ten leading states for
11 new construction and accounts for a major part of this acti-
12 vity. The background of the problem, as was indicated by the
13 U. S. Census housing, shows that Negroes have inferior housing
14 when paying the same rents or prices as whites.

15 This denotes involuntary exploitation of one's
16 necessity of life.

17 The probability of home ownership is consistently
18 related to the rate of income, past, present and future.
19 Negro families spend less than whites of the same income
20 bracket for housing and maintaining a higher rate of savings.

21 The home is the basic element of our society, yet
22 there is apathy in realizing its importance in our social and
23 economic circumstances.

24 Undesirable housing exists when building codes
25 fail to require new or improved construction to meet housing

1 needs. The Negro problem is not peculiar, not in any sense of
2 the word. It is just merely a typical problem.

3 There are cultural dissimilarities which are just
4 as strongly felt within their race as among the white popula-
5 tion. A realistic view of the enterprising Negro real estate
6 owner shows one who has provided exploitation and rental
7 assessments to gain home ownership which is considered a note-
8 worthy economy of American economic stability.

9 Race has been an effective bar to good or adequate
10 housing for the Negro, regardless of his income or educational
11 background. New construction must be considered as a means of
12 providing adequate housing for Negroes, while at the same
13 time providing an attractive return to the investor.

14 Some of this information was predicated on U. S.
15 Census publications, the savings and loan association in
16 Chicago, banks, the NAACP, Urban League, Real Estate Boards,
17 and housing committees, all of which contribute some informa-
18 tion, and we used the questionnaire method to determine what
19 was happening in some of the local areas, trade journals, text
20 books, inquiries, personal conferences, et cetera.

21 JUDGE DREWES: Thank you.

22 Are there any questions?

23 MR. DYMALLY: At the last session of the Legislature,
24 Mr. Becker and I had a bill which would have done away with
25 the referendum in cities in order to provide new Federal funds.

1 It was supposed by the Savings and Loan Association. Do you
2 know what position your institution would take, for or against
3 such a bill?

4 MR. GOADY: Well, the Association that I am with is
5 a Negro association, number one; and I think that as such we
6 get a chance to see the problem as it exists in reality, and
7 any funds that would provide for more funds for housing, I
8 would say that we would be for it.

9 However, the action that may be taken by the U. S.
10 League is what I am assuming you are talking about --

11 MR. DYMALLY: No, the state.

12 MR. GOADY: The State of California, the Cal League.
13 As you know, this Cal League represents the savings and loan
14 industry of the State, and I think if you will look you will
15 only have a certain number of Negro institutions in the State.
16 I think you would have to look at it on an individual basis.

17 MR. DYMALLY: For the benefit of the members in
18 California, you cannot accept Federal funds for Federal housing
19 projects, unless you have a referendum in the city.

20 Our bill would have done away with the referendum.
21 It was opposed. We got it out of one committee, and it was
22 killed by the Savings and Loan and another committee.

23 At the time we had no support from it from the
24 industry.

25 MR. GOADY: I did not -- I had some other points that

1 I thought were very pertinent. I would like to read off the
2 headings on them and give you the thought, if I may.

3 May I read the headings of these other items?

4 BISHOP PIKE: Why don't you. The heading is there
5 if anyone wishes to ask for more information.

6 MR. GOADY: Some of the things that I mentioned
7 under the objectives to be considered in activating and
8 utilizing the potential of the Negro housing market were the
9 1960 census.

10 The educational background of Negroes, which turns
11 out to be 10.8 in the median years, compared to 11.9. The
12 income of the Negro needs to be considered. His professional
13 and cultural characteristics need to be considered, and then
14 also we must consider the property value, and whether or not
15 there is any deterioration in the property because Negroes
16 move in, or devaluation, and this has been proved conclusively,
17 as you will find in the report by Dr. Lorrenti, and also by
18 Dr. McEntire's study --

19 BISHOP PIKE: Excuse me, sir. Those studies would
20 show there is no decrease in the property value?

21 MR. GOADY: Yes. I have the figures right here.

22 BISHOP PIKE: I notice them on the page unnumbered,
23 but the bottom three lines.

24 MR. GOADY: Yes, that is right. Forty-one per cent
25 of the comparison tests stayed within five per cent of the

1 stated control price.

2 Forty-one of the comparison tests stayed within that
3 control price. Forty-four of the comparison tests prices
4 ended relatively higher, relatively higher with Negro infil-
5 tration, and that was between five and 26 per cent.

6 It went up, and only 15 per cent of it went down,
7 and that went down in the category between five and nine per
8 cent, so this was quite significant in that.

9 Property maintenance was something that was pointed
10 out about Negroes and non-whites moving into an area. Usually
11 if they do get a chance to get in with a double escrow, which
12 you may know about, two title policies, maybe two appraisals,
13 double expense, closing expense, all of the way around, and
14 then after they get in and they have to pay someone else to
15 double for them or to buy the property, we find they have to
16 pay for these services, and then usually the house is in a
17 deteriorated state, which means he has got to take care past
18 years of deprivation, first of all, to get it into shape, and
19 then after getting it into shape then maintain it from then on
20 in, which he should have bought it in that condition to begin
21 with.

22 That was something on the property maintenance.

23 Limitations under which the man must operate. The
24 Real Estate Board.

25 I would like to read this in view of the fact there

1 has been so much said about the Real Estate Board here today.
2 Real estate brokers handling housing transactions have estab-
3 lished present community patterns. Representatives of the
4 real estate sales have alligiance totheir Board, which they
5 underwrite and perpetuate.

6 Residents, however, having entrusted real estate
7 brokers with a license through the auspices of a State Bureau,
8 it is evident that residents would expect performance of the
9 real estate broker primarily rendering equal services to all
10 components of the community.

11 Incidentally, we find that real estate boards can
12 neither issue a broker's license or directly represent the
13 public, but it is only a by-product of the license holder.

14 These boards have a primary obligation to its entire
15 membership which has possibly lost not only commissions, but
16 good qualified buyers. It is suggested that the Board members
17 be statistically informed on changing facts in the composition
18 of the California population.

