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TRANSCRIPT OF PROCEEDINGS

**MEETING OF THE U.S. COMMISSION ON CIVIL RIGHTS
ON
RACIAL AND ETHNIC TENSIONS IN AMERICAN COMMUNITIES
POVERTY, INEQUALITY AND DISCRIMINATION
MISSISSIPPI DELTA HEARING**

Mississippi Room
Ramada Inn
2700 U.S. Highway 82 East
Greenville, Mississippi 38704

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APPEARANCES:

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3 Mary Frances Berry, Chairperson
4 U. S. Commission on Civil Rights
5
6 Cruz Reynoso, Vice Chairman
7 U.S. Commission on Civil Rights
8
9 Carl A. Anderson, Commissioner
10
11 Yvonne Lee, Commissioner
12
13 Stephanie Y. Moore, Counsel
14
15 Edward Hailes, Counsel
16

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1 raise your right hands while I give you the oath?

2 (Witnesses sworn.)

3 CHAIRPERSON BERRY: Thank you. Please be
4 seated. Mr. Hawkins is the Deputy Assistant Secretary of
5 Economic Development in the U.S. Department of Commerce;
6 is that correct?

7 MR. HAWKINS: That is correct.

8 CHAIRPERSON BERRY: And he was at one time the
9 Executive Director of the Lower Mississippi Delta
10 Commission, the Delta Commission, and has had a wide
11 variety of responsible positions. Mr. Hawkins, would you
12 like to make a brief opening statement?

13 MR. HAWKINS: Yes, I would, Chairperson Berry.

14 CHAIRPERSON BERRY: Please proceed.

15 MR. HAWKINS: Good morning to the Commission
16 and thank you for the opportunity to be here. As
17 Chairperson Berry indicated, I am Wilbur Hawkins, and I
18 am currently the Deputy Assistant Secretary for Economy
19 Development within the Department of Commerce in
20 Washington.

21 And from 1988 until 1990 I served as the
22 Executive Director of the Lower Mississippi Delta
23 Commission, a federal commission that was based for the
24 first time in the targeted area of Mississippi Delta, and
25 the purpose was to explore the economic conditions and

1 barriers and to address parity within the structure of
2 the economy within a seven-state, 214-county region along
3 the Mississippi River.

4 The Commission itself and it's important to
5 discuss the Commission's process, conducted extensive
6 public participation, secondary research and public
7 hearings in a process that incorporated the views of
8 grassroots organizations, individual citizens,
9 government, and the private sector.

10 It would be important to note for the benefits
11 of this Commission that the Delta Commission's initial
12 work was in fact hampered by virtue of the fact that the
13 Commission itself was comprised of nine European American
14 males and did not have minority representation.

15 The Commission itself was created by an act of
16 Congress. It was also -- it had two presidential
17 appointees, and one representative appointed by each
18 governor of the affected seven states.

19 As a result of the initial public controversy,
20 et cetera, a commitment was made by the Commission to
21 make sure that there was brought and inclusive public
22 participation.

23 I think it's important to note that the history
24 of the Delta region has often been one of its most
25 significant barriers.

1 The final report of the Commission included
2 some 400 recommendations that covered 68 issue areas.
3 The Commission itself spanned a period of approximately
4 18 months and also issues an interim report to Congress,
5 which was entitled *Body of the Nation*.

6 The final report, the *Delta Initiatives*, has
7 been made available to the Commission, if I'm not
8 mistaken.

9 Because this panel is focused upon the impact
10 of federal, state and local policies on the Delta, my
11 comments will be rather limited to that particular
12 subject.

13 Economic development within this region
14 requires that there be a holistic approach and
15 recognition that wealth must be created. It must be
16 diversified and it must remain with the affected area,
17 turning over several times before leaving.

18 This is just not happening on a scale that will
19 have significant impact on the region to take a quantum
20 leap, and I think when you look at the assets of
21 financial institutions, deposits, the loans, and the
22 loan-deposit ratios, as we did within the Commission,
23 you'll find that much of the money, the resources of the
24 region, are invested outside of the region. Therefore,
25 they are not really turning over within the region in a

1 fashion that would have a profound economic impact.

2 Likewise, I think that when you begin to look
3 at federal policies, they have had mixed impact upon the
4 region. You look at the fact that there continues to be
5 an urban rural disparity, when the federal programs are
6 applied, and by that I mean when you look at the urban,
7 rural disparity on medicaid, medicare, reimbursements,
8 you find that rural areas often receive reimbursements
9 disproportionate to the urban centers.

10 There's a mind set within the beltway that
11 assumes that the delivery of programs to rural areas
12 actually cost less than it does to urban areas.

13 But they failed to address reality issues, such
14 as distance, the lack of professional expertise, et
15 cetera, which oftentimes when you import those into the
16 region, come in at a higher cost than they would
17 necessarily in some of the more metropolitan areas.

18 Given the fact that the Mississippi Delta only
19 has five metropolitan areas, Little Rock, Memphis,
20 Jackson, Mississippi, Baton Rouge and New Orleans, and
21 St. Louis, when you span the 219-county area, you find
22 that outside of the immediate area, there are many
23 services that are just not there, particularly health
24 care related services.

25 As we again address the enterprise zones,

1 empowerment communities initiative of the Clinton
2 Administration, you find that while the Delta region has
3 in fact the largest number of empowerment zones and
4 enterprise communities, both urban and rural, however,
5 there is only one enterprise zone, and you're in the
6 center of that here in Greenville.

7 When I talk about the number of communities
8 that were actually awarded to the area, it's indicative
9 not only of the level of need for additional resources,
10 but it's also indicative of what I think is the region's
11 strength in terms of partnerships that have been forged
12 out of the economic, social adversity that the region
13 experienced over time.

14 I think the relationships in some measure are
15 maturing, but there's a long way to go.

16 Respecting time, I'll move right on. I think
17 that there are three primary areas of concern and those
18 areas are housing, health care and education. Those
19 policies, whether at the federal, state or local level,
20 have a profound impact upon the economy of the region.
21 And because the region has lagged traditionally behind in
22 these areas, any national cuts or dynamic shifts in
23 funding programs and policies means that resources at the
24 local level must be shifted.

25 When you look at the mandation of medicaid to

1 the states and the fact that there is increased private
2 competition, then you find that the main concern that I
3 have personally is that there is not only equity in
4 service and that service levels are maintained, but also
5 that there is not privatization and then roll over into
6 larger corporations, once the enrollments are realized by
7 the HMO's.

8 And I think that when you look at the immediate
9 history here in Mississippi, they have launched the
10 Medicaid transition, the capitation rates will mean that
11 the HMO's necessarily will have to shift the priorities
12 on services.

13 As those dynamic shifts occur, we have to make
14 sure that there is not a loss of service to the
15 beneficiaries. That's one area of primary concern.

16 Education continues to be largely unaffordable
17 for the masses of people. And many of the various
18 educational initiatives do not recognize the healthy
19 balance and the importance of education and diversified
20 lifelong education to the overall economy of the region.

21 I think when you look at pockets, there have
22 been investments in the educational environment, but
23 likewise there can continue to be barriers that prohibit
24 easy access, affordable access to lifelong education.

25 And then thirdly, an issue of housing. I think

1 that we have to recognize that the Commission found that
2 there were over 948,000 substandard houses within the
3 region. By substandard we basically use those that are
4 lacking adequate plumbing and sewage treatment
5 facilities.

6 We also recognize the fact that there was a
7 significant amount of rental property and the average
8 rent for the region was less than \$100, among those
9 948,000 substandard homes.

10 So when you --

11 CHAIRPERSON BERRY: Did you say \$100?

12 MR. HAWKINS: Less than \$100 per month. But
13 coupling that, you find that there's well over a billion
14 dollar economy centered around rental housing in the
15 region. We also found that ceiling rents were a problem
16 for people living in public housing, and when we begin to
17 think about overall economic development, people must
18 move into private homes in order to become full-fledged
19 citizens by virtue of paying taxes.

20 Home ownership is perhaps one of the most
21 critical incentives to a good, healthy economy within
22 this region.

23 I think that when you begin to look at the fact
24 that the federal government has a policy that prohibits
25 the borrowing of down payments for private home

1 purchases, you create a ripple effect upon the potential
2 homeowner.

3 If a person is going to live in a home for 20
4 or 30 years, it makes sense that the federal government
5 or many of the Fanny Mae and Jenny May and the other
6 programs recognize that this person or this family is
7 making an investment in real estate. They're making an
8 investment in a location; and, therefore, support it.

9 We do not find evidence at the federal level
10 that there is significant change in transitioning and
11 home ownership to be effective in overcoming the historic
12 barriers, providing the local tax base that would provide
13 additional resources for infrastructure improvements and
14 economic growth.

15 Finally, I'd like to say that with respect to
16 coordinating, I think that the federal government in
17 particular does not currently possess the focus at the
18 national level to coordinate the various programs and
19 grants and other resources that are offered to the
20 region.

21 I am a strong proponent of the former A95
22 review process, because at the regional level it afforded
23 an opportunity for local governments and development
24 districts and other partners to have an opportunity to
25 review and comment on programs and other funds that were

1 coming to their local area.

2 I think that with the mandation of many of the
3 programs to the states, particularly in welfare reform,
4 we have to ensure that there is not a further
5 complication and an erosion of many of the gains that
6 have been made over the course of the last 20 years in
7 improving the efficiency, effectiveness and focus of the
8 various programs.

9 Finally, I have observed that at the federal
10 level with the upcoming deregulation of the utility
11 industry, there needs to be a very serious focus looking
12 at the utility situation within the Mississippi Delta
13 region.

14 At present the Tennessee Valley Authority
15 services parts of Tennessee, Kentucky, and Northeast
16 Mississippi. You also have Entergy Services Corporation,
17 which is the parent company for Louisiana, Power and
18 Light, Mississippi Power and Light, and Arkansas Power
19 and Light.

20 As you have open competition and you find that
21 at the national level the Tennessee Valley Authority has
22 in fact decided that it wants to pull out of economic
23 development arena, therein lies a tremendous resource
24 shortage that may be afforded particularly their service
25 areas.

1 Additionally, as we look at open competition
2 through deregulation, there has to be a concerted effort
3 to make sure that we don't have a decline in services and
4 an increase in rates and therefore further erosion of the
5 personal incomes of the citizens of the region.

6 Thank you.

7 CHAIRPERSON BERRY: Okay, thank you very much
8 and we'll have some questions for you when we finish with
9 the other opening statements.

10 Mr. Wilson is a Senior Research Associate at
11 the Institute for Families and Society at the University
12 of South Carolina, and we welcome you and I'm prepared --
13 we're prepared to hear your opening statement.

14 MR. WILSON: Thank you very much. Good
15 morning, Commissioners. Thank you for this opportunity
16 to testify at these very important hearings. For the
17 past 10 years I have been working as a researcher and
18 practitioner in low-income communities helping to
19 identify programs and policies that effectively break the
20 cycles of poverty and dependency.

21 I have concluded that the paucity of assets
22 held by residents in poor communities and the absence of
23 asset-building policies and programs available to them
24 are the greatest barriers to eliminating poverty and
25 dependency.

1 Our income maintenance systems are designed to
2 help families and individuals with inadequate incomes to
3 survive at or near poverty level. These systems are not
4 designed to help people become economically self-
5 sufficient and reduce the probability of inter-
6 generational poverty.

7 The absence of savings, investable assets,
8 property and home ownership, business ownership, and
9 properly timed investments and post-secondary education
10 for the poor leave many families in poverty or on the
11 verge of falling back into poverty.

12 It is clear from the research by the Census
13 Bureau and people like Michael Sheradon, who authored a
14 book called *Assets and the Poor*, Melvin Oliver and Thomas
15 Shepearo, authors of *Black Wealth White Wealth*, and
16 Robert Friedman and myself and other co-authors at the
17 Corporation for Enterprise Development, that there is a
18 great disparity in who holds assets in this country and
19 who has access to the asset-building opportunities built
20 into the federal tax statutes and investments programs.

21 This body of research indicates that the impact
22 of the history of low wages, poor schooling,
23 discrimination, and proactive denial of the right to own
24 property and businesses, especially in the Southeastern
25 United States, has had a long-term impact, not only on

1 income but also on asset inequality.

2 For example, despite the rise of the black
3 middle class, middle class blacks hold 15 cents for every
4 dollar of wealth held by middle class whites. 61 percent
5 of black households have no financial assets at all, and
6 that poverty level whites possess and control almost the
7 same level of net financial assets as black households
8 earning over \$50,000 income.

9 These asset inequalities are deep and wide,
10 affecting many Americans. The top 20 percent of American
11 households control 43 percent of total U.S. income. 68
12 percent of net worth, and 87 percent of net financial
13 assets.

14 Net worth includes all financial assets,
15 including equity in homes and automobiles, net financial
16 assets basically are the liquid assets that exclude that
17 type of equity that you can't get your hands on quickly.

18 Ten percent of American families control two-
19 thirds of the wealth in the United States. If we look at
20 the ability of families to survive in periods of crisis,
21 38 percent of white households, 79 percent of black
22 households, and 80 percent of single parent households do
23 not have enough net financial assets to survive three
24 months at the poverty level.

25 The median net worth of whites is \$43,800,

1 while the median net worth of blacks is \$3,700.

2 The median net financial assets of whites is
3 \$6,999 while the median net financial assets for blacks
4 is zero.

5 This data was calculated controlling for age,
6 sex, occupation, education, family size, and a host of
7 other factors. Race and discrimination in the access to
8 asset-building mechanisms like education, business
9 capital, mortgage loans, mortgage rates, and favorable
10 treatment appears to be the explanation for these wide
11 gaps in the wealth and asset holdings of minorities,
12 especially African Americans.

13 These gaps are not surprising, given the
14 history of Jim Crowe and Black Code Laws which were
15 basically set up to deny the opportunity for blacks to
16 own property and own businesses.

17 These asset deficiencies are passed on to
18 succeeding generations and deny children opportunities for
19 education, home ownership, and business ownership today.