19 This kind of service will result in evolutionary
20 progress and not revolutionary change.

21 The financial institutions, of which I am one, has
22 also a tremendous part to play in exercising the influence.
23 The home owner also has some responsibility, and the state and
24 local governments have a responsibility.

25 FATHER KENNARD: Mr. Goady, could I ask you this.

1 You mentioned you are a member of a Negro savings
2 and loan association. I am wondering why it should be neces-
3 sary to have separate loan associations.

4 Has the same discriminatory pattern that we have
5 heard about all day, has this functioned, also, so that
6 Negroes wanting to buy homes find they run into discrimina-
7 tory opposition from white money lenders?

8 MR. GOADY: Well, to use the words of an African
9 dignitary who visited my office and asked why did this insti-
10 tution come about, and he said to me in awe, he said, "Did it
11 come up out of suffrage?"

12 And I said, "Yes."

13 It came because of a need.

14 FATHER KENNARD: Would you say that need continues
15 to exist in your experience?

16 Must the average Negro seeking a mortgage loan
17 approach a Negro or minority loan association or bank?

18 MR. GOADY: I would say yes. I have a personal
19 situation which I could very readily share with you, but, yes,
20 they do have.

21 We have situations where we send an appraiser out,
22 and maybe I had better say this off the record.

23 We send an appraiser out, and I tell him, "Don't
24 go to the property to make an appraisal. Just look at it,
25 just windshield it."

1 And then after we have taken a blank appraisal of
2 the place, we make the loan, and then after we do that we go
3 in and try to make an appraisal after the property has chang
4 hands twice.

5 FATHER KENNARD: Mr. Goady, would you estimate that
6 discrimination in home loans, as contrasted with discrimina-
7 tion in the brokerage business, is parallel to or is less than
8 discrimination in the brokerage business, or is it greater?

9 MR. GOADY: Well, I think discrimination in the home
10 emanates from primarily the broker in purchasing of homes, and
11 I say this advisedly because, as Mrs. Slaughter brought out,
12 first of all, there are subtle listings available, and you
13 just don't have access to this information.

14 I would like to relate to my own situation when I
15 purchased my home in the hill area. I went to see it by night.
16 We had to look at it at night, and we couldn't get a good look
17 at it.

18 Having youngsters who had never been subjected to
19 this kind of thing in the New York area, it was quite revealing
20 to them, and somewhat heartbreaking for me to try and explain
21 it, and to have an eight-year-old say, "Well, Daddy, will
22 they let us live here?"

23 FATHER KENNARD: When you apply for a home loan,
24 you can hardly go at night. I am wondering if there is an
25 equal or even greater or less amount of difficulty in getting

1 a loan to buy a home than there is in actually being shown a
2 home?

3 MR. GOADY: There is just, I would say, as much.

4 I have in this report also circumstances that reveal
5 that money has been available to Negroes by savings and loan
6 more readily than the commercial banks.

7 However, in some instances, these funds are avail-
8 able for properties in certain areas, and if you want to buy
9 into another area you can't get that same loan, but if you
10 want to buy a home in a certain restricted area you can get
11 the money, and at certain rates.

12 JUDGE DREWES: Further questions?

13 (No response.)

14 JUDGE DREWES: Thank you very much, Mr. Goady. We
15 appreciate your having been with us.

16 Mrs. Catherine Wurster.

17 Mrs. Wurster, will you identify yourself for us,
18 please.

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1 1 **STATEMENT OF CATHERINE WURSTER**
2 2 **Professor of City & Regional Planning**
3 3 **University of California, Berkeley, California**

4 4 **MRS. WURSTER:** I am Catherine Wurster, Professor
5 5 of City & Regional Planning at the University of California
6 6 in Berkeley, and I did some work for the Governor's Advisory
7 7 Commission on housing approximately two years ago.

8 8 In fact, it is quite possible that Edward Eichler --
9 9 did he testify this morning?

10 10 **JUDGE DREWES:** Yes.

11 11 **MRS. WURSTER:** -- may have said some of the same
12 12 things I am going to say.

13 13 What I propose to do really is to emphasize certain
14 14 basic points which are documented further in a pamphlet that
15 15 was published, I guess it was last year, by the Institute of
16 16 Governmental Studies. I wrote, and I think I won't quote the
17 17 documentation part.

18 18 You can ask me about it if you want to. I will
19 19 submit it with the marked pages with my brief statement.

20 20 **JUDGE DREWES:** Very good.

21 21 **MRS. WURSTER:** I want to emphasize certain basic
22 22 trends, in the housing market which have enormous implications
23 23 for racial and ethnic minorities and for their future chance
24 24 for advancement and effective integration.

25 25 The facts of housing discrimination are, of course,
26 26 obvious, as well as its results in bad living conditions and

1 segregation. These issues are sharply posed today in San
 2 Francisco, Oakland and Berkeley, in slum clearance and
 3 relocation controversies, and, of course, also in school
 4 districting battles.

5 I am sure you have had a great deal of testimony on
 6 these points and I will not say any more about them right
 7 now. There are broader aspects of this picture, less well
 8 understood but nevertheless basic to any real solution of the
 9 problems of the disadvantaged.

10 The limitations of the housing market, in terms of
 11 price as well as well as discrimination, are resulting in a
 12 trend toward ever sharper social divisions, by income and
 13 age group as well as by race, between the older cities and
 14 the new suburban communities.

15 I might just quote a few figures here to remind you.
 16 I am sure you know this as well as I do. It is not just true
 17 in the Bay area by any means, but if you take the six older
 18 cities, San Francisco, Oakland, Berkeley, Richmond, Alameda
 19 and Vallejo in the nine county Bay area and compare them, their
 20 figures there for the rest of the urbanized areas in the
 21 metropolitan area you will find that twice as many households
 22 with incomes under \$3,000 are in the older cities.

23 You find that half again as many or rather 50 per cent
 24 less families with incomes over \$10,000 are in the older cities,
 25 and, of course, you find that in the six older cities you have

1 about 15 per cent non-white population while in the balance
2 of the area only a little over 2 per cent.

3 The same thing holds true for age groups, but I
4 won't bother to give you those figures. Several forces combine
5 to make new suburban housing available to a declining
6 proportion of the population despite the fact that incomes
7 have been rising.

8 I won't go into all of the details. It comes down
9 to a combination of things like high speculative land prices
10 plus exclusionary zonings, that is, putting really very large
11 lot sizes which then force putting a very expensive house on
12 it.

13 I think very often in suburban areas exclusionary
14 building codes -- when I say exclusionary I don't say this
15 necessarily has anything to do with race. It is just keeping
16 out cheaper housing and lower income families in general.

17 There are a lot of figures in here. There are also
18 many more figures the University did for the Governor's
19 Advisory Commission on housing problems, but we find that no
20 matter how you look at it a very small percentage, perhaps only
21 about 10 per cent of the new houses sold in the suburban areas
22 in recent years have been available to anyone except in the
23 upper half income group, and the vast majority of houses sold
24 are only available now to the upper third income group, so
25 even if there were no racial discrimination problem at all

1 lower income families, white or Negro or Mexican or Oriental,
2 would not be able to have moved out into suburban areas no
3 matter what.

4 You would have had some of this class between the
5 suburban communities and the central cities even if there had
6 been no racial discrimination whatever simply as a result of
7 the housing market.

8 Therefore, all the lower income households and
9 minority families at low income levels because of the extra
10 factor of discrimination are, therefore, increasingly forced
11 to concentrate in the older districts of the older cities
12 simply because there is no other housing open to them.

13 You have to remember this situation was quite
14 different up until the last War. There was cheap land, and
15 in California the typical way for a lower income family of any
16 race or ethnic group or color to get a house in any western
17 area was to just go out and find a piece of cheap land and
18 build a house.

19 Sometimes this was a shack. Very often the shacks
20 were improved gradually and they became perfectly decent
21 districts, and then also there were cheaper housing built
22 even commercially. There were all different methods of getting
23 a house.

24 One reason we didn't have such bad slums in the
25 central cities that low income people could still manage to get

1 housing one way or other outside. This is absolutely finished
2 today in any major -- it might be true in some rural areas of
3 the edges, way on the far edges, of the metropolitan areas.

4 In the Valley, for instance, but in the metropolitan
5 areas, the major areas where they are blanketed by building
6 codes and all, often I think excessively high building codes,
7 from the point of view minimum requirements of welfare,
8 blanketed by zoning codes as well as the problem of discrim-
9 ination, makes it absolutely impossible for a low income
10 immigrant irrespective of their color to go anywhere except
11 in the older sections which is only a handfull in the older
12 cities.

13 If this trend is projected, continued growth and
14 immigration which, of course, necessarily always includes
15 all income groups and a very substantial proportion of lower
16 income and minority families, can only mean that the loder
17 central cities will become increasingly ghettoized no matter
18 how hard a try to promote desegregation and to maintain a
19 balanced population within their corporate limits.

20 We did some rough projections and it seemed
21 inevitable that San Francisco, Berkeley and Oakland by 1980
22 would be somewhere between 45 and 50 per cent non-whites and
23 that the rest of their population would be very largely low
24 income with probably a substantial proportion at the other end
25 of wealthy adult families without children and no, practically

1 no, middle class white families.

2 Once you get to that kind of picture one then, I
3 think, has to consider some very serious implications all the
4 way around, more serious perhaps than of the immediate
5 concern one has about the disadvantage of peoples' problems
6 in the older cities.

7 If this happens it will not only prevent integration.
8 As I said, it doesn't matter much if you are going to have a
9 city that is going to be predominantly non-white and predom-
10 antly low income anyway.

11 All of the efforts that you make for integration
12 whether in school districts or housing are not going to be
13 terriably important because if it is going to be predominantly
14 all one way anyway.

15 I think it will also tend to reduce both economic
16 and educational opportunities. I think there has been much
17 too little attention to the extraordinarily illogical rift
18 that has developed in the last two years as a result of this
19 pattern between the pattern of job opportunities and the
20 pattern of housing opportunities.

21 In California, and even to a large extent on the
22 East Coast, all of the new jobs tend to be outside. There is
23 very little additional employment. Sometimes there is declining
24 employment in the central areas.

25 No matter how successful renewal programs are it is

1 almost inevitable that practically all of the additional new
2 jobs in industry and commerce and even in offices to some
3 extent will be outside of the old central cities.

4 I think all of the new industrial jobs are now and,
5 of course, a great many are shopping. At the same time, the
6 housing market is almost working in the opposite way because
7 the jobs that are remaining down town and will remain there,
8 probably, are the professional, rather high level professional
9 jobs, financial, Government, and so on, the people who have
10 those jobs are likely to live the furthestest out now where
11 the low income people who live in the central cities, central
12 areas, either have to commute far out to have any opportunity
13 of getting new jobs, but I personally feel they would probably
14 lose out in opportunities at new jobs simply because they are
15 so removed from the possibility of finding them.

16 We have some figures which show from the last census
17 which show that out-commuting is becoming quite heavy. From
18 San Francisco and Oakland, I think, there are now 1-third as
19 many people out-commuting as are in-commuting, and of those
20 people who are out-commuting a very large percentage of them
21 are non-white, as you would expect.

22 I am sure there are a great many other non-white
23 people in central cities who are. Of course, unemployment
24 rates are doubled in the central cities from what they are
25 outside.

1 I am sure this pratically reflects not only the lack of
2 adequate education for the jobs coming up now, but also simply
3 the fact of being too far away to know where they are and to
4 find them.

5 I think this is already true and I think it is going
6 to get much greater in the next 15 or 20 years if we don't
7 change the pattern. Then there is also the matter of educational
8 opportunities.

9 The old cities to the extent that they do become pretty
10 well dominated by lower income people will have all of their
11 social burdens and the cost of their social services vastly
12 increased, at the same time that their economic rates will be
13 relatively lower.

14 It may be actually lower, but in any case it will be
15 relatively lower than; than it has been before just when the
16 cost of their services will be much higher.

17 It, therefore, means the best will in the world the
18 old cities will not be able to provide the kind of added
19 educational opportunities that are absolutely necessary today
20 to help the illeducated inmigrant into the level of where job
21 opportunities are.

22 I think this is extremely serious. I think there
23 is nothing more serious than the present picture about
24 unemployment and the results of automation and what it reflects
25 is for the first time in our history education is not keeping

1 with job opportunities.