20 Even today the treatment of minority businesses
21 such as black farmers is very similar to the harsh
22 treatment that was received by blacks after -- just after
23 the Civil War.

24 Currently our so-called anti-poverty programs,
25 including economic development and income maintenance

1 programs do not emphasize savings and other forms of
2 asset building. They seek to provide jobs, rental
3 housing and poorly timed scholarship investments in poor
4 children, rather than home ownership, business ownership
5 and college trust funds for young children.

6 And I couldn't agree more with Wilbur Hawkins
7 with regard to the emphasis on housing, health and
8 education and the deficiencies here in the Delta region.

9 While even advocates for the poor and
10 minorities claim that the federal government lacks the
11 resources to address the asset-building needs of average
12 Americans and African Americans in particular, we
13 currently give away billions of dollars to corporations
14 and the wealthy through tax expenditures.

15 In 1996 the federal government will allocate
16 455 billion dollars in tax expenditures for corporations
17 and high-income individuals with incomes over \$200,000 a
18 year.

19 By the year 2000 these tax expenditures will be
20 larger than the total funding for Medicaid, welfare,
21 defense, education, housing and all other discretionary
22 programs. These tax expenditures are four times the size
23 of the federal deficit and will cost 3.7 trillion dollars
24 over the next seven years.

25 Virtually little of these programs are set up

1 to help the poor or the working poor build assets.

2 These tax transfer basically do not impact
3 families with incomes under \$25,000 with the exception of
4 the earned income tax credit, which transfers about 35
5 billion per year to low-income working families.

6 Economic development programs must begin to
7 address the building of assets, not just providing jobs
8 and increased income. Specifically there are federal
9 proposals now to create what's called an individual
10 development account, which would provide public and
11 private funds to match the savings of low-income
12 families.

13 These funds would be held in restrictive
14 savings accounts and they could only be used for home
15 ownership and home upgrading, business start-up costs and
16 expansion, and educational trust funds for post-secondary
17 education for adults or children.

18 Communities like the Delta would greatly
19 benefit from educational IDA's, which would provide
20 thousands of poor youth of all racial and ethnic
21 backgrounds with college trust funds. These accounts
22 would influence the expectations and behavior of poor
23 students rather than proving PELL grants to children who
24 survive the dangers of drugs, alcohol, teen pregnancy,
25 dropping out and crime.

1 And what I mean here is basically we wait and
2 see who survives before we provide educational
3 scholarships.

4 Many of you are familiar with the I have a
5 Dream Program. The problem with the I have a Dream
6 Program is that it adopts one class in a school.
7 Educational IDA's would provide those same types of
8 educational trust funds to every child in a school.

9 IDA's for homes and businesses would provide
10 the equity that is needed to leverage financing to help
11 build assets and wealth needed to decrease inter-
12 generational poverty.

13 Without this type of asset-building we may be
14 successfully creating jobs for today's poor adults, but
15 be faced with the same challenges or worse when
16 addressing the needs of their children.

17 It is very difficult to attract enough outside
18 capital and investment to make substantial changes in the
19 economy of an area like the Delta without making
20 substantial investments in improving the asset base
21 within the region.

22 CHAIRPERSON BERRY: Now, we're going to ask you
23 questions, so you don't have to tell us everything.

24 MR. WILSON: All right. Let me make one last
25 point. The federal government continues to provide

1 different forms of welfare and continues to deny access
2 to the 500 billion that's available for the non-poor for
3 asset building.

4 And this is something that has to be corrected
5 and incorporated into our strategies for economic
6 development, if we want to see the type of changes and
7 the growth that Mr. Hawkins was referring to, the asset
8 basis absolutely critical in terms of really succeeding
9 in economic development in this region.

10 CHAIRPERSON BERRY: Okay, thank you very much
11 for your opening statement. We'll have lots of questions
12 for you.

13 Now, Dr. Jacquelyn McCray, who is the Acting
14 Dean, School of Agriculture and Home Economics at the
15 University of Arkansas at Pine Bluff, and she has worked
16 in the housing arena in Arkansas and across the South for
17 nearly 30 years, having started when she was five years
18 old. Having been an active participant and leader in
19 housing research projects, she's the author of more than
20 40 publications on the subjects and is a member of
21 Research Advisory Committee of the Housing Assistance
22 Council in Washington, D.C., and has come to conduct
23 contract research for the Lower Mississippi Delta
24 Development Commission. Welcome, Dr. McCray, and please
25 proceed.

1 DR. McCRAY: Good morning. I've been asked to
2 address housing problems, quality and affordability
3 issues as well as problems of access to standard housing
4 associated with racial and ethnicity in the Delta.

5 I'd like to start by saying that housing
6 conditions in the region are really symptoms of larger
7 socioeconomic and cultural traditions.

8 Many explanations of why things occur as they
9 do relate to the historical base and political climate of
10 the region. Most notably are the decline in manpower
11 needs in agriculture, as well as the peculiar
12 contributions of a bi-racial socioeconomic structure.

13 In the 219 counties of the region there are
14 approximately 3.4 million occupied housing units. Of
15 these slightly less than 2.5 million are owner occupied
16 and almost one million renter occupied.

17 According to the latest census report 25
18 percent or one in four persons in nine metro counties in
19 the Delta live in poverty. This compares to one in five
20 or approximately 20 percent in metro counties in the
21 Delta.

22 The average poverty statistics for the nation
23 as a whole is 12.8 percent or approximately one in every
24 -- I'm sorry, or one in every eight persons. In the
25 Lower Mississippi Delta region among African Americans

1 one in every 2.5 live in poverty.

2 The Lower Mississippi Delta population is about
3 70 percent angloAmerican, 29 percent African American,
4 and one percent other. Census data report a scarcity of
5 standard housing relative to the needs of low income,
6 single parents and aging households, as well as massive
7 housing affordability and quality province.

8 Housing quality data suggests that many units
9 throughout the region suffer serious structural and other
10 deficiencies. Almost 57,000 units lack complete
11 plumbing, 143,000 units are overcrowded, and 650,000
12 units are cost burdened.

13 The cost burdened figure refers to those
14 families that are required to spend more than 30 percent
15 of their income for housing -- for basic housing costs.
16 This does not include furnishings, utilities, or other
17 costs associated with maintaining shelter.

18 When you look at the percentage of cost
19 burdened units, and you also compare that to the sizeable
20 percentage of the population that lives in poverty, we
21 know that housing creates many economic problems for
22 families such that they are not able to provide other
23 necessary goods, such as clothing, shelter, insurance, et
24 cetera.

25 The deficient units are much more prevalent

1 among African American households and they are much more
2 prevalent in non-metropolitan counties. The only
3 exception is the number of cost burdened units which are
4 found much more frequently in metropolitan areas.

5 A recent analysis of house value in the Lower
6 Mississippi Delta could be attributable to race of
7 household head, suggest that discrimination is a key
8 element in housing conditions of African American
9 households.

10 Two regression models were analyzed to
11 determine the amount of variance in median house value
12 that could be explained by seven dependent variables
13 typically associated with how much a family has available
14 for housing.

15 These include a percent of high school
16 graduate, median household income population, number of
17 families below poverty, et cetera.

18 The first model looked at the impact of these
19 variables on house value in general. The second model
20 looked at the impact of these variables for African
21 American households. Our analysis indicated that these
22 variables explain 68 percent of the variants in house
23 value. This is fairly typical or consistent with data
24 for other regions of the country.

25 However, for the African American households

1 the variables explained only 31 percent of the variance,
2 and variables such as income and education did not exert
3 as much influence on the model as it did in the one with
4 all households.

5 We believe that this model -- these models,
6 this analysis suggests that factors other than education
7 and income impact housing conditions in the Delta.

8 Another area that might be related, that is
9 related, I should say, to housing conditions is access to
10 credit. Access to credit typically is evaluated in more
11 recent years by Home Mortgage Disclosure Act
12 requirements.

13 The federal government requires that all
14 lending institutions in metropolitan areas report the
15 number of applicants, number of mortgage applications
16 originated and denied by race of household head.

17 This same requirement is not placed on banks in
18 non-metropolitan counties. So typically in the rural
19 areas we are not aware of the discrepancies that may
20 appear in the mortgage credit lending for housing.

21 However, I did look at three of the five
22 metropolitan -- well, I did an analysis of Home Mortgage
23 Disclosure Act data for Arkansas, and three of the five
24 metropolitan areas are located in the Mississippi Delta,
25 the Little Rock MSA, the Pine Bluff MSA, and the Memphis,

1 Tennessee, East Arkansas, Northern Mississippi MSA.

2 In the Mississippi-Tennessee-Arkansas area FMHA
3 for Farmers Home, FHA, and VA home purchase activity was
4 far greater than in the Arkansas MSA's. Not only were
5 there more applicants but the success rates was much
6 higher, at least 62 to 74 percent of minority applicants
7 in this MSA originated FHA-VA or FMHA loans, suggesting a
8 limited use of conventional mortgage instruments.

9 Although there were fewer denials for minority
10 applicants than in some of the other Arkansas MSA's, the
11 percent of denials for African American applicants almost
12 doubled the percent of denials for white applicants.

13 In the Pine Bluff MSA, which is data for the
14 Southeast region of the state, there was limited success
15 in obtaining home purchase loans regardless of the type,
16 the income, or race of the household in comparison to
17 other areas examined.

18 However, a greater percentage of African
19 Americans were denied mortgage loans compared to whites
20 at all income levels. Home mortgage disclosure data for
21 all MSA's in Arkansas state clearly that there is a wide
22 disparity between the disposition of home mortgage
23 applications for minorities and white applicants. The
24 data also suggests the differences in minority
25 concentrations, as well as economic status of the

1 geographic area impact the success rate of applicants in
2 obtaining home purchase mortgages.

3 For example, in those communities where there
4 is high concentration of African Americans, the denial
5 rate is significantly higher than in those areas where
6 there is not.

7 A 1992 study by the Federal Reserve Board
8 revealed that although poor credit history is the reason
9 most often given for mortgage loan denials, African
10 Americans and Hispanics were approximately 60 percent
11 more likely to be denied a loan than similarly qualified
12 white applicants.

13 Finally, housing problems in the region are
14 highly visible. On-site visitations to almost any Delta
15 county will document structural and environment problems
16 associated with the housing stock of the region.
17 Throughout the region community infrastructure is
18 noticeable inferior in poor and minority neighborhoods
19 when compared to other neighborhoods in general.

20 The problems I've talked about are multi-
21 faceted and multi-dimensional. They encompass economic,
22 social and political traditions that are ingrained and
23 longstanding.

24 Most antecedents and current practices -- a
25 knowledge of antecedents and current practices are

1 vitally important to the work of the Civil Rights
2 Commission. However, full documentation of the nature
3 and extent of the problems is a must in defining long-
4 term traditions.

5 I believe that a major concern is that housing
6 is not given -- analysis of housing problems is not given
7 the priority that it should be given at the federal
8 level. The most recent for the last two census counts,
9 there has been no visible means for actually quantifying
10 the number of units with structural conditions.

11 As Mr. Hawkins indicated during his
12 presentation, basically what we know from the census,
13 which is a major means for collecting housing data in
14 this country, basically what we know from the census is
15 the number of units that lack plumbing and the number
16 that are overcrowded.

17 Census measures do not, since the 1970 census,
18 have not measured structural conditions. They have not
19 measured other factors that are related to housing
20 quality.

21 CHAIRPERSON BERRY: Including plumbing?

22 DR. McCRAY: Yes, it does measure plumbing. It
23 measures plumbing and crowding.

24 CHAIRPERSON BERRY: Okay. And that's all?

25 DR. McCRAY: And that's all.

1 CHAIRPERSON BERRY: Okay.

2 DR. McCRAY: Long-term -- and it asks some
3 other questions about housing but these questions are
4 respondent generated, and they are not done by census
5 enumerators where there was actual observation and
6 documentation of the structural problems that exist.

7 Long-term solutions to housing problems will
8 require extending fair housing compliance activities to
9 non-metropolitan areas, in order to document issues
10 related to housing, such as access to credit, red lining
11 and other discriminatory practices.

12 I believe that the federal government must show
13 less dependence on units of local government in providing
14 for housing on their own, and I suggest this because most
15 units of -- most local governments, most communities in
16 the Delta, particularly in rural communities, do not have
17 the paid staff, nor the fiscal or human resources that
18 are necessary to complete the applications that are
19 required or discretionary funds under the 1990 Affordable
20 Housing Act.

21 And so many communities may have a half-time
22 mayor and that's the only paid official, and to expect
23 those communities to be able to generate the kind of
24 activity that is required to compete for federal housing
25 support is in my opinion impractical.

1 I believe that we must also have greater
2 involvement of state governments in community and
3 particularly housing development initiative.

4 I've included a written description of my
5 testimony as well as additional recommendations and
6 statistical data on housing conditions in the region.

7 CHAIRPERSON BERRY: All of that will be
8 included in the record. All of your statements will be
9 included in the record.

10 DR. McCRAY: Okay.

11 CHAIRPERSON BERRY: Are you --

12 DR. McCRAY: Well, let me just summarize. Let
13 me just kind of pull some of this together. I think let
14 me end by saying housing is a major asset of most
15 Americans for approximately 90 percent of the American
16 households. It is the largest single investment that
17 they will make.

18 Housing also is a major means of inter-
19 generational transfer of family assets. For people in
20 the Delta who have no economic resources that are -- no
21 measurable asset in their housing, their children and
22 their children's children start off at a significant
23 disadvantage in compared to other people where housing is
24 not a major problem.

25 Also I would add that many of the federal and

1 state housing policies assume that community
2 infrastructure for housing development currently exists
3 and that throughout the Delta that is a major problem,
4 the infrastructure is not there.

5 So that many communities, even if they had the
6 resources and the people to participate, the absence of
7 this undergirding infrastructure creates tremendous
8 problems before -- excuse me -- before they can pursue
9 applications for housing and housing assistance.

10 Many of them are focusing and concentrating on
11 water and sewage systems. Many of the communities do not
12 have building suppliers, they do not have skilled
13 craftsmen. They do not have skilled tradespeople in the
14 housing construction industry.

15 I believe that the infrastructure boards must
16 be addressed before communities can do the role that is
17 expected of them as defined by current housing
18 legislation.

19 CHAIRPERSON BERRY: Thank you very much. Now
20 our former Deputy General Counsel, also our Deputy Staff
21 Director, Mr. Edward Hailes, is going to ask some
22 questions. Go right ahead, Mr. Hailes.

23 MR. HAILES: Thank you very much, Madam Chair.
24 Mr. Hawkins, I'm going to begin with you, just a few
25 questions.

1 Based on the study of the Delta by the Lower
2 Mississippi Delta Development Commission, did you find
3 that non-government entities and organizations were
4 effecting positive initiatives to approve the economic
5 conditions in the region?

6 MR. HAWKINS: When you speak of non-
7 governmental entities, I presume you're talking about the
8 private sector, as well as nonprofit and charitable
9 organizations. I think that you'll find that the
10 nonprofit community, particularly the Community
11 Development Corporations, et cetera, the social services
12 that are provided at the charitable community level are
13 doing more with less and have a significant gap in terms
14 of resources versus need.

15 When you look at the private sector, clearly
16 private sector exists to return the profits to its
17 investors. Most often those profits are invested outside
18 of the region, therefore, leaving very little cash flow
19 within the local area.

20 Typically when you look at the government,
21 nonprofits and private sector, government exists to do
22 what the private sector cannot do. The private sector
23 exists to do what the governmental sector will not do,
24 and nonprofits basically are born to do the highbred
25 work.

1 You will see clearly within this region, and we
2 found our public hearing, for example, in Arkansas,
3 started at 7:30 in the evening and ended at 3:15 in the
4 morning.

5 And there's clearly an energy and a resource
6 capacity. There lacks the technical expertise and the
7 financial resources to really have a significant impact
8 on the pervasive need throughout the region.

9 And many of the nonprofits, we basically look
10 at them as being primary, secondary and tertiary level in
11 their skills, the tertiary level meaning that they are
12 fully operating for profit subsidiaries among --
13 nonprofits can do that and do that quite successfully,
14 and you find that by and large there are clusters.

15 You find it here within the Greenville area.
16 You have the Delta Foundation. In Louisiana you have the
17 Southern Development Corporation. But outside of the few
18 that you have, you don't find the resources extending to
19 the lowest possible level in an effective manner.

20 MR. HAILES: I guess my question is, because I
21 understand a limited capacity entities to effect change,
22 but has there been a net positive impact at all in some
23 of the initiatives or the non-governmental bodies?

24 MR. HAWKINS: I think in the educational arena
25 there has been an overall net. I think that when you

1 begin to look at an overall net positive, I would have to
2 say no.

3 The task that is to be overcome, given the time
4 difficulties and where the shifts in the national need
5 are, you know, in the housing arena, for example, you
6 won't be able to solve the substandard housing in two
7 generations.

8 When you begin to look at the lack of small
9 business capacity, you can put in place financial
10 institutions today but there is going to be a maturing
11 process in terms of the corporations and their ability to
12 compete for markets in the global environment.

13 So the answer to that is that when you look at
14 the physical infrastructure, you look at the shifts that
15 have taken place in the economy, you find that the
16 catfish industry, for example, has replaced a lot of the
17 agricultural commodities here.

18 But at the same time now the shift has meant
19 that in Mississippi there's a 247 million dollar economy
20 centered around catfish. But at the same time there has
21 been a lessening of demand so that the market -- the
22 wholesale rate is -- they're having difficulty even
23 sustaining 75 cents a pound.

24 Most of the employees in that industry don't
25 see the profits. Likewise, when they work in factories,

1 they basically they're seasonal. They don't come -- the
2 factory jobs do not come with health care benefits, et
3 cetera.

4 You get sick. You're back in the welfare
5 cycle. As a result there is difficulty across the board
6 in taking the quantum leap toward creating some type of
7 sustained economic base in the region.

8 MR. HAILES: In your interview with our
9 Commission staff you stated that housing conditions in
10 the Delta could be improved if the policy requiring a
11 down payment for home purchase was eliminated. What
12 other the policy changes would you recommend that would
13 likely result in improved housing conditions in this
14 region?

15 MR. HAWKINS: Well, I think we have in part
16 addressed one of the issues and that is putting ceiling
17 rents upon public housing units, public housing
18 authorities. Generally across the board a tenant --

19 MR. HAILES: Put rent ceilings?

20 MR. HAWKINS: Rent ceilings, yes. A tenant is
21 required to pay 30 percent of their adjusted gross income
22 for housing. You find that unless you cap that rent and
23 allow that differential to be used for savings,
24 ultimately savings and then down payment upon a private
25 unit, that's the only way that a person is going to be.

1 able to get outside of rental income housing -- other
2 than Habitant for Humanity or one of the housing
3 assistance programs which really doesn't -- they don't
4 tap the market in a holistic way.

5 The other point that I wanted to say is that
6 when you begin to look at Fannie Mae and the other
7 entities, mortgage lending entities that exist, you'll
8 find that they have not ventured out to create the
9 massive capital that is necessary for the blend at the
10 local level, be it through the CDC's or the private
11 sector entities that are involved in housing
12 rehabilitation or construction.

13 Therefore, much of the competition is with the
14 larger, higher-valued housing that exists in other parts,
15 and therefore you can't compete for your resources,
16 whether it's lumber, plumbing or others.

17 So those dynamics in the housing means that
18 you're going to have to really shift the financing
19 priorities in order to shift the construction practices
20 to meet the market demand.

21 MR. HAILES: You also told our staff that
22 another factor in the inability of towns in this area to
23 make a difference is the fact that they're unincorporated
24 and lack to authority to impose taxes, and therefore
25 raising revenues is a great difficulty.

1 Are there other factors similar to that one
2 which create limitations on the ability, the towns to
3 affect positive change?

4 MR. HAWKINS: Out migration is one of the major
5 factors in addition to the lack of incorporation. The
6 other issue is the lack of a tax base. You'll find,
7 quite frankly, because my work primarily is in distressed
8 areas, even within the Department of Commerce, you're
9 going to find that in rural areas in particular,
10 unincorporated towns and even some of the incorporated
11 rated towns are going to have a difficult time even
12 maintaining their presence over the course of the next
13 ten years, primarily given the fact that you're passing
14 down -- the federal government is passing down a lot of
15 responsibility to the states.

16 We have seen historically that states are
17 political jurisdictions and the terms of governors and
18 the legislators turn over in such a manner that they
19 really don't have time to address the needs, the critical
20 needs, and then when you further pass that responsibility
21 in terms of cost sharing to local areas, they don't have
22 the resources.

23 There's not a private housing tax base.
24 There's not a business tax base that is going to allow
25 them to even provide the minimum amount of services.

1 Therefore, they won't be in a position to compete.

2 MR. HAILES: Madam Chair, I have no further
3 questions at this time.

4 CHAIRPERSON BERRY: Why don't you go ahead and
5 ask Mr. Wilson his questions?

6 MR. HAILES: Mr. Wilson, the investment system
7 that you propose involves a self-employment component.
8 Would you briefly describe that component?

9 MR. WILSON: Well, basically there's been a
10 movement in this country that's been going on for about
11 ten years now with micro-enterprise and self-employment.
12 One of the hallmarks of this type of system is that you
13 provide the training and education that's needed for a
14 new entrepreneur to succeed, but in addition to that
15 training you provide access to capital, small amounts of
16 capital.

17 Generally what happens within an SBA framework,
18 for example, you'll be trained, you'll put together a
19 business plan, and then you'll go out seeking capital.

20 And you heard from, you know, the other people
21 testifying, both yesterday and today, that the access to
22 capital just is not there. So if you want to effectively
23 really deal with self-employment and micro-enterprise
24 development, you have to have programs that provide
25 entrepreneurial training and at the same time, when you

1 graduate, your graduation diploma is your initial
2 financing.

3 Generally what happens next is that the program
4 works with the entrepreneur, grows them to a certain
5 level, and then bridges them into bank financing, so that
6 a micro-entrepreneur may take out a \$1500 loan, repay
7 that, have immediate access to a \$5,000 loan, immediate
8 access after that to 10,000, and then once they reach the
9 10,000 level, they have access to a bank loan, because
10 they've paid back three commercial loans. They have an
11 ongoing cash flow. They have experience in their
12 business.

13 So you create enough of a success to deal with
14 the banks. There is still a major problem in this region
15 and all over the country with minority borrowers going to
16 the banks, whether it's for business loans or for
17 mortgages, which is why the whole idea of having the
18 individual development account, so that people will have
19 five to ten thousand dollars in equity that they can
20 bring to the table, whether it's for a home purchase or
21 for business is absolutely essential.

22 Equity basically is the leverage that's needed
23 to get individual families into the financial markets, if
24 you don't have a way of building equity, such as the
25 ceiling rents. And what we would propose is that with

1 the ceiling rent system, if that family is saving \$50 or
2 \$20 per month, rather than pay it as additional rent,
3 that \$20 would be matched by \$40 from the government.
4 And that way it accelerates their savings rates and gets
5 them to the point where they have enough equity to
6 actually do the down payment or equity to go into a
7 micro-enterprise.

8 MR. HAILES: Are you able to point to any
9 successful demonstration project where --

10 MR. WILSON: Yes. We've just completed a
11 seven-year longitudinal demonstration at the Corporation
12 for Enterprise Development with hundreds of women on
13 welfare starting micro-enterprises. Their success rates
14 both in terms of personal assets, business assets, the
15 survivability of the firms, and the annual income of the
16 firms outstrip the average SBA business, and SBA loan
17 structure.

18 So given the proper supports and access to
19 small amounts of capital and guidance, these women were
20 able to out-perform your basic SBA portfolio in terms of
21 jobs created, decrease of dependency on welfare, personal
22 assets, and business assets.

23 Also the Aspen Institute has been tracking a
24 nationwide sample of micro-entrepreneurs, and they have a
25 major report out, and so both of these reports indicate

1 that it is a successful strategy when you provide the
2 proper types of supports, even to very low income
3 entrepreneurs.

4 MR. HAILES: And those programs are -- the
5 demonstration projects that you mentioned, are they
6 workable in this region and if so, can you cite some of
7 the reasons why you believe that they would work here?

8 MR. WILSON: Yes. Basically the -- when you
9 talk about small business development and micro-
10 enterprise development, many people don't focus on that
11 because they're afraid that poor people can't handle it,
12 and the requirements for entrepreneurship is that you
13 have a skill and the opportunity to provide a product or
14 a service to the market. In other words, there's a
15 niche.

16 So that's I've seen examples in rural areas
17 where a young African American male in Alabama actually
18 who does designs, was able to go onto the internet and
19 while he didn't have a local market, because he was
20 distanced from major cities because of his rural
21 location, by going onto an on-line bulletin board, he was
22 selling his designs in Scandinavia.

23 His business has grown to about \$75,000 a year.
24 So this is not something that's beyond a rural area to
25 deal with, but you must have the entrepreneurial

1 training. What we're sorely lacking are enough programs
2 that can teach people what are the basic skills to
3 organize, manage a business, and then provide that small
4 amounts of capital.

5 It's not because of a lack of entrepreneurial
6 spirit or enterprenaurial talent. It's a lack of a
7 structure to channel and develop that talent. So the
8 longitudinal study we did with the women on welfare did
9 include rural areas and urban areas, so those models are
10 directly applicable to the Delta region.

11 CHAIRPERSON BERRY: Did you give that study to
12 the staff?

13 MR. WILSON: Yes, I did.

14 MR. HAILES: Have you performed an analysis of
15 the recently enacted federal welfare legislation or the
16 law now, and its impact on your investment proposal, for
17 example?

18 MR. WILSON: Well, the silver lining in the
19 welfare bill, which I consider a very bad one, because it
20 puts demands for work without jobs. The big challenge in
21 the welfare bill is jobs and jobs that pay enough so that
22 women coming off of welfare have enough money to provide
23 child care and support their families.

24 The jobs are not there. That is a big gap, but
25 one of the things that was included in the bill was

1 language to enable the type of individual development
2 accounts, so that is now permissible. States now have
3 the ability to set up these accounts and, for example, a
4 poor woman in Mississippi leaving welfare, if she was to
5 start saving from a ceiling rent and had that money
6 matched and she came up with two or three thousand in
7 this restricted account, that would not count against her
8 income maintenance, her food stamps, her AFDC, none of
9 that would affect her eligibility.

10 So that is part of the new welfare law that
11 asset building is permissible. That's been a major
12 change in terms of thinking about dealing with poverty in
13 this country.

14 The other element that was important was that
15 the charitable choice provision of the new welfare law
16 basically takes away some of the barriers for church and
17 faith based organizations to participate in helping poor
18 people leave the welfare system.

19 Previous to this, if a church set up a day care
20 and accepted federal funds, they could be asked to take
21 down all religious icons. They could ask the minister
22 not to wear his robe or his collar, no prayers could be
23 said, nothing. You would basically change the nature of
24 the church.

25 The charitable choice provision basically says

1 that that will not be done to church organizations that
2 contract and in addition the order procedures would focus
3 just on the federal money and not on all of the church's
4 finances. That was the other major problem that churches
5 found teaming up with this.

6 The welfare bill really has a challenge in
7 terms of job creation and in terms of asset building.
8 There are provisions in this law but there's no
9 infrastructure and at this point until we can show the
10 states how to do this -- many states are interested in
11 doing it. About 20 states have legislation or programs
12 to start doing individual development accounts. Many
13 more have micro-enterprise programs.