2 I think always before when we had it it wasn't a-
3 cross the board because it was a general economic situation.
4 I do not believe there is at any time in our history when the
5 unemployment is all at the bottom level which simply means
6 we are not educating people fast enough.

7 Again, quite apart from the discrimination factor.
8 Further than this, the built-in conflict if we really let this
9 rather futile -- well even much worse -- I mean even in
10 futile days you had classes and races living in the same
11 city even if they were separated in different pockets, but
12 today if we let this fantastic division by class and race go
13 further than it is now it will mean that even our present
14 extremely timid steps toward metropolitan unification will
15 certainly be made even more difficult.

16 In fact, I strongly suspect -- it is not fashionable
17 in planning circles to admit this -- we always assume it is
18 just regular old home rule sentiments that makes it difficult
19 to get cooperation in metropolitan areas, but I strongly
20 suspect that already it is the class distinction radicals
21 which are making the greatest difficulty in creating any kind
22 of collaboration between the old cities and outlying areas.

23 What it means, of course, is we have thrown away
24 the traditional functions of the city which always throughout
25 history before have had a variety of people and a variety of

1 activities, and a single Government which was there in order
2 to provide the necessary services, provide a single tax base
3 system which was deemed equitable and to reconcile the
4 inevitable conflicts.

5 We have thrown that away and the city is a divisive
6 force today instead of being a unified integrating force.

7 What is needed, I think, is not only -- I think one of the
8 reasons we haven't taken some of the basic steps I wanted to
9 discuss here is that too many people feel that it is kind of
10 hopeless, that this is an inevitable pattern that is taking
11 place and there is almost nothing you can do about it.

12 I think this is a rather foolish attitude to take.
13 I think this problem, this pattern, has developed almost
14 wholly since the last war. It didn't develop wittingly. It
15 just almost happened by accident. We just somehow forgot what
16 cities were for and didn't really have any system for determining
17 how they should be, and so we just built suburban tracts and
18 the whole thing jelled.

19 In the next 20 years in California we are going to
20 have just as much growth again. The major metropolitan areas
21 will all double again in population. There is going to be a
22 vast amount of new development anyway.

23 I see no reason why a few small changes in policy
24 could not actually change the pattern of new development so
25 these kind of things I have been projecting would not happen.

1 at least to that extent.

2 What is needed, I think, however, is not only
3 enforcement of the measure against anti-discrimination, against
4 discrimination parse, the executive order and the Rumford Act,
5 but also a larger supply of relatively inexpensive housing in
6 outlying areas related to neighboring job opportunities. This
7 seems to me a very crucial principal.

8 If we only got it accepted in principle that all
9 Federal housing policy and a lot of other policies, even
10 transportation aid policies, should be let alone, defense
11 contracts, for instance.

12 If it were just a principle that Federal Aid that
13 related to development should be based on the principle that
14 there should be a supply of housing available for all kinds
15 of people who might get employment within a given area.

16 Not necessarily within the same community, but within
17 a given area. This comprises not only class but race also,
18 obviously, if we only had this principle accepted.

19 I really think it would only take a few years with
20 some active leadership on the political side as well as by
21 the experts to get over it. It is such a perfectly sensible
22 and logical principle because it is going to become more and
23 more obvious all the time, so that some of these things can be
24 achieved not necessarily by -- we have to have a head-on
25 battle, obviously, against discrimination, but some of these

1 things can be achieved sometimes better by not having a
2 wholly head-on battle on the race issue per se, and, of course,
3 it means really helping get a development pattern which is
4 more logical from many points of view, not just simply from
5 the point of view of racial opportunities.

6 With the rising trend, and there is also a rising
7 trend for very large city scale development, particularly here
8 in California. These whole new cities almost always include
9 industrial areas and sometimes offices, and they always
10 include a wide range of community facilities, but what we
11 need, I think, is a major effort to provide inducement to
12 include housing for across-section population as well as all
13 of the other things that are happening.

14 Now, of course, if you go right now to any -- we
15 have a research project right now at the University which is
16 very interested in these things, and we discuss sometimes
17 with these big developers.

18 Well, you know they are kind of scared. They don't
19 really know. A lot of them are much more sophisticated than
20 they used to be. A lot of them know sooner or later they
21 are certainly going to have to break down.

22 Some of them are not actually rigid at all on the
23 race question. Many of them know they are going to have to
24 have a broader housing supply than they have now.

25 A few inducements from the Federal Government,

1 from the State Government and County Government, if they
2 were ever willing to take the initiative on some of these
3 things, would, I think, make the picture entirely different.

4 These trends are, by no means, confined to the
5 Bay area. They are really pretty universal, and significant
6 proposals have already been made to promote better balanced
7 city development in the future.

8 First of all, here in California by the Governor's
9 Advisory Commission on housing problems. I imagine Mr.
10 Eichler described some of their proposals when he was here
11 this morning, but they would have had this effect of creating
12 better balanced cities outside, and also by President
13 Johnson in the housing message which the administration's
14 legislative proposals, which were introduced last January.

15 They were following a slightly different attack, but
16 it would amount to the same thing. They were going to offer
17 through F.H.A. very high coverage insurance on land acquisition
18 and utility development, which has never been available
19 through F.H.A. before, for large scale projects, city projects
20 on condition that a full range of housing was provided,
21 including cheap housing, and, of course, the executive order
22 would cover any kind of aid program like this.

23 The surprising thing is that both of these proposals
24 are essentially dead at the moment because there really
25 hasn't been very much interest in them. There hasn't been

1 very much support for them.

2 I think not even -- for instance, I think there has
3 been no support I know of from minority organizations. I
4 think there has been no support I know of from labor organ-
5 izations.

6 The old cities, we would think, would have been
7 interested in it have not made the slightest move on either
8 case. In fact, I was just in Washington last week and I was
9 asking the boys in the Housing & Home Financing Agency what
10 kind of support they did have and they said, "Strangely enough
11 it was really only a handfull of builders who really did
12 think it was a good idea from their point of view and would
13 have rather liked to have pushed it."