14 CHAIRPERSON BERRY: Does Mississippi?

15 MR. WILSON: No.

16 CHAIRPERSON BERRY: Okay, because we're in
17 Mississippi.

18 MR. WILSON: Yeah. No. I don't think Arkansas
19 does either.

20 CHAIRPERSON BERRY: Mississippi does not, and
21 Arkansas does not.

22 MR. WILSON: I don't think Arkansas or Alabama
23 does either.

24 CHAIRPERSON BERRY: All right, continue. I
25 just wanted to make sure.

1 MR. WILSON: Yeah, they're behind the curve.

2 CHAIRPERSON BERRY: Okay.

3 MR. WILSON: But on the other hand, some of the
4 people who will be testifying later today actually are
5 aware of these models, the micro-enterprise model and the
6 individual development account model and they're
7 searching for the resources to try to implement them in
8 this region, the Foundation for the Mid-South has been
9 very actively seeking to work with groups to try to get
10 some of these models funded.

11 So there is knowledge in the region. It's not
12 at the governmental level, but it's certainly at the CDC,
13 community development level. They're aware of these
14 models and would like to try them.

15 MR. HAILES: Thank you very much, Mr. Wilson.
16 Dr. McCray, based on your research how would you describe
17 the general residential housing stock in the Delta today,
18 much of which you covered in your presentation, so let me
19 ask you very specifically, the value of rental and owner
20 occupied housing, plumbing facilities, age of occupied
21 units, occupancy statistics, compliance with housing
22 codes, -again some of that you covered in your general
23 overall presentation, but how would you compare it, white
24 versus black housing stock here in the Delta region?

25 DR. McCRAY: There is a great disparity between.

1 the housing stock of African Americans and Anglo
2 Americans in the Delta. Units occupied by African
3 Americans are significantly older, many of them being in
4 excess of 50 years of age.

5 The units much more frequently lack complete
6 plumbing and kitchen facilities. Most of them have
7 severe structural deficiencies, particularly those in the
8 rural areas, and again I have statistics that I have
9 presented in the statement that will respond to some of
10 them.

11 But I think probably from my perspective I
12 think in small communities in the Delta, I think the
13 absence of community infrastructure in minority
14 neighborhoods is just as critical as the condition of the
15 housing stock.

16 And I think we have to pay attention to paved
17 streets, roads, ditches, and the kinds of environmental
18 conditions that home owners typically don't pay for in
19 terms of when they're purchasing housing.

20 They pay for it in terms of the cost and the
21 location of the units, but in reality the provision of
22 streets and roads and plumbing, et cetera, is a function
23 of the city or of the local unit of government.

24 So I think those issues are just as important
25 as the condition of the stock.

1 MR. HAILES: Well, at this time, Madam Chair,
2 I'm going to turn questions back to you and the
3 Commissioners.

4 CHAIRPERSON BERRY: Thank you very much, Mr.
5 Hailes. Do you have any questions, Vice Chair?

6 VICE CHAIRPERSON REYNOSO: Yes, I have found
7 the testimony that each of you has presented to be very
8 helpful and I have a general question first, and I have
9 some more specific questions. The general question is
10 this.

11 What you have testified to makes such basic
12 common sense in terms of the policies that government
13 should be looking toward, i.e., building the assets so
14 that folk can go into their own housing, so folk can be
15 entrepreneurial, et cetera.

16 And yet as you have pointed out, those haven't
17 been the policies and let's stick to the federal
18 government for a minute. My question is how come? Have
19 you all been unable to persuade the federal agencies?
20 Are your studies not persuasive? Is it a matter of
21 politics, i.e., in the west we'll put billions of dollars
22 into dams but very little asset building for the poor,
23 for example, because those who want the dams have the
24 political power?

25 Is that the same sort of thing that's going on

1 in the Delta?

2 CHAIRPERSON BERRY: Let's ask Mr. Hawkins that
3 question, since he's a fed.

4 MR. HAWKINS: Actually there is no defense,
5 quite frankly, I think that the bottom line to it is that
6 the tendency in America has been to do what is
7 politically expedient to dispose the federal government
8 of the responsibility for low-income services in this
9 country.

10 And clearly what you had when the cold war
11 ended was a decline in the military industrial complex,
12 and you had the aerospace industry transitioning. You
13 had a lot of people that were previously employed in the
14 industry, under employed and unemployed.

15 So there has been a systematic ripple effect.
16 There is a human nature that when you are unemployed or
17 under employed, to blame someone else. Consequently
18 we've looked at what has happened in California. You
19 look at what has happened here in the region.

20 The tendency is to compete against ourselves
21 rather than to really invest in ourselves in this
22 country. Unfortunately, I don't see it as getting much
23 better.

24 I've spent the last four years retooling an
25 agency that has a primary focus the work in distressed

1 areas. And it has been, you know, a tremendous
2 undertaking to get the shifts and the culture of our
3 employees, but by and large if the laws are passed
4 sensibly, they can be -- the regulations and the
5 guidelines implementing them can be sensible.

6 When we look at the welfare to work transition,
7 it further exasperates the problems the nonprofits have
8 in Virginia -- you found that with the removal of people
9 from welfare, that it put further stress upon the lunch
10 programs and social programs of the churches.

11 And they didn't have the resources to meet that
12 demand. You're going to find that throughout the country
13 and then the ripple effect is going to be social and
14 civil unrest.

15 I think that the decision makers don't think
16 long term about the implications of their decisions, and
17 it's a constant -- and it is very difficult for low-
18 income people to get a voice on Capital Hill. That's the
19 bottom line.

20 VICE CHAIRPERSON REYNOSO: Each of you have
21 emphasized the importance of wealth creation and each of
22 you in one way or another, particularly Dr. McCray, but
23 all of you have indicated that one of the primary sources
24 of wealth for American families begins with the home,
25 that's where you start building equity and so on.

1 Further, my recollection is that all of the
2 studies speak to the strength of a community, oftentimes
3 based on home ownership. I remember a study out of San
4 Antonio, Texas, that commented on the stability of the
5 Latino community there, and its ripple effect on the
6 economy, on the arts, et cetera, and much of it was based
7 on the high percentage of folk that owned their own
8 homes.

9 With all of that wealth of study then, it seems
10 to me that government would be putting a great emphasis
11 on helping folk create that wealth so they can get into
12 their homes rather than into what you folks have
13 described as maintenance, i.e., pay their rent.

14 And I just wonder if you see any movement, Mr.
15 Hawkins, in the federal government or the rest of you in
16 local -- federal or local government -- to start taking a
17 second look at those policies that would help folk get
18 into their housing, create that wealth and create that
19 stability and so on that all sociologists seem to agree
20 is a good thing for our communities?

21 MR. HAWKINS: Mr. Vice Chairman, I have to say
22 that all the laws exist. It boils down to making them
23 work.

24 You have the Community Reinvestment Act that
25 exists in Washington that guides the private sector

1 lending community in making investments in the community.
2 On the other hand, if you have a state chartered bank, as
3 many of the banks in this region are, those laws don't
4 apply.

5 Therefore, it becomes an issue of how do you
6 put incentives in place? And I don't think the
7 responsibility needs to be totally on the back of the
8 federal government. I think that when you look at
9 transfer payments in this region, you look at the dollars
10 that are really coming in here, in food stamps and
11 welfare assistance, et cetera, it creates -- there's an
12 economy and to have the dialogue that is necessary to
13 change regulations and the enforcement of those
14 regulations means that there has to be a sensitivity.

15 The federal government can't do it. The
16 private sector has to listen to the nonprofit community
17 and the constituents in the region.

18 DR. McCRAY: Mr. Vice Chairman, I'd like to
19 address the first question and sort of feed into that in
20 terms of antecedents. I think we have to recognize that
21 life in the Delta grew out of what was quote, quote, the
22 Southern way of life.

23 Within that framework there was separation and
24 separation of the races was sanctioned, and many of the
25 cultural patterns and tradition evolved around creating a

1 wide void, a wide gap between the economics and the
2 social well-being of the two races of people.

3 I can recall W. P. DuBois in *Souls of Black*
4 *Folks* that was written almost nine years ago, said that
5 the greatest struggle for African Americans will be after
6 we've gone beyond litigation and legislation, that the
7 struggles will come to the -- the end of the struggle
8 will come when men have -- when men work together.

9 I think that the social conditions of this
10 region have created a situation where people through from
11 generation to generation have not been able to carry
12 forth the same kinds of wealth patterns, have not had the
13 same kinds of resources.

14 And quite frankly, federal legislation as Mr.
15 Hawkins said, the federal legislation is there but it's
16 left up to the will of the people to do those kinds of
17 things and to look forward to opportunities to take
18 advantage of opportunities that are presented by federal
19 and state policies, and in areas where this separation is
20 a way of life, bridging that gap is a major challenge to
21 doing anything that would improve the economic, as well
22 as other conditions in the region.

23 VICE CHAIRPERSON REYNOSO: But recognizing
24 that, very often when you have a force from outside the
25 region, i.e., we're talking about the federal government

1 the federal government representing the entire country
2 may not be tied to those institutions and while it's
3 normally a good idea to work with local institutions, if
4 they have gotten in the way of a broader good, then the
5 federal government out to look to different techniques,
6 even though the aim may be the same.

7 And I guess my inquiry to you, because I've
8 spent a lot of time in rural areas in California where we
9 see some of the same phenomenon, is what needs to be done
10 to propel the federal government, if policy -- if the
11 broad policies are in place, but this structure or this
12 law or this regulation hasn't worked, what will persuade
13 or have the government think anew about another
14 regulation or another policy -- another way of
15 implementing that broad policy? Yes?

16 MR. WILSON: I would say there's been some
17 movement. There hasn't been enough. First of all, just
18 the fact that we've got an asset building provision in
19 the welfare bill itself.

20 VICE CHAIRPERSON REYNOSO: That's very helpful.

21 MR. WILSON: Was a major step forward, and in
22 fact the bills that the corporation was pushing around
23 individual development account and asset building has had
24 bipartisan support.

25 Two years ago it was Bill Bradley and Orin

1 Hatch who co-authored the legislation. This past year it
2 was Senator Dan Coats and Senator Carol Mosley Braun, who
3 co-authored legislation.

4 So we've always had strange bedfellows say it
5 makes sense to start thinking about investing in the
6 poor.

7 I think the other thing that's really clear is
8 that anybody concerned about community development and
9 dealing with poverty has to realize that the federal
10 government has structured most of its programs around
11 income maintenance or welfare.

12 VICE CHAIRPERSON REYNOSO: Right.

13 MR. WILSON: And that we must begin to start to
14 use investment tools to work in these communities, and so
15 what we have is more dollars for subsidizing families
16 than we have for investing in these other types of
17 mechanisms.

18 And we -- even the advocates for the poor
19 ignore all of the investment dollars that are sitting
20 over there that actually dwarf our social service
21 expenditures, and we must start saying the poor and to
22 working families must have fair access to those dollars.

23 I think it's moving in that direction but quite
24 frankly, people do not know about the successes of low-
25 income people owning homes. In the statistics that were

1 cited here today by Dr. McCray, for example, the Neighbor
2 Works Home Ownership Initiative, 15,000 families over the
3 last three years have been helped to own homes.

4 49 percent of them are paying less for their
5 mortgage principal and interest than they paid for rent.
6 81 percent of those 15,000 families are spending less
7 than 30 percent of their annual income for housing costs.

8 And so, you know, when you look at the effects
9 of home ownership on reducing the costs to many families
10 depending on the market that they're in, and this is a
11 low-cost market that we're in in the Delta, it doesn't
12 make sense to keep pushing from the advocates of the poor
13 side for more rental housing, when we should be pushing
14 for home ownership and asset building.

15 So it's not, you know, the Republican saying we
16 don't want to spend any more money on the poor. It's
17 advocates for -- they're saying that, but it's also
18 advocates for the poor saying we need to help them and
19 they don't think in terms of investment, so that's a mind
20 set that really has to change from the bottom up, and so
21 I think that's why these hearings are very important to
22 get into the formal record, you know, what people are
23 saying.

24 I think you'll hear a lot of this later in the
25 day from the community development groups that are going

1 to be testifying.

2 VICE CHAIRPERSON REYNOSO: Well, I just find
3 the testimony that all of you have presented, the
4 statistics are grim, and I must say that all it takes is
5 a drive around the neighborhood to see the reality of
6 what you folks have been talking about.

7 Nonetheless, I think that this new thinking is
8 very helpful, because the implication, for example, Mr.
9 Hawkins mentioned that if you're still getting tons of
10 federal dollars in here, if you took even ten percent of
11 the maintenance dollars that's coming in and put it aside
12 for asset building, that would make a tremendous
13 difference eventually in helping the poor, particularly
14 generationally.

15 Thank you very much.

16 CHAIRPERSON BERRY: Thank you. Questions,
17 Commissioner Lee?

18 COMMISSIONER LEE: We always here about people
19 just complaining about problems and not offering
20 solutions so it's really refreshing to hear all of you
21 having to me very common sense approach to this problem,
22 yet I'm sort of frustrated. Why isn't things being done?

23 The Vice Chair had asked about the federal
24 government's role in this. I'd like to ask the panelists
25 about the state and local government, especially now whe

1 federal government is shifting a lot of the
2 responsibilities to the state. Where is the partnership
3 between the states, the local?

4 When I talk about local, I talk about the local
5 leadership, the elected leadership, the community
6 leadership, you talk about the CB's, the community based
7 organizations, and the private sector. Where are they?
8 Have they been talking to each other? Have they been
9 addressing these problems?

10 And the second question I'd like to talk about
11 is you mentioned about the red lining. To what extent is
12 the problem is red lining? Anything being done with
13 that?

14 MR. HAWKINS: Let me just start in. I'll defer
15 to my colleagues here. With respect to the
16 partnershpping that is going on, I think that you will
17 find that the -- there exists a network of CBC's,
18 community based organizations in each of the states and
19 they basically are collaborating.

20 Likewise, I think that the state and local
21 governments have had to enter into new dialogues,
22 different approaches with the beneficiaries, the
23 recipients of many of the services.

24 I think that the shift in the federal
25 responsibility to the local level and to the state level

1 is going to bring about a new dynamic in terms of
2 communication planning.

3 I alluded to the fact that earlier, the
4 reinstituting of the A95 review process may be a good
5 idea, with some modifications, but the planning
6 development districts, et cetera, need to be in broader
7 communication.