14 The thing is these issues are big and fancy but
15 they haven't yet come over the horizon of public general
16 awareness, consciousness, and I think this is the only reason
17 that -- I am not an expert on many aspects of discrimination,
18 but the reason I came here was because I thought perhaps the
19 Civil Rights Commission might help us to do a little job of
20 basic education on some of these issues, mainly, I think, in
21 reminding everybody that part of this disadvantage can never
22 be solved by ending discrimination measures alone, however
23 important they are.

24 Thankyou very much.

25 JUDGE DREWES: Thank you, Mrs. Wurster.

1 Any questions?

2 MR. MONTGOMERY: I have one.

3 Mrs. Wurster, don't you feel that under our present
4 state of political attitude and philosophy if we adopted the
5 principal that we would put low income housing on the periphery
6 of suburbia that suburbia would then return to the central
7 core and high rise department?

8 MRS. WURSTER: Well, I think actually they -- central
9 cities even on the grounds of or on the principal of providing
10 at least housing opportunities where people work.

11 The central cities are trying through redevelopment
12 programs to build more expensive housing and trying to induce
13 middle and upper middle income families to come back to the
14 city.

15 I think there is nothing wrong in it. I think it is
16 rather a good idea, only I think they are going to be stopped
17 in any large scale redevelopment, and rightly so under present
18 circumstances because of the fact if you are going to clear
19 out as in western projects here, if you are going to clear out
20 thousands of low income and minority families and probably not
21 offering them even as good housing as they have now, this kind
22 of thing is going to be stopped.

23 I personally feel that it would be sensible if we
24 had a well balanced population in the central cities, but you
25 can't have that unless you have a better balanced population

1 in outside areas also.

2 If the central cities are going -- if outside areas
3 are going to be all middle and upper class, why, the central
4 cities are going to become lower income ghettos.

5 MR. BECKER: Mrs. Wurster, do you have some material
6 on the proposals which you mentioned, the two of them, which are
7 legislative proposals nationally which we could use?

8 MRS. WURSTER: I could send you some more. I only
9 mentioned actually here. I had a letter in the Chronical two
10 weeks ago which does mention, but not in great detail, the
11 Federal measures.

12 I would have thought Mr. Eichler would have mentioned
13 the States proposal in his testimony this morning, but I would
14 be glad to send you more details on the Federal measures.

15 MR. BECKER: Thank you very much.

16 JUDGE DREWES: Any other questions?

17 (No response.)

18 JUDGE DREWES: Thank you very much, Mrs. Wurster.

19 We appreciate your having been with us.

20 Is Mr. Temko with us, Mr. Allen Temko?

21 (No response.)

22 JUDGE DREWES: Mr. David Robinson here or someone
23 representing him?

24 (No response.)

25 JUDGE DREWES: Mr. Emmet Kilpatrick or someone

1 representing him?

2 (No response.)

3 JUDGE DREWES: Mr. Jay Force or someone representing
4 him?

5 (No response.)

6 JUDGE DREWES: Let me say for the record, the last
7 three persons named, Mr. Robinson, Mr. Kilpatrick and Mr.
8 Force are identified one way or the other with the real estate
9 industry in this area.

10 Each was invited to attend this hearing by letter,
11 as were all other participants. Each was thereafter furnished
12 with a copy of the agenda, as was each of the other participants.

13 I have had no communication from any of the three
14 or anyone representing them. Have you, Father Kennard?

15 FATHER KENNARD: No.

16 JUDGE DREWES: Thank you.

17 MR. HAMMER: It might be mentioned the other
18 communities --

19 JUDGE DREWES: I think that should be said, yes.
20 This, as I think Bishop Pike indicated early this morning, is
21 the third of such meetings that this Advisory Committee has
22 held, the first having been held in Los Angeles in January of
23 this year, and the second in San Diego.

24 At each of the two earlier meetings representatives
25 of the local real estate groups as well as representatives of

1 state level appeared before us and made statements, as did
2 the other persons who appeared and thereafter answered
3 questions, as did the other persons.

4 Has Mr. Wallace arrived?

5 (No response.)

6 JUDGE DREWES: He indicated that -- I understand
7 he is with the Associated Real Property Brokers in the East
8 Bay.

9 He indicated he would be a little late.

10 Has Mr. Steele arrived?

11 MR. DAVIS: I am here for Mr. Steele.

12 JUDGE DREWES: Mr. Steele is the Executive Director
13 of the Urban League, as I understand it.

14 Would you identify yourself, sir.

15 STATEMENT OF CALVIN DAVIS
16 Associate Director, Urban League

17 MR. DAVIS: Yes. My name is Calvin Davis, and I
18 am the Associate Director for the League. I am to relay Mr.
19 Steele's regrets for not being able to be here today.

20 He is in New York.

21 JUDGE DREWES: We are glad to have you, Mr. Davis.

22 MR. DAVIS: Thank you.

23 I speak not only for the Urban League but I speak
24 for myself, and I address my remarks to you with hope. I
25 address my remarks to you with the wish that I could persuade
everyone to see what I have seen.

1 Dr. Martin Luther King once said, "It is difficult
2 for a non-white to know what a Negro is really thinking. It
3 is difficult to understand that which you cannot see. However,
4 if we have imagination and sensitivity and integrity we can
5 project ourselves into visualizing certain conditions in our
6 nation."

7 You have all seen the TV news reels depicting
8 demonstrations. On the other hand, you have seen the beautiful,
9 peaceful march on Washington and you all know, whatever the
10 motive, that the vast majority of Negroes are united in seeking
11 an end to all forms of discrimination now.

12 It is hard to understand what a ghetto or slum area
13 is like unless we have been there. You can read books like
14 "The Other American" or "Poverty in the United States."

15 You can read cases existing of Negroes living in
16 depressed areas, of the great unemployment among Negroes. You
17 can read Earl Conrad's "Rock Bottom." You can think about
18 what his heroine means when she says, "I have hope because I
19 know there are non-whites who are good people."

20 You can read about actual conditions in Ellison's
21 "The Invisible Man." You can read and you can see the motion
22 picture "Black Like Me," and find out what it feels like for
23 a white to live like a Negro in a Southern community.