8 One last comment I'd like to make before I
9 shift on to red lining is that the Delta Commission in
10 centrum report found that there was significant red
11 lining to make mention of that particular issue.

12 The information highway, the internet access,
13 et cetera, has to be expanded to not only provide access
14 but affordable access to the residents here in the
15 region, and when you begin to talk about coordination, we
16 can cite examples after examples of success stories, but
17 unless every household, every nonprofit and every unit
18 has access to the internet, it won't be possible to make
19 that quantum leap, and to share those resources.

20 DR. McCRAY: I'll pick up a little bit on the
21 red lining and talk about the state and local government.
22 In terms of red lining, I think what we know about red
23 lining has been documented from reports that lending
24 institutions are required to provide under Home Mortgage
25 Disclosure Act and Community Reinvestment Act.

1 Again, as I said, the non-metropolitan areas
2 are exempt from this requirement.

3 VICE CHAIRPERSON REYNOSO: Legislatively, I
4 take it?

5 DR. McCRAY: Yes.

6 VICE CHAIRPERSON REYNOSO: And what's the
7 rationale behind the legislation, just response to the
8 politics of rural areas or is it more of a rationale?

9 DR. McCRAY: I really don't know. I believe
10 that some of it may be related to the size of rural
11 lending institutions in the field and that they may not
12 have the capacity to provide the kinds of data collection
13 and reporting, but I cannot answer that specifically.

14 But the point in terms of the red lining is
15 that we really don't have a good feel of what goes on out
16 in the rural areas, because the data are not being
17 collected or analyzed to tell us that. But there
18 certainly has been significant documentation of red
19 lining in metropolitan areas.

20 One of the things that I think in terms of
21 state and local policies is that most small, rural
22 communities fail to recognize the economic value or
23 benefit a housing development can have, both for their
24 communities in terms of tax resources and they also fail
25 to recognize that housing can be an economic development

1 strategy in terms of job creation.

2 In Arkansas, for example, my personal
3 perspective is that state government does not recognize
4 that it has a role in housing beyond being a transfer,
5 serving as a transferee for federal funds.

6 In our state housing activities are centered
7 around facilitating what it takes to get the federal
8 money and passing it through to units of local
9 government, and I think that states that have been
10 successful, primarily Virginia and Georgia, states that
11 have been successful in creating some development in
12 housing for low-income families, have taken a proactive
13 role themselves and have not just been merely pass-
14 through agents.

15 And I think there's a job of selling and
16 helping people to understand that there is a
17 responsibility.

18 COMMISSIONER LEE: May I ask one more question?

19 CHAIRPERSON BERRY: Yes, please.

20 COMMISSIONER LEE: One final question. Any one
21 of you have statistics on minority-owned financial
22 institutions in this area, in the Delta area?

23 CHAIRPERSON BERRY: Or can you get it?

24 MR. HAWKINS: I can get it and supply it.

25 CHAIRPERSON BERRY: Could you get the

1 statistics on minority-owned financial institutions and
2 provide them for us? Mr. Hawkins has agreed to do that.

3 MR. WILSON: Can I say one thing in response to
4 Ms. Lee? One of the issues with the collaboration of the
5 local governments is the amount of information and
6 support that they have from the federal government to
7 initiate these things. Community Development Block Grant
8 Program and others like that actually do help in creating
9 a little more collaboration but there's not enough of an
10 emphasis on some of these other strategies.

11 The other thing is that in regard to racial
12 tension, and I wanted to make this point -- when you
13 start talking about broad range asset building programs
14 like the GI Bill, they have major effect on reducing
15 racial tension, because you give everyone access to
16 moving forward.

17 The GI Bill created the opportunity for my
18 father, for example, in New York to buy a home, move us
19 out of the Bronx out to Long Island. And it created
20 basically black Levittowns, because the mortgage
21 financing that was available through the federal
22 government created a market to build homes for black
23 families.

24 But we have not had a broad base asset building
25 program since the GI Bill. Before that it was the

1 Homestead Act that was basically -- and there were lots
2 of problems with the Homestead Act in terms of Native
3 Americans and African Americans homesteading property and
4 then having it stolen, burned down or whatever.

5 But, you know, unless we get to a point where
6 we're looking at broad based asset building strategies,
7 you're going to continue to have federal programs like
8 the Hope 6 Program, which will come in and work with
9 public housing residents, move them out of public housing
10 into scattered house, you know, individual in-fill houses
11 in neighborhoods, and then you will have both white and
12 black working class families that can't afford to fix the
13 roof on the building they're in, but someone's moving out
14 of public housing into a brand new house, and that's what
15 we're saying, both families should be given individual
16 development accounts.

17 It would enable the family to move out of
18 public housing into home ownership, and it would enable
19 that person that's been struggling to keep up their old
20 house with the capital to fix that up or to buy a new
21 property. Overall, everybody gains in that type of a
22 situation.

23 Right now many of our programs target to the
24 poor and African Americans and by the time it comes from
25 the federal level down to the local level, people say we

1 don't want to help those folks. So they won't even spend
2 the money.

3 So there has to be a strategy that's more
4 inclusive. I still believe there needs to be targeting,
5 but I think there has to be some strategies that are more
6 inclusive.

7 CHAIRPERSON BERRY: I have just a couple
8 questions, and I'm not going to delay this too long
9 because I don't want us to run behind. But two sets of
10 questions.

11 First of all for you, Mr. Wilson, you mentioned
12 the individual development accounts and we've been
13 discussing those and asset building. How many of the
14 states in the Delta have introduced legislation or passed
15 legislation or have proposals to take advantage of that
16 legislation for welfare mothers to engage in asset
17 building?

18 MR. WILSON: We've received inquiries from just
19 about every state in the Southeast, has expressed an
20 interest. South Carolina and Georgia -- I don't think
21 anyone in the Delta has legislation yet, but this is a
22 moving target. We anticipate there's going to be some
23 legislation incorporated as some of the states consider
24 their -- their legislation for the implementation of the
25 welfare block grant under the TAN provisions, but as of

1 today I do not know of anyone who is already in place,
2 like Iowa, which passed theirs four years ago, so they
3 are ready to move forward. I don't know of any.

4 CHAIRPERSON BERRY: Could there be any reason
5 why there have not already been initiatives like this?
6 It's not that they're unknown initiatives, if I
7 understand your testimony correctly. These are well-known
8 asset building is a micro-capitalism, enterprises, these
9 are fairly well known now and it is in the bill and there
10 was bi-partisan support for this.

11 So would you be in the position then of saying
12 that everybody should move expeditiously to implement
13 these provisions?

14 MR. WILSON: Yes. I mean, it doesn't make any
15 sense in terms of an investment strategy. We did a study
16 called the Return on the Dream, which I'll make available
17 to the staff, that looked at investing 100 million
18 dollars in these types of individual development
19 accounts.

20 The federal government gets repaid that 100
21 million dollars in two and a half years, and then they
22 start to make profits off of that from the taxes that are
23 paid on wages for construction labor, on taxes that are
24 paid for sale, so it is a positive way to increase state,
25 local and federal revenues by doing this investment, and

1 so we think that, except in those situations where people
2 just do not want to see minorities move ahead, and are
3 willing to forego revenue, we think that only in that
4 circumstance would people not move forward on that.

5 Now, I can't say whether or not --

6 CHAIRPERSON BERRY: Now, you know, of course,
7 that all the people on welfare are not minorities.

8 MR. WILSON: That's right.

9 CHAIRPERSON BERRY: In this state or in the
10 Delta, or anywhere else in the country.

11 MR. WILSON: That's right.

12 CHAIRPERSON BERRY: So that if you're talking
13 about a race neutral proposal, as you said in the case of
14 GI Bill, it seems like these individual develop accounts,
15 if they're for welfare recipients, would be race neutral.

16 MR. WILSON: That's right.

17 CHAIRPERSON BERRY: Unless one accepts the myth
18 that they're all black people or something.

19 MR. WILSON: No, in fact this whole movement --

20 CHAIRPERSON BERRY: So let's not get into that
21 trap.

22 MR. WILSON: Right. In fact, this whole
23 movement started because a white woman in Minnesota saved
24 \$2,000 to send her child to college, while she was on
25 welfare. She used her church for clothing and a food

1 bank for food, and was prosecuted for fraud.

2 CHAIRPERSON BERRY: Okay. The other question
3 is would you support such accounts and such asset
4 building for people who are not on welfare? What about
5 all of the unemployed men who live in the same
6 communities where the women who are on welfare live and
7 everybody who talks about welfare and getting people off
8 forget that in those same communities there are people
9 who don't have jobs.

10 MR. WILSON: Right.

11 CHAIRPERSON BERRY: And that even if you got
12 all the women off welfare, you would still have all these
13 men who don't have jobs. So how about asset building for
14 them?

15 MR. WILSON: Well, we recommend that this whole
16 approach -- there's a national trend towards individual
17 accounts. They're talking about individual accounts to
18 supplement or replace Social Security. They're talking
19 about medical savings accounts. There's a whole trend
20 toward these individualized asset building accounts.

21 We feel that what the federal government
22 doesn't do effectively is address families under \$25,000
23 in income. President Clinton, for example, has proposed
24 major tax breaks for middle income families that send
25 their kids to school, you know, \$10,000 that you can

1 write off on your taxes.

2 My question is what about the family whose
3 annual income is \$9,000? They can't spend it and then
4 get it back in the tax package.

5 So we recommend that this be an across-the-
6 board approach, that if you're over 30,000 in income, you
7 get generous tax breaks for doing these targeted
8 accounts, and if you're under 30,000 I income on a
9 sliding scale, everyone receives some sort of matching
10 contribution.

11 And we don't think welfare reform is going to
12 work because one of the reasons is they're depending on
13 child support payments from the very men that you're
14 talking about that are unemployed. That's part of the
15 package, and unless we get them employed and get them in
16 stream, it's not going to work.

17 CHAIRPERSON BERRY: The other question I wanted
18 to ask, all of you, I think, or maybe two of you,
19 mentioned mortgage -- difficulties in getting loans and
20 mortgages, red lining, and other kinds of problems, or at
21 least I know you did, Mr. Wilson. I've forgotten who
22 else mentioned it.

23 But there was no mention of any responsibility
24 -- and you mentioned the fact that the Community
25 Reinvestment Act does no apply to state chartered banks,

1 Mr. Hawkins. There was no mention of the state
2 responsibility to enforce civil rights so there isn't
3 discrimination. States are responsible for enforcing
4 civil rights, or the federal government's responsibility
5 for enforcing civil rights.

6 We sort of, you know, discussed mortgage
7 discrimination and people can't get loans and banks and
8 red lining is if -- oh, well, we can't worry about that
9 now, let's see what else we can do.

10 It's against the law, isn't it?

11 MR. WILSON: Yes.

12 MR. HAWKINS: Yes.

13 CHAIRPERSON BERRY: To refuse to give mortgages
14 to people or to give them bank loans when there is no
15 reason and they're similarly situated to other people who
16 get mortgages and bank loans, and at the same time to
17 give them loans to buy cars. Isn't it? Nobody even
18 mentioned that. You don't have any concern about that at
19 all as far as --

20 MR. HAWKINS: Madam Chairperson, no. I --

21 CHAIRPERSON BERRY: Or housing, you don't have
22 any concern. Neither of you have any concern about this?

23 MR. HAWKINS: Madam Chairperson, let me
24 acknowledge this fact, that when it comes to the mortgage
25 financing or even business loan activity, you can fill

1 out an application. You end up with debt to equity
2 ratios. You end up with credit histories, et cetera.

3 My major fear in that arena is that with the
4 fiber network that is being formed, that you're going to
5 have quite frankly is not going to have -- you already
6 know that you can do blind application over the internet
7 or through electronic banking.

8 It then becomes the analysis and the data which
9 then boils down to the fact that your zip plus four index
10 says that by household -- there are four people living in
11 the household and the income is X number of dollars.

12 You're entering into a totally different arena.
13 The lending institutions will basically say we don't
14 discriminate, we have a responsibility to maintain our
15 asset base.

16 Likewise, one of the interesting points is that
17 we found in business loans that the local bank would make
18 loans available but they have to have collateral.

19 So one of the practices that we put in place
20 was a revolving loan fund at the local level that would
21 basically pledge a CD against the individual collateral
22 until the note was paid back, because bank regulators
23 come in and say where's the collateral.

24 If a loan is under collateralized, then it is a
25 penalty upon the bank. So I think that when you begin to

1 think about usurpation of the laws and then actual
2 practical application of dealing with them, and then the
3 enforcement, it requires that there be focus and there be
4 priority, and I can say that throughout the region when
5 discrimination is identified, is the classic examples of
6 it being dealt with in various forms, but after a while
7 you have to get down to doing business.

8 And oftentimes contacts and relationships
9 ultimately end up as the factor of making these things
10 work.

11 CHAIRPERSON BERRY: I find your response very
12 distressing.

13 MR. HAWKINS: It is distressing --

14 CHAIRPERSON BERRY: We had Larry Lindsey, who
15 is a member of the Federal Reserve Board, and who was
16 Chair of that committee on the board that dealt with
17 mortgage lending and bank loans, and Wayne Angel, who
18 used to be a member of the Federal Reserve Board, come
19 before this Commission in the last year to discuss this
20 subject, and both of them agreed that there is
21 discrimination.

22 MR. HAWKINS: Absolutely.

23 CHAIRPERSON BERRY: On the basis of race and
24 giving loans, and that in many cases the people who are
25 eligible for loans are similarly situated.

1 MR. HAWKINS: That's right.

2 CHAIRPERSON BERRY: To people who are given
3 loans. I mean, they testified to this before this
4 Commission, and they have no reason to lie, and they had
5 studies to show that that was the case, and they urged
6 greater efforts on the part of enforcement officials to
7 try to make it clear that this kind of discrimination is
8 not permitted. As one strategy -- I'm not saying it's a
9 substitute for other kinds of things.

10 MR. HAWKINS: Sure.

11 CHAIRPERSON BERRY: But it seems to me that if
12 you emphasize forgetting about that, then you let the
13 banks and the people who get the money go free to
14 continue to get it.