24 You can read in the novel "Peacable Lane" what it
25 means for a Negro to move into a white neighborhood.

1 You can read about some of the evil men in our
2 society, actual criminals, who create hysteria and panic
3 cellars.

4 A little later I will have more to say about
5 documentary facts about the myths of housing. Right now I
6 would like to present the premise of my remarks by underlining
7 what I am sure you are quite aware of.

8 There is a wide differential that exists between 19
9 million American Negroes and their fellow citizens, and the
10 area of housing ranks among the first.

11 This disability is reflected in disproportionately
12 higher rates of over crowded, delinquency and family dis-
13 organization. While it is true a sprinkling of Negroes who
14 have achieved certain degrees of economic and cultural status
15 are able to move out of the ghettos, it is equally true that
16 the vast majority of Negroes in the San Francisco Bay area are
17 still contained within housing ghettos.

18 Even for those who are able to escape into the new
19 areas they are still threatened with community forces that
20 bring about undue increased Negro residency into these new
21 areas.

22 The Urban League feels that freedom of choice to
23 select one's shelter can no longer afford the handicap of
24 artificial determination which defeats this basic right.

25 During the past decade, a few decades, the Bay area

1 had witnessed a major population growth, and the Negro has
2 been affected by this trend to a great degree than the total
3 population.

4 In recognizing the problem of racially segregated
5 housing and making efforts to deal with it honestly we have
6 seen the attitudes of our local Government range from a state
7 of complacency to one of strident resistance as witnessed by
8 the support of the C.R.E.A.'s sponser housing initiative
9 which would place bigotry ahead of human values.

10 In this context the need for a sound and effective
11 solution becomes urgent. Toward this solution the Urban
12 League would suggest that an all-out effort be made to main-
13 tain our fair housing law which if rescinded would severely
14 limit future efforts of the majority of citizens to improve
15 the lot of underprivileged and disadvantaged persons.

16 It is within the context of this law that we can
17 then conduct a constructive program of education beginning with
18 the abolishment of certain stereotyped patterns of thinking
19 which some of our citizens have relied upon too long, but
20 which have been factually disproved.

21 Of all of the myths concerning racial integration
22 that have developed none is more general or more affirmatively
23 established than the belief that property values completely
24 decline when the minority groups move into a neighborhood, yet
25 every scientific analysis on this subject whether done by

1 Government officials, housing experts or even real estate
2 appraisers, flatly disprove this conclusion.

3 Any decline in real estate prices on such move-ins
4 is temporarily caused by panic selling of homes by old
5 established residents.

6 In many areas throughout the nation homes have been
7 sold to Negro buyers for as much as 50 per cent over the 1940
8 value, and at least 75 per cent above the present market
9 value.

10 Real estate operators readily admit that they buy
11 homes now occupied by white persons as rapidly as they become
12 available to sell to Negroes at a much greater profit than
13 they could obtain otherwise.

14 The experience of public housing authorities in
15 forcing a mixed occupancy policy also discredits the myths
16 that property values fall when minority groups move in.

17 In short, panic selling, not racial integration in
18 housing caused decline in property values. An intelligent
19 community that understands this issue that will not be
20 panicked or misled by fear or hysteria has nothing to fear
21 economically from integration in housing.

22 One way to explode this myth is to realize it is
23 based surely on stereotype thinking, thinking that considers
24 Negro occupancy as exclusively slum occupancy, and believes
25 that the Negro has created these slum conditions.

1 Those who are prone to such views fail to recognize
2 the fact that slums have not been caused by the Negro but
3 rather by the failure of landlords in slum areas to make
4 repairs in deteriorated housing and the failure of city
5 authorities to enforce their own housing and sanitary codes
6 to prevent the over crowding and filth that accumulates in
7 this area.

8 It might be noted, too, that many thousands of
9 under privileged white families live under similar conditions.
10 Persons observing Negroes under such conditions are prone to
11 blame them for it, whereas the Negro is the victim and not the
12 cause.

13 An examination of interracial housing developments
14 in interracial neighborhoods prove that Negroes maintain their
15 property as well, if not better, than many of their neighbors.

16 We feel that America is showing in many ways that
17 the Negro and other similarly exploited peoples of the land
18 will not remain her national liability, but will increasingly
19 become her asset in making this truly the land of the free.

20 From our top Government leadership down it is becoming
21 increasingly apparent that we can no longer afford the by-
22 luxury of discrimination and segregation or to continue to
23 maintain visions amongst ourselves to remain half slave and
24 half free.

25 It is an accepted fact that rewards and incentives

1 are far less general for non-whites than whites, and thus the
2 degree of their residential, social and economic mobility
3 and opportunity is less, too.

4 This circumstance in turn is used by the dominant
5 elements in our urban society as justification for perpetuation
6 of second class status for colored citizens, and the question
7 is could any segment of our citizens if similarly set apart
8 and maintained in a submerged status by society be expected
9 to surmount such discriminatory predicaments and achieve on
10 equal terms with the unhandicapped majority.

11 The great mass of Negroes will accept middleclass
12 dwellings and values, but only as it would be meaningful for
13 them to do so. Understandably, many Negroes just decide that
14 against today's odds trying to achieve middleclass status
15 simply isn't worth the trouble.

16 That attitude will change only insofar as Negroes
17 are convinced through day to day experience that the insensi-
18 tives and rewards of the American way of life are truly and
19 actually available to all who willingly make the sacrifices
20 to obtain it.

21 This change will obviously entail a two-way street
22 arrangement involving on one side a great deal of self-improve-
23 ment on the part of the individual Negro, and on the other side
24 an accelerated acceptance of non-whites into simply free
25 experience of legal rights.

1 These rights are inherent in the individual and
2 must be implemented even for repugnant citizens.

3 I would like to close my remarks by pointing out
4 that we are faced with a most complex and complete problem.
5 there are many facets to the struggle in which we are involved.

6 Recently Whitney Young, executive director of the
7 National Urban League said in an interview, "A mouthful of
8 civilian rights is not going to do any good as long as a man
9 has an empty stomach."

10 It is obvious to anyone that an unemployed man or
11 underemployed man or a man who doesn't make a decent salary
12 is unable to rent or buy the kind of apartment or house in
13 which he would like to live or bring up his family.