15 MR. HAWKINS: That wasn't my point.

16 CHAIRPERSON BERRY: While you're over here
17 trying to asset build so you can start a small business.
18 I mean, I don't -- and your taxes are being paid at the
19 same time. Okay, you're paying taxes, the same people
20 you're talking about, if they are able to get a few
21 assets, will still be paying taxes and so here we are,
22 this emphasis on just forgetting all about discrimination
23 --

24 MR. HAWKINS: No, no, no.

25 CHAIRPERSON BERRY: -- exist. I mean, I just

1 don't understand --

2 MR. HAWKINS: No, that's not -- the intent of
3 that --

4 CHAIRPERSON BERRY: I heard what you had to
5 say, Mr. Hawkins. I heard you. You said that it's a
6 practice of priorities.

7 MR. HAWKINS: It takes a multi-faceted approach
8 to dealing with it.

9 MR. WILSON: Well, I would go further than that
10 though. The asset programs I'm talking about break down
11 at the level discrimination is hit in capital markets,
12 and it has to be dealt with.

13 You can have all the people in the world that
14 have down payment money, but if they cannot get a
15 mortgage from the bank, the local lending institutions --
16 the other thing I should say is that what we're learning
17 from this asset building initiatives around the country
18 is the banks are wrong. Their standard practice is
19 wrong.

20 Right now the three largest, low-income home
21 ownership programs have lower default rates than the
22 average middle class default rate in this country. And
23 that's significant, because the banks feel that low-
24 income home buyers are a higher risk than middle or upper
25 income home buyers.

1 CHAIRPERSON BERRY: Well, you're precisely
2 begging my point, the testimony before this Commission by
3 responsibility officials affirms what you've just said,
4 that people are in fact loanworthy.

5 MR. HAWKINS: And have proven --

6 CHAIRPERSON BERRY: And have proven that
7 they're loanworthy and still aren't able to get loans and
8 that someone needs to take -- have some accountability
9 from officials who are responsible.

10 MR. WILSON: But I understand what Mr. Hawkins
11 was saying, if you do not have the down payment or some
12 equity to bring to the table, you're disqualified. They
13 don't even have to go past that.

14 CHAIRPERSON BERRY: Oh, sure.

15 MR. WILSON: To deal with the other factors.

16 CHAIRPERSON BERRY: Sure.

17 MR. WILSON: And so what we're saying is that
18 there must be this development of the asset base, but
19 there still needs to be a big emphasis on discriminatory
20 practice --

21 CHAIRPERSON BERRY: -- motivation and
22 opportunity in order to be successful, and so when you
23 undermine people's opportunity -- their motivation by no
24 matter how hard they've struggled to put money together
25 and saved it and so on, to make themselves asset worthy,

1 started a business, and then you refuse to give them a
2 loan, purely on the basis of discrimination, that that is
3 something that everyone who is concerned about
4 capitalism, and entrepreneurial objectives out to really
5 be serious concerned about.

6 So I just wanted to make sure that this panel
7 did not -- that I understood you correctly, in that you
8 are not simply ignoring these factors.

9 MR. HAWKINS: I'm not. And so I'll just leave
10 it at that, and I appreciate very much your testimony and
11 as you leave, the staff will have some check-out
12 procedures for you that we have for all the witnesses,
13 and we appreciate your coming. Thank you very much.

14 MR. HAWKINS: Thank you.

15 MR. WILSON: Thank you.

16 DR. McCRAY: Thank you.

17 CHAIRPERSON BERRY: And we're going to call the
18 next panel without taking a break because I took up the
19 time talking.

20 Let me see here. Now we're going back to Mr.
21 Wilbur. Mr. Robert Wilbur, could you please come
22 forward? One of our witnesses who was originally
23 scheduled to testify at the hearing yesterday when we
24 addressed the topic of Race and Public Education was
25 unable to appear then.

1 also willing to help us answer questions this morning.

2 Our education advisor is unable to be here
3 today and while my expertise is not education, I'm
4 somewhat familiar with the subject and I'm happy to read
5 this statement and also answer any questions you might
6 have about that.

7 Governor Fordice has been in office since 1992,
8 has had several goals for public education since then, to
9 prepared students adequately for college and the work
10 force, for more teachers who are committed to helping
11 students increase parental involvement in their
12 children's education, reduce needless bureaucracy and
13 paperwork, and increase graduation rates for high school
14 students.

15 Governor Fordice believes the best social
16 program is a good job with opportunity for advancement.
17 To this end Governor Fordice has actively recruited new
18 businesses to Mississippi and assisted those companies
19 already here.

20 Since 1992 Mississippi has had a net gain of
21 more than 125,000 new jobs. More Mississippians are
22 working now in 1997 than ever before. Unemployment has
23 dropped from 8.8 percent state-wide to 4.5 percent in the
24 past five years.

25 In the past three years more than 17,000 fewer

1 families received welfare benefits. That's a decrease of
2 30 percent over the past three years.

3 Continued economic growth requires an educated
4 workforce capable of learning new skills. A quality
5 education is required for those who enter college and
6 also for those who move directly into employment.

7 In addition, quality education keeps
8 Mississippians here to rear their children and attracts
9 new families, as well. The brain drain or exodus of our
10 young people out of Mississippi is beginning to slow.

11 Governor Fordice is looking for evidence that
12 children are better prepared for the first grade, that
13 student achievement is improving, that drop-out rates are
14 being reduced, that higher proportions of adults are high
15 school graduates, that students of vocational programs
16 are achieving at levels comparable to those in college
17 preparatory programs, that teachers are better prepared
18 and also that schools, colleges and universities are more
19 effective.

20 There are signs that we are making progress
21 here in Mississippi. There are gains in student
22 achievement, more students are being served by preschool
23 and kindergarten programs, drop-out rates are being
24 reduced, high school students are taking more
25 mathematics, science and courses for college credit, and

1 the gaps in achievement and educational attainment among
2 ethnic groups are closing.

3 Success in school depends on a strong start.
4 Kindergarten and preschool programs that promote a
5 healthy learning environment for young children are among
6 the smartest investments a state can make.

7 Despite Head Start and significant state
8 commitments, early intervention programs still reach too
9 far few children who need them. And the need is great
10 when the too high percentages of our children live in
11 poverty and also in single parent families.

12 Increasing student achievement is at the heart
13 of efforts to improve education. Some of our best news
14 about student achievement in Mississippi has to do with
15 the courses students are taking in high school.

16 A dramatically higher percentage of students
17 now take four courses in English and at least three in
18 mathematic, science, and social studies.

19 These are courses that go beyond the minimum of
20 the general curriculum. Many more students are earning
21 college credit in advanced placement courses like
22 calculus, physics and advanced biology.

23 Even with these dramatic changes, only half the
24 students in high school complete a challenging curriculum
25 and a low percentage of our high school juniors and

1 seniors are taking these advanced placement courses.

2 Testing programs also show that students'
3 performance today is about the same or somewhat better
4 than it was five years ago. That is hardly a ringing
5 endorsement but neither is it a sign of failure, given
6 the growing number of students who have some serious
7 problems they are bringing to the classroom.

8 In an effort to boost student achievement,
9 Mississippi is redefining standards for students and
10 implementing curriculum framework and other initiatives
11 to strength the content of a school's curriculum, improve
12 methods of teaching and address the health and social
13 problems that today's students face.

14 A higher percentage of adults in Mississippi
15 have high school diplomas or GED's than a decade ago.
16 Especially significant are the gains in the percentage of
17 black Mississippians who are high school graduates. The
18 gaps between blacks and whites are closing.

19 The percentage of blacks in Mississippi who are
20 high school graduates is now probably above the national
21 average.

22 To reach our goal of 90 percent of having a
23 high school credential will require the doubling -- young
24 adults earning a GED award. Almost one-half of the
25 students who drop out of school will complete a high

1 school diploma or a GED credential within six years.

2 Progress towards our goal of 90 percent of
3 students with a high school diploma will obviously be
4 affected by the high school drop-out rate.

5 Nearly all four-year colleges and universities
6 now specify a series of courses for admission. They
7 typically include four years of English, three years of
8 mathematics, two or three years of science, including a
9 laboratory science, three years of social studies and two
10 years of a foreign language.

11 In what may be the most dramatic result of
12 education reforms during the 1980's Mississippi more than
13 doubled the proportion of high school seniors completing
14 these college preparatory courses. More high school
15 seniors in Mississippi are taking college admissions
16 tests and they're taking more college preparatory
17 courses, clear signs that efforts to encourage our
18 students to attend college are working.

19 Average scores on the SAT and the ACT are the
20 same or higher than five years ago, even though
21 significantly more students are taking these tests, and
22 that almost always lowers the average scores.

23 In two-year colleges typically more than 40
24 percent of entering students are enrolled in one or more
25 remedial courses. Many more high school graduates are

1 taking college admissions tests, and these average scores
2 on such tests tend to be lower when a higher proportion
3 of students are being tested.

4 Therefore, it is noteworthy to note that the
5 average scores on the ACT and SAT in Mississippi have
6 either gone up or remained about the same, even though
7 more students are taking the tests.

8 Although significantly more high school
9 students now take more college preparatory programs in
10 high school, the percentage taking college admissions
11 tests and enrolling in colleges and universities is even
12 higher than that.

13 We've also changed requirements for students
14 completing vocational programs. These changes include
15 increasing mathematics and science requirements, defining
16 more clearly the credits required in occupational
17 program, and establishing standards for courses and
18 student performance in vocational programs.

19 Our high schools are designed to raise the
20 academic achievement of vocational students preparing to
21 enter the labor force or to continue their education
22 immediately after high school.

23 These schools expect vocational students to
24 complete mathematics and science courses that have
25 content similar to that in college preparatory programs.

1 Students in high school who complete recommended
2 vocational programs score higher in reading, mathematics
3 and science than the students in the less challenging
4 vocational programs.

5 We took the lead in the movement to strengthen
6 undergraduate teacher preparation programs by requiring
7 that a greater proportion of courses be in academic
8 disciplines. Graduates of these revised programs are
9 just now beginning to teach in our colleges and
10 universities.

11 We have raise standards for admission into
12 teacher preparation programs and for licensing teachers,
13 including higher grade point averages, testing for basic
14 skills in subject area knowledge, and on-the-job
15 evaluations for beginning teachers.

16 The success of our students depends on
17 qualified teachers and administrators who support their
18 efforts in their classrooms. It is the governor's
19 fondest wish to leave office with Mississippi -- that's
20 in the year 2000 -- in better shape than when he took
21 over in 1992.

22 Through opportunities for employment, quality
23 education, economic independence and personal
24 responsibility, we are striving toward that goal.

25 Thank you for allowing me to read this

1 statement and we'll be happy to answer any questions you
2 might have this morning.

3 CHAIRPERSON BERRY: Thank you very much, Mr.
4 Wilbur. Your entire statement will be included in the
5 record.

6 Let me just ask you, are you aware -- and I'm
7 sure you are -- that the Delta is one of the poorest
8 regions in this nation?

9 MR. WILBUR: Certainly.

10 CHAIRPERSON BERRY: How many Delta high schools
11 or elementary public schools have you visited in the last
12 two years?

13 MR. WILBUR: I'm trying to think -- none that
14 I'm aware of.

15 CHAIRPERSON BERRY: How many have you visited,
16 because I'm going to ask you the names of them after you
17 tell me how many you visited.

18 MR. WILBUR: Okay.

19 CHAIRPERSON BERRY: And what you saw there
20 because I've been to some of them.

21 MR. WILBUR: I don't think I visited any.

22 CHAIRPERSON BERRY: Okay. Are you aware of the
23 physical condition of many of the elementary and --

24 MR. WILBUR: Sure.

25 CHAIRPERSON BERRY: -- secondary schools in the

1 Delta?

2 MR. WILBUR: Mm-hmm.

3 CHAIRPERSON BERRY: -- in the rural areas?

4 MR. WILBUR: Right.

5 CHAIRPERSON BERRY: Are you aware of the lack
6 of books and other materials and history books that go up
7 to, you know, Nixon, maybe? Would you be shocked to find
8 that this was the situation that exists? Have you ever
9 heard of any of this?

10 MR. WILBUR: Somewhat, mm-hmm.

11 CHAIRPERSON BERRY: You have? Have you ever
12 heard of the problems with low educational attainment of
13 students in the Delta? I'm asking about the Delta
14 because we're in the Delta, and the hearing is on the
15 Delta.

16 MR. WILBUR: Sure.

17 CHAIRPERSON BERRY: I realize that there are
18 differences in different regions of Mississippi. Are you
19 aware that there are severe K through 12 educational
20 attainment problems in the Delta, if you measure them by
21 student scores or by all the normal measures?

22 MR. WILBUR: Sure.

23 CHAIRPERSON BERRY: Are you aware that there
24 are great problems of not having enough teachers to teach
25 in the schools and that very often there are teachers

1 whose only training is that they've had the same course
2 that the students are taking right at that moment? Did
3 you know that that existed in the Delta?

4 MR. WILBUR: That part I'm not sure about, no,
5 but I mean, overall teacher quality, yes.

6 CHAIRPERSON BERRY: Right. What targeted
7 efforts is the state making -- targeted at the Delta to
8 solve the problems that exist in educational attainment,
9 in the availability of buildings, and resources and books
10 and materials and supplies and teachers in the Delta?

11 MR. WILBUR: As best of my knowledge, and again
12 this is not my area in working for the governor, but we
13 have worked on education in general, state-wide. It's
14 not only the Delta we have some lower test scores, but
15 all around the state, and that's something -- any program
16 that we've worked for has been a state-wide effort.

17 We have increases in funding for teachers.
18 We've had a huge amount of money in the last few years
19 have gone towards schools in general, trying to bring up
20 facilities to buy new textbooks, to repair buildings.

21 We've had several raises in the past year.
22 Until Governor Fordice's administration educational
23 personnel and teachers didn't even have health insurance,
24 and that was passed several years ago.