14 So all facets are interrelated in this situation.
15 Therefore, I am sure you will be glad to hear that the Urban
16 League is also tackling this particular aspect of the problem
17 all over the country, and starting June 19th in the San
18 Francisco and in the five counties of the Bay area, the Urban
19 League is instituting its plan of campaigns to establish
20 national skills bank registration centers.

21 Its purpose is to register all Negro, Mexican-
22 American and other minority group job applicants who are
23 seeking to match their skills and qualifications for jobs.

24 I think I should point out here that in the five
25 county Bay area there will be people like Mr. Neals Ecklin,
vice-president of Kaiser, president of the United Bay Area

1 **Crusade, Mr. Adams of the P.G. & E., Mr. Green, employment**
2 **director of the Bank of America, and Mr. Fred Castro,**
3 **personnel director of Katwell's, Mr. Allen, industrial**
4 **relations director of Dowe chemical company.**

5 **These men have already been cooperating in this**
6 **campaign, appearing in news conferences on various TV stations**
7 **with this in mind. We hope that many qualified Negro applicants**
8 **will find jobs in industry.**

9 **Industry has been looking for an trying to locate**
10 **Negro applicants with skills. With a decent job a man has**
11 **a chance for better housing and living and to join in the**
12 **fraternity of all Americans looking in an affluenced society**
13 **with an opportunity to bring up his children in an area of**
14 **decent housing, neighborhood and schools.**

15 **I don't have a crystal ball. I can't prognosticate**
16 **how this will turn out, but we are hopeful it will be**
17 **succussful and we are hopeful this will result in many new**
18 **jobs, and we are hopeful that a new step in minority citizen-**
19 **ship, education and Government turn out to make a great big**
20 **contribution to opening more and more doors, and believe me**
21 **the doors are opening, and I believe that, although I cannot**
22 **see into the future and know what the conclusions will be, I**
23 **do feel hopeful and I know there is opportunity.**

24 **Thank you.**

25 **JUDGE DREWES: Thank you, Mr. Davis.**

1 Any questions?

2 (No response.)

3 JUDGE DREWES: Thank you very much.

4 Is Mr. Elmo Mazzera with us?

5 (No response.)

6 JUDGE DREWES: Dr. Fred Stripp?

7 FATHER KENNARD: Dr. Stripp was expected to appear
8 at 4:00. It isn't quite that time yet, but if Mr. Wallace
9 has not come in yet, perhaps I could put on the record what
10 Dr. Stripp was going to say.

11 JUDGE DREWES: Is there still a possibility Dr.
12 Stripp will be here or do you know he will not be?

13 FATHER KENNARD: No. I expect he will be here at
14 4:00.

15 JUDGE DREWES: He was scheduled for 4:00 o'clock.

16 Let me ask if Mr. Hines is with us now? I called
17 his name sometime ago.

18 (No response.)

19 JUDGE DREWES: Then we will recess until 4:00
20 o'clock.

21 (Short recess.)

22 JUDGE DREWES: The meeting will come to order.

23 We have yet to hear from Dr. Fred Stripp.

24 Will you identify yourself for the members of the
25 Committee, Dr. Stripp?

1 **STATEMENT OF DR. FRED STRIPP**
2 **Chairman Of The League For Decency**
3 **In Real Estate**

4 **DR. STRIPP: Yes. My name is Dr. Fred Stripp. I**
5 **am representing today The League For Decency In Real Estate.**

6 **Let me say first of all how much I appreciate the**
7 **Commission taking this time for this very important matter**
8 **in our community, and, secondly, how very sorry I am our**
9 **first chairman, Dr. Sullivan, my colleague at the University,**
10 **is not making this presentation today.**

11 **He suffered a heart attack, and for that reason I**
12 **have been asked to be Chairman, and I am very happy to make**
13 **the presentation about The League For Decency In Real Estate.**

14 **You have before you two items. The long slender**
15 **one is our brochure. The square piece is our latest, so late**
16 **in fact I see my name is even here as Chairman. The League**
17 **For Decency In Real Estate has a chapter of which I am**
18 **Chairman.**

19 **It is the East Bay center. On it are 24 communities,**
20 **24 community leaders, representing many professions, city**
21 **Government, education, law, medicine, labor, real estate,**
22 **human relations and religion.**

23 **We see the practices of the organized real estate**
24 **industry as the prime remedial factor in neighborhood**
25 **segregation. We have had a close opportunity to watch the**
 real estate industry put its social philosophy into operation

1 in Berkeley.

2 Realtors opposed the Berkeley Fair Housing
3 Ordinance and succeeded in getting it canceled saying at that
4 time they were in favor of state-wide law, not of a law
5 confined to one community.

6 This law has been passed and they are now vigorously
7 opposing it, and not only that law but other fair housing
8 laws, and they are asking that prejudice be written into
9 the Constitution and no law may be passed at any level of
10 state or municipal Government.

11 Our League is convinced that the organized real
12 estate industry is seriously in need of reform, if you will
13 accept that as today's masterpiece of understatement.

14 The methods of our League are subject to careful
15 consideration by our group of 24 members, these communities
16 leaders, and our methods call for obedience to existing laws.

17 They are in accordance with the recommendations of
18 respective church organizations, several of which have
19 recommended the selective patronage campaign which we endorse.
20 They appeal to the solid home owning citizen of the communities
21 and to the realtors' own code of ethics.

22 For example, you will notice in the fourth paragraph
23 on the square piece in your hand, "Trustworthiness in a real
24 estate agent is the indispensable quality. Before putting
25 your home in the hands of any agent, ask yourself whether he

1 is worthy of your trust.

2 "If he is willing to damage the community for personal
3 gain, if he condones abuses within his profession, if he stands
4 ready to profit from prejudice and is false to his pledged civic
5 duty, is it wise to trust him with your home?"

6 You will notice in the next paragraph comparison
7 with a doctor taking the Hippocratic oath. In the longer piece,
8 the brochure which you have, we set forth our principles and
9 methods.

10 First of all, it may come as some surprise to realtors
11 that in Chapter I we make a case for the use of conscientious
12 brokers, suggesting that probably more money will be made by
13 the seller if a qualified realtor handles the transaction for
14 him.

15 This is all spelled out in simple, but I think,
16 comprehensive fashion.

17 Chapter II, however, points out to the individual
18 who wants to sell on a fair housing basis when there is no
19 one in his community who is willing to offer that kind of
20 service, we explain to him how to make the direct sale.

21 Now, this is not to eliminate from patronage those
22 who believe in fair housing but those who do not. This is a
23 boycott actually of those who refuse to practice the principles
24 of fair housing which are enunciated in the realtors' own
25 code.

1 Then in Chapter III you have our views on reform
2 in the industry, what may be done to clean it up and make it
3 better. Our feeling is that anyone who has nothing to hide
4 but has no objection to having it explained, why he should
5 have six per cent commission for his services.

6 We make the explanation and we urge that prospects
7 consult fair housing realtors. You will find on this square
8 piece our cooperating agencies and they are listed on Pages
9 3 and 4.

10 These are fair housing realtors, and we direct
11 individuals who are in sympathy with our League to these
12 persons with the full confidence they will be given not only
13 fine professional service but also fair housing ethics.

14 I think this spells out briefly what our League is
15 attempting to do. If there are any questions you have I would
16 be very pleased to try to answer them.

17 BISHOP PIKE: I became familiar with this organization
18 and its aims and have received material through Father
19 Kennard, and I harken back to on e part of our conversation
20 in my office that represents an item that has not been
21 covered yet.

22 I think the whole group perhaps should know about it,
23 if I am correct in my impression. I think in this pamphlet
24 there is some mention of multiple listing and the possibility
25 of achieving that otherwise than through the realty board, if

1 I am correct in that impression.

2 DR. STRIPP: That is correct, and it might be
3 simplest to turn directly to that section.

4 On Page 5 in the long brochure that you have before
5 you, "Substitutes for multiple listing service," indicating
6 in the paragraph by name, say, the home selling service of
7 Arizona, for example, wherein minority members have been
8 excluded from boards of realty and they have, as in many other
9 areas of our culture, formed groups that they have had to
10 in a sense retreat into in order to offer this similar kind
11 of service.

12 BISHOP PIKE: The second question which would have
13 a bearing on the effectiveness of that possibility is this
14 one.

15 Of these persons listed here as cooperative agents
16 are some of these realtors and some non-realtor real estate
17 brokers or what?

18 DR. STRIPP: Both.

19 BISHOP PIKE: Both. So some realtors have come
20 along with this group?

21 DR. STRIPP: Yes. The realtors for fair housing
22 are listed here, those in these particular series.

23 DR. PHILLIPS: Are some of these state organizations
24 where there are offices in different cities?

25 DR. STRIPP: You are referring now to the cooperating

1 agencies?

2 DR. PHILLIPS: On the list, say, on the Oakland
3 group.

4 DR. STRIPP: There are some firms having offices in
5 more than one place. For example, you will notice Thousand
6 Oaks Realty. They are represented here today by Mr. Stephen
7 Arnold.

8 They have a listing in Berkeley. They have a
9 listing in El Sobrante, for example, and in Concord.

10 DR. PHILLIPS: The reason I ask I see one or two
11 names that look familiar to me, people in Fresno. Would you
12 go that far away?

13 DR. STRIPP: We hope one day to spread as far as
14 Fresno, but at the moment --

15 DR. PHILLIPS: It might happen to be the same name.
16 I don't know.

17 DR. STRIPP: I think that is perhaps the explanation.

18 BISHOP PIKE: Is it the thought that this would be
19 a state-wide organization which the East Bay Center would
20 in effect be a chapter?

21 DR. STRIPP: Yes. We urge in the closing page of
22 the long brochure which you have how to help The League For
23 Decency In Real Estate, and we suggest organizing centers in
24 the local community and getting the information from us at
25 2945 Ashby Avenue in the City of Berkeley.

1 MRS. KUCHMAN: Did you say how old you were?

2 DR. STRIPP: I would say brand new. We have been
3 working on this, but I would say as far as launching our
4 program this is a very new program.

5 DR. CARREON: Is there anything else like your
6 organization in other parts of the state?

7 DR. STRIPP: Not to the best of our knowledge. We
8 know of nothing else that does this particular service.

9 DR. CARREON: It is unfortunate you didn't get
10 started sooner. I am sure many others would follow you.

11 DR. STRIPP: Thank you very kindly. That is an
12 encouraging comment.

13 JUDGE DREWES: Any further questions?

14 BISHOP PIKE: I have one further question.

15 You mention on Page 2 of this sheet that the only
16 responses received by the League from real estate agents of
17 certain specified localities were unprintable.

18 That suggests a larger question. Has there been
19 much wash-back from either nonfair housing or others or ones
20 unwilling to commit themselves as to this movement?

21 DR. STRIPP: Well, the answer is received in
22 written form, yes, and probably ones that would not be read
23 from a pulpit in a church, but perhaps something should be
24 said from a pulpit in the church about those who write them,
25 of course, in a loving way seeking to change them.

1 **BISHOP PIKE:** Yes. Well, it is a courtesy of your
2 organization and Father Kennard I was able to distribute these
3 to all of my Priests. Thank you.

4 **DR. STRIPP:** Thank you very kindly.

5 **JUDGE DREWES:** Thank you, Dr. Stripp.

6 **FATHER KENNARD:** I might mention of the cooperating
7 agencies listed there are 68 and 2,031 agencies were invited,
8 so this represents a response of about three and two-thirds
9 per cent only.

10 **JUDGE DREWES:** I want to take this opportunity to
11 thank Father Kennard again for his invaluable assistance in
12 working on the agenda and the program of this meeting, and
13 with that I declare these special proceedings adjourned.

14 **BISHOP PIKE:** I will say for the record the obvious,
15 I am very grateful indeed in the name of all of us for the
16 leadership Judge Drewes has given in the preparation for this
17 meeting and those who have been associated with him, and also
18 to our other two sub-committee chairmen for our other two
19 hearings, and I feel we have a very good basis for a useful
20 report, and I think all of you very much.

21 (Whereupon, the hearing in the above-entitled matter
22 adjourned at 4:20 o'clock p.m., Tuesday, May 12, 1964.)

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