25 So there are new bills constantly every year in

1 the legislature to help improve facilities and also
2 maintain standards for teachers, raise them, try to get
3 the best teachers we can in the classroom, and to help
4 overall.

5 But anything like that is mostly for state-
6 wide. It hasn't really been targeted towards the Delta,
7 but there's many areas of our state that have the same
8 need as here.

9 CHAIRPERSON BERRY: Well, what are the poorest
10 regions of Mississippi, and could you do them on a level
11 of the poorest, the next poorest, and so on, starting at
12 the bottom, geographic regions in Mississippi?

13 MR. WILBUR: Probably the Delta.

14 CHAIRPERSON BERRY: By poverty rates, by all
15 the measures that everybody uses to --

16 MR. WILBUR: Well, it's a guess. I mean --

17 CHAIRPERSON BERRY: But you think the Delta
18 probably?

19 MR. WILBUR: Sure.

20 CHAIRPERSON BERRY: You would agree with that?

21 MR. WILBUR: Sure.

22 CHAIRPERSON BERRY: So that if you were going
23 to target on poverty, forget about race, then you would
24 naturally, if you were going to target on poverty, you
25 would have to target on the Delta.

1 MR. WILBUR: Right.

2 CHAIRPERSON BERRY: By the measures.

3 MR. WILBUR: Mm-hmm.

4 CHAIRPERSON BERRY: Okay. The second thing is
5 what about is there any legislation that the governor has
6 introduced or is before the legislature at this moment to
7 deal with educational problems in the state?

8 MR. WILBUR: Right now there's a bill that's
9 passed the State Senate. It hasn't -- it's over in the
10 House of Representatives right now. It's an adequacy
11 funding bill. Other states in the Southeast or around
12 the country have been sued about that. I believe Vermont
13 -- their Supreme Court just ruled on that maybe two weeks
14 ago -- but there's a bill right now pending in the
15 legislature on adequacy funding.

16 There's some bond bills for facilities.

17 CHAIRPERSON BERRY: What does the adequacy
18 funding -- is that proposal that the governor made -- is
19 one that somebody introduced in the legislature, and does
20 the governor support it?

21 MR. WILBUR: He supports the concept of
22 adequacy funding. This bill was not one that he has
23 drafted. It's something that's working its way through
24 the legislature and we won't know which way he will sign
25 or veto it until it, you know, reaches his desk. It will

1 undergo change, I'm sure.

2 This is a bill that came out of a commission
3 and they looked at funding all around Mississippi and
4 determined -- it sets up a formula that -- and I think
5 it's \$2,664 per pupil, is the cost and will try to bring
6 those district that don't have that per pupil spending
7 up to that level. That's the level that they picked in
8 the bill and from the commission, and so they're working
9 on that.

10 But that's one bill that's in the legislature
11 right now.

12 CHAIRPERSON BERRY: And you don't know whether
13 the governor will sign it or not, you said?

14 MR. WILBUR: We're not sure. It may undergo
15 some changes. He doesn't commit on a bill until he reads
16 it all the way through.

17 CHAIRPERSON BERRY: But it's not his bill?

18 MR. WILBUR: It is not his bill, no. It's not
19 something he drafted, no.

20 CHAIRPERSON BERRY: Does he have any bill
21 before the legislature now that is his bill that directly
22 addresses education?

23 MR. WILBUR: We have -- we've had several
24 education initiatives in the past. Probably the largest
25 one that we're pushing for this year is the charter

1 school bill, and that has passed the House of
2 Representatives and now is in the Senate.

3 And that is something that he's pushed for for
4 the last five years he's been in office, and something
5 that very likely will pass this year.

6 CHAIRPERSON BERRY: Does the governor see
7 charter schools as a solution to the education programs
8 of the Delta?

9 MR. WILBUR: Not as a solution, but as
10 something that might help. You know, it's to try
11 something innovative and see if we can bring about maybe
12 some changes and see if it will work.

13 CHAIRPERSON BERRY: Charter schools, are these
14 private or public chartered schools?

15 MR. WILBUR: Public schools.

16 CHAIRPERSON BERRY: And so that then is his
17 initiative for this year?

18 MR. WILBUR: Yes, ma'am.

19 CHAIRPERSON BERRY: What about in the area of
20 higher education? What are the governor's initiatives to
21 reduce both the racial identifiability and to improve --
22 let me ask you, put the question differently. Does the
23 governor agree that the quality of higher education
24 institutions in Mississippi need to be improved?

25 MR. WILBUR: Sure, certainly. There's always

1 room for improvement in anything.

2 CHAIRPERSON BERRY: Does the governor believe
3 that there are major deficiencies in some of the higher
4 education institutions in Mississippi?

5 MR. WILBUR: Specifically, I'm not sure. I'm
6 not sure.

7 CHAIRPERSON BERRY: Okay.

8 MR. WILBUR: There's always programs that can
9 be improved, obviously colleges within universities that
10 can be improved.

11 CHAIRPERSON BERRY: What plans does the
12 governor have to -- or what proposals or policies does he
13 have to remove the racial identifiability and improve the
14 quality of education offered in the higher education
15 institutions in Mississippi, and in particular in the
16 Delta at Delta State and Mississippi Valley?

17 MR. WILBUR: Again, I don't think that we
18 specifically -- I have never heard him specifically
19 target the Delta for any -- you know, as a separate
20 entity from the other universities.

21 CHAIRPERSON BERRY: Mm-hmm.

22 MR. WILBUR: We try to improve, you know, what
23 we can for all of the state-owned universities and
24 colleges.

25 CHAIRPERSON BERRY: What is the governor's

1 position on the implementation of the Fordice, the Ayers
2 decision and the report which we discussed here
3 yesterday? I don't have copies.

4 MR. WILBUR: I believe you had members of our
5 College Board before you yesterday; is that right?

6 CHAIRPERSON BERRY: Yes.

7 MR. WILBUR: To discuss that? I will refer to
8 Mr. Hinkebein here has worked closely on that case for
9 our office, so I'll let him answer the questions on --

10 CHAIRPERSON BERRY: Go right ahead if he can
11 answer --

12 MR. WILBUR: -- the Ayers case.

13 MR. HINKENBEIN: I think the governor's
14 position on Ayers, which has been his position since he
15 took office, is that we should do the best we can to end
16 that case as soon as possible. I think 20 years of
17 litigation he feels, as well as a lot of other people
18 that are involved in that case, is a long time to be
19 going through litigation for that type of a lawsuit.

20 The decision that was rendered by the District
21 Court, Judge Biggers, the governor feels is a good
22 decision, a decision that we can work with, go through
23 the process that's outlined by Judge Biggers in trying to
24 implement that decision.

25 He basically feels like we can live with Judge

1 Biggers' decision, that the litigation should be ended at
2 some point in the near future, and the quicker we can do
3 that, the better.

4 CHAIRPERSON BERRY: We had testimony yesterday
5 from -- on this subject, and we were told that about 30
6 million dollars, if I recall correctly, would be required
7 at Mississippi Valley to bring it up to par, so that it
8 would be a place that had hopes of not being racially
9 identifiable, because it had become so good in terms of
10 quality, that anybody would go there.

11 Does the governor have plans to request 30
12 million dollars for this institution as far as you know?

13 MR. HINKENBEIN: Well, there was money
14 requested last year for the initial implementation of
15 Judge Biggers' decree. As a matter of fact, if I
16 remember, there was somewhere in the neighborhood of two
17 million that was appropriated for JSU and Alcorn, as well
18 as 900,000 for endowments that were originally set up for
19 historically black universities and another 15 million in
20 bonding authority for JSU, not anything specifically for
21 Mississippi Valley State, but all of the implementation
22 of Judge Biggers' decree would certainly allow for
23 additional funding to the historically black
24 universities, and I think the governor sees the necessity
25 of doing that in order to bring these universities up to

1 the standards that everyone would like to see in higher
2 education in Mississippi.

3 He totally agrees with that. He understands
4 the need to do it. The question revolves around whether
5 or not this state needs to be in court in litigation
6 continually over several more years before that's
7 implemented, and I think the governor's position is we
8 have a good decree from Judge Biggers, we certainly need
9 additional funding from the legislature to implement that
10 decree, and whatever it takes to make that work, he would
11 certainly be in favor of.

12 CHAIRPERSON BERRY: Does any other Commissioner
13 have any questions for these? Vice Chair.

14 VICE CHAIRPERSON REYNOSO: I have a couple of
15 questions. We had testimony that the number of minority
16 applicants for certification to be teachers has actually
17 been going down the last few years. I wonder what your,
18 one, analysis is of that, and two, whether there are any
19 state initiatives, particularly from the governor, to try
20 to reverse that, because those who testified before us
21 said that that was a quite disturbing trend in the state?

22 MR. WILBUR: I don't know as minority teachers
23 in general we've tried to recruit. We have had an
24 emphasis in the last couple years to bring back people
25 who have emigrated from Mississippi to come back. We've

1 actively recruited through our Economic Community
2 Development Department to bring people -- graduates of
3 our universities back to Mississippi in all areas, and
4 that includes, of course, educators as well as other
5 professions too. But we've tried to bring back some
6 college professors and teachers in general with everybody
7 else. But -- and it's working too. We're having more
8 people move in all the time.

9 VICE CHAIRPERSON REYNOSO: We had testimony
10 that particularly since the legislative changes in 1982,
11 there's been a great deal of improvement in the public
12 schools of the state, but there's some disturbing trends
13 at the same time that we were advised of.

14 We had testimony by a professor teaching at a
15 graduate level in a state university that in his view the
16 state was not dedicated to having superior higher
17 education. He said that in his view the state seems to
18 be quite satisfied to have education that he called
19 mediocre, and he -- he has written about the issue and he
20 related it particularly to the lack of coordination by
21 the institutions of higher education in the state and the
22 reactive responses to lawsuits and so on, but nobody
23 willing to sort of sit down and say okay, boys and girls,
24 here's where we are now in terms of higher education,
25 what is really best for the people of the state in terms

1 of higher education? Including the Delta, of course.
2 And trying to sit back and think those issues through, he
3 doesn't think there's a political will to do that, he
4 says, and he's quite disturbed that as a professor, and
5 he sees students he says from all eight institutions of
6 higher education in the state, so he has some sense of
7 what's going on and he just doesn't believe that the
8 state is dedicate to a really superior system of higher
9 education.

10 I just wonder, one, whether you agree,
11 disagree, and two, if you agree, how you would respond,
12 particularly to this concern, there's no coordination,
13 that each institution is its own -- seeking its own --
14 looking out for its own bailiwick, but there's no
15 coordination or sense of how overall those institutions
16 are going to serve the people of the state.

17 MR. WILBUR: One comment that I think could
18 certainly be made there is the organization of the
19 Institution of Higher Learning, as far as the IHL Board
20 and the university presidents, I think you can see some
21 possible lack of coordination in the fact that the IHL
22 Board has its own legislative agenda, and in fact you can
23 find university presidents or their lobbyists, if you
24 want to call them that, in the legislature trying to
25 determine their own legislative agenda.

1 Now, this is some of the things that had been
2 discussed by the Board of Institution of Higher Learning
3 and that has very much tried to be coordinated and
4 attempted to be more consolidated in one effort by
5 Institution of Higher Learning as a whole, all eight
6 institutions, to approach the legislature with one
7 program.

8 Certainly we've looked at more centralization
9 in the administration of the universities. You're
10 correct that a lot of these universities operate somewhat
11 on their own.

12 The Board of Institutions for Higher Learning
13 has attempted to become a little bit stronger in its
14 influence over university presidents and how the
15 university administrations work.

16 And I think this has a lot to do with the type
17 of questions you've asked on historically black
18 universities and historically white universities. If
19 we're going to have more equality in funding, more
20 equality in how these universities operate than certainly
21 the IHL Board has to have more control over the entire
22 system.

23 This is something that not only the governor
24 has been very supportive of, but the Board and a lot of
25 the administrations, so we are trying to centralize more

1 of the administration of our Institutions of Higher
2 Learning through the college board and that IHL staff.

3 VICE CHAIRPERSON REYNOSO: Very good. Thank
4 you very much, I appreciate that.

5 CHAIRPERSON BERRY: Commissioner Lee.

6 COMMISSIONER LEE: I just want to have a
7 follow-up question on the minority teacher certification.
8 You mentioned that you were doing a general recruitment
9 effort, but the question was there was already a
10 disproportionate fewer number of minority teachers to
11 begin with, and since there's already another decrease of
12 minority teachers' teaching certification, what actions
13 has the governor's office been taking to remedy this
14 problem, and also has your office been working with other
15 groups to address this problem?

16 MR. WILBUR: I'm not aware of anything. Like I
17 said, education is not my area in the office, and I have
18 not heard of anything specifically on that about
19 recruiting teachers. I'm not sure if you know anything
20 about that either, Greg. I'm not real sure. It may be
21 through the Department of Education I'm sure is doing
22 something like that, but not that I know of.

23 CHAIRPERSON BERRY: Could we, Mr. Wilbur, and
24 Mr. Hinkebein, we're going to thank you for your
25 testimony, but we would like to ask that the governor's

1 education advisor submit answers to us in writing to the
2 questions that we have asked here. Could you repeat your
3 question, Commissioner Lee? You don't have to repeat it
4 exactly. We will send the questions to you.

5 MR. WILBUR: Okay.

6 CHAIRPERSON BERRY: And we will ask you to
7 respond to them in writing, because it's unfortunate that
8 the governor's education advisor could not make himself -
9 - I guess it's himself -- available. We were very
10 flexible in terms of time. We ever accommodated your
11 schedule and permitted you to come today, and it's
12 unfortunate they sent someone to answer questions who
13 doesn't know the answers, although we appreciate you and
14 that is not directed at you personally. It's just that
15 it tells us something about something. I won't say what
16 it tells us.

17 MR. WILBUR: Well, he's actually out of the
18 state, so I'm not --

19 CHAIRPERSON BERRY: Yeah, well, but we were
20 very flexible and we continue to be flexible and we
21 haven't had this problem anywhere else. But in any case,
22 I want to thank both of you for coming to us and as you
23 leave, could you please -- staff, could you please check
24 them out? There are check-out procedures everyone must
25 follow and we appreciate your coming.

1 MR. HINKENBEIN: Madam Chairman, I would like
2 to add, you had asked a question earlier about
3 legislation specifically targeted for the Delta that the
4 governor had been briefed on and certainly would be
5 supportive of.

6 I think there is a consolidated higher
7 education center for Greenville, Mississippi, which is
8 part of Mississippi Valley State University, Delta State
9 University, and the local community college, which is now
10 running its way through the legislature. It's an 11
11 million dollar bond issue.

12 And the governor has been fully briefed on
13 that. I think he would be very supportive of it. Now, I
14 must say there are several bond issue bills that come to
15 the governor every year and he certainly doesn't want to
16 put the State of Mississippi in such general obligation
17 debt that we can't pay those debts in the future, but
18 these are the type of things that the governor looks at
19 very concisely to determine what can be done for areas of
20 the state like the Delta in higher education, and to
21 provide those opportunities so that people could take
22 advantage of not only secondary and primary education
23 programs, but higher education programs, to that they can
24 get the jobs that are needed to upgrade the economy in
25 this part of the state.

1 Robert M. Walker and Tommy Hart, and you have to raise
2 your right hands.

3 (Witnesses sworn.)

4 CHAIRPERSON BERRY: Please be seated. Thank
5 you. First we want to begin with Mr. Hurley Jones, who
6 is Executive Director of Pathways Community Development
7 Commission, has been Executive Director since 1991.
8 Please, Mr. Jones, would you like to make an opening
9 statement?

10 MR. JONES: Yes. Good morning and how are you
11 today and we are pleased to be a part of this hearing.

12 I would like to basically give a description of
13 our program and what it attempts to do in the area, and
14 in so doing describe the conditions of our area in which
15 our program operates as an opportunity for you to
16 understand what we're trying to do and how it works in
17 this region.

18 The mission statement for our organization is
19 to help people learn how to own and operate their own
20 businesses. And Pathways strives to unlock the forces
21 which will cause the elevation of human potential and the
22 strengthening of the free enterprise system as the basis
23 for self-sufficiency in this region.

24 The organization was founded by its current
25 Executive Director, and became a Commission by ordinance

1 of the Dermott City Council, and as such we have really
2 kind of a unique situation in that we have a city, a
3 municipality, performing essentially what is a grassroots
4 service, a community-based service.

5 Pathways operates retail, service and farming
6 businesses as laboratories for self-development and
7 entrepreneurialship training in this region, and again as
8 an extension of that, even though we are a Commission of
9 the City of Dermott, we operate in other cities as well.
10 We operate in Lake Village. We have a county-wide
11 program and indeed a region-wide program.

12 So it is sort of a unique situation for a city
13 to serve in that capacity.

14 CHAIRPERSON BERRY: Which county?

15 MR. JONES: We actually operate in four
16 counties, Ashley, Chico, Desha and Drew is our service
17 area.

18 We have formal programs in Chico County. We
19 have businesses in Lake Village, which we operate as a
20 laboratory for self-development and entrepreneurialship
21 training.

22 The retail businesses which operate as resale
23 and consignment malls comprise a county-wide network of
24 business training centers, and incubators for perspective
25 entrepreneurs. In addition, AFDC recipients participate

1 in a practicum-based program of self-development and
2 entrepreneurialship training.

3 The program requires the establishment of
4 IDA's, individual development accounts, or what we call
5 self-development savings accounts.

6 Communication and technical assistance form the
7 basis of Pathways Service Enterprise. We publish a
8 quarterly newsletter called the Progressional, which is a
9 journal of progress in Southeast Arkansas, and
10 renaissance voice, which is a call to economic renewal.

11 This is sponsored by regional business and
12 civic leaders. In addition Pathways provides convening
13 and planning services for development interest in the
14 region, and we're presently continuing the planning
15 process for the Southeast Arkansas champion community.

16 The farming enterprise, which consists of a
17 five-acre garden plat has given rise to the formation of
18 a produce growers' association, which is holding its
19 first organizational development seminar as we speak
20 today, as a matter of fact.

21 The resale and consignment malls house computer
22 technology centers where young men learn the skills of
23 computer upgrade and repair.

24 CHAIRPERSON BERRY: Let me interrupt you just
25 for one second.

1 MR. JONES: Yes.

2 CHAIRPERSON BERRY: Just to point out, which I
3 didn't say in the beginning, what you're doing here in
4 your opening statements, please, is no more than five
5 minutes and you are making a summary statement. We're
6 going to ask you a lot of questions.

7 MR. JONES: Okay, very good.

8 CHAIRPERSON BERRY: And you'll have a chance to
9 say whatever you want to say. Please proceed.

10 MR. JONES: Okay. So I'll sort of condense
11 this a bit.

12 CHAIRPERSON BERRY: Yeah, you might as well
13 because we'll ask you a bunch of questions.

14 MR. JONES: Okay. Our service area, as I just
15 mentioned, consists of Ashley, Chicot, Desha and Drew.
16 Now, the economic condition in this service area, which
17 is basically characterized by a lack of jobs, a lack of
18 capital, et cetera, acts as a destructive force on the
19 fabric of the community, breaking down vital
20 institutions, and creating a pervasive sense of
21 hopelessness.

22 Between 1980 and 1990 there were 182,545 new
23 jobs created in major industry state-wide, 182,545 new
24 jobs, state-wide.

25 Only 2,623 new jobs were created in the Delta,

1 which means for every one job created in the Delta, there
2 were 70 jobs created in the rest of the state.

3 This lack of job creation forced the decline in
4 population, reduced the basic ability of local
5 communities to provide opportunity for its citizens, and
6 created a situation where one-third of local households
7 are headed by single mothers, of which 69.4 percent live
8 below the poverty level.

9 State-wide less than one-sixth of households
10 are headed by single mothers, of which 42.4 percent live
11 below the poverty level.

12 This is a compelling situation signaling a
13 major breakdown in restructuring of the institution of
14 family, as an economic and socialization unit.

15 In particular, children of single-parent female
16 households are more likely to be incarcerated than their
17 counterparts of two-parent households.

18 The local economies of communities serviced by
19 Pathways are in transition from a primarily extractive
20 economy to a value-added goods producing economy. The
21 fragile nature of this transition is compounded by heavy
22 reliance on the government as a source of earnings and
23 employment.

24 In fact, the government comprises one-fifth of
25 Chico County's economy in terms of earnings and

1 employment, respectively.

2 The solution, Pathways solution, workforce
3 training has been identified as an essential area of
4 development. A primary objective of Pathways is to
5 develop a workforce training program through its resale
6 and consignment mall network that interfaces with private
7 businesses for purposes of employment.

8 The retail and farming operations have the
9 capacity to provide transition employment for individuals
10 who have not had experience in the labor market.

11 There is one area that I would like to
12 particular -- the business development is hampered by
13 traditional lending concept. It hinders the individual
14 from receiving the capital necessary to start a business.

15 Particularly, if the perspective business owner
16 has failed in business before, which some estimates range
17 between 65 and 85 percent of new business failures in the
18 first five years, then when that happens a large obstacle
19 is created to receiving capital. Pathways advocates the
20 addition of the concept of commitment to the traditional
21 lending criteria of character, credit and collateral used
22 by financial institutions.

23 Presently the individual who has failed in
24 business, even if the failure was no fault of his own,
25 rarely gets the opportunity to put that valuable

1 experience to work, because the credit requirement
2 prevents him access to virtually all government and
3 commercial lending.

4 There are numerous creative financing methods
5 in existence today but the criteria currently used has
6 not significantly changed the situation in terms of the
7 people benefit.

8 Pathways believes that the inclusion of
9 commitment and lending criteria based on prior business
10 experience and other quantifiable methods would act as a
11 powerful tool to benefit qualified applicants, is
12 currently excluded from receiving capital.

13 I think I probably used my five minutes.

14 CHAIRPERSON BERRY: Yes, you did. And if you
15 have a whole statement, we can put it in the record.

16 MR. JONES: I do have. I have some --

17 CHAIRPERSON BERRY: Please give that to the
18 Clerk. They have it already.

19 MR. JONES: Thank you.

20 CHAIRPERSON BERRY: And you'll get some
21 questions. Mr. Bell, please. Mr. Glenn Bell, to fully
22 identify you, you're Executive Director of the Southeast
23 Arkansas Economic Development District; is that correct?

24 MR. BELL: That is correct.

25 CHAIRPERSON BERRY: All right. Could you

1 please proceed with a brief opening statement?

2 MR. BELL: Yes, ma'am. I would like to
3 identify who we are.

4 CHAIRPERSON BERRY: Okay.

5 MR. BELL: The Southeast Arkansas Economic
6 Development District was founded in 1967 subsequent to
7 the Economic Development Act of 1965. We have ten
8 counties that we operate that are geographically located
9 in the southeastern corner of the state, specifically
10 they are counties of Arkansas, Ashley, Bradley, Desha,
11 Drew, Jefferson, Lincoln and Grant. I don't think I
12 missed one, if that's ten, but it's in the Southeastern
13 corner of the state.

14 We have a board of directors of 55 members.
15 All ten of our county judges, the chief elected officials
16 of the counties, we have 17 mayors, and I think we have
17 one or two, aldermen and quorum court members on there,
18 and the balance are local business people.

19 We operate programs -- well, let me back up a
20 little bit. We have three affiliated organizations. One
21 is the South Arkansas Vicher Enterprises, which manages a
22 revolving loan fund, which has been in operation since I
23 believe 1978.

24 We also are affiliated with the -- we're the
25 grant recipient and administrative entity for the

1 Southeast Arkansas Private Industry Council, which is
2 also located -- which also is those ten-county areas.

3 We are also the staff for the Southeast
4 Arkansas Regional Solid Waste Management Board, which
5 operates a recycling programs, tire recycling and such as
6 that.

7 The major programs that we operate, as you may
8 have seen, is the Job Training Partnership Act. We've
9 been doing that since its inception, and prior to that we
10 were involve with CETA.

11 We administer programs through the Department
12 of Commerce. I notice you had Mr. Wilbur Hawkins here
13 earlier. We're his -- we aren't really federal
14 employees, but we look to Mr. Hawkins and the folks in
15 Washington as they're the ones that set the policies that
16 we follow out in the field, and we implement the policies
17 that they establish at the federal level.

18 We also work closely with the Arkansas
19 Industrial Development Commission, which makes grants to
20 cities and counties for economic development activities,
21 and the ones that we are most involved with, that we
22 actually manage, are grants that end up -- that are
23 grants to local cities and counties that are loaned then
24 to local private businesses for economic development
25 activities.

1 Our revolving loan fund, we currently have
2 about 38 loans with a portfolio in the neighborhood of
3 about 2.4 million dollars right now.

4 Solid waste -- well, I don't know the -- it's
5 more of a detriment to economic development than anything
6 else, but I would certainly be glad to answer any
7 questions that you might have on that. Thank you, Madam
8 Chairman.

9 CHAIRPERSON BERRY: Thank you very much. Mr.
10 Robert Walker, you are a board member of Enterprise
11 Corporation of the Delta; is that correct?

12 MR. WALKER: That's correct.

13 CHAIRPERSON BERRY: Mr. Walker, could you
14 please proceed to make a brief opening statement?

15 MR. WALKER: Yes, ma'am. First of all, good
16 morning. As has been stated, my name is Robert Major
17 Walker. I'm here in my capacity as a member of the board
18 of directors of the Enterprise Corporation of the Delta.

19 I want to thank you on behalf of our board, out
20 president, staff and the people we serve for an
21 opportunity to participate in these historic and
22 important hearings.

23 The Enterprise Corporation of the Delta is a
24 private, nonprofit business development financial
25 institution serving the Delta region's of Arkansas,

1 Louisiana, and Mississippi.

2 As the mission statement of ECD states, this
3 entity's purpose is to improve the lives of Delta
4 residents through the creation and expansion of high
5 quality jobs and increased opportunities for business
6 ownership in the Delta.

7 ECD fulfills its purpose by providing
8 appropriate financial, operational, management and
9 marketing assistance to Delta firms and entrepreneurs and
10 by forging strategic partnerships with key actors from
11 the region's private, public and nonprofit sectors. ACD
12 was established in November of 1993 as an outgrowth of
13 the foundation for the Mid-South.

14 It came into existence because of a great need
15 for economic activity and economic opportunities for
16 residents of the Delta region, and because of the need
17 for this region to become more competitive in their
18 respective states, the region, the nation and the global
19 economy, through the creation and retention of good jobs,
20 broaden and business ownership, and generally improving
21 the quality of life in the Lower Mississippi Delta.

22 The focus of ECD's activities is a 400 by 140-
23 mile, 55 county parish area, along the Mississippi River
24 in Eastern Arkansas, Northeast Louisiana, and Western
25 Mississippi.

1 This region which contains much wealth and an
2 abundance of natural resources is one of the poorest
3 areas that one can imagine. It is an area that
4 historically has had less than desirable and enlightened
5 leadership. It has had a single-emphasis economy, that
6 has been controlled by a handful of people, and the lack
7 of opportunities in the region has caused limited
8 educational, political, economic, intellectual and social
9 freedoms and advancements.

10 In fact, the historical climate in this region
11 has virtually forced some of the region's greatest
12 potential to either relocate or stagnate.

13 Statistical summaries of the region are often
14 used to show how depressed and denied residents of the
15 region tend to be. For example, 75 percent of Deltans
16 live in areas where the medium household income is less
17 than 75 percent of that for the nation. 44 percent of
18 Deltans over the age of 25 do not have a high school
19 education.

20 In some areas the figure is as high as 80
21 percent and poverty and employment rates that are more
22 than twice the national average.

23 The unemployment rate in 60 percent of
24 political jurisdictions is more than one and a half times
25 the rate in our nation, more than one-third of the

1 residents of Delta are African Americans, nearly triple
2 the percentage in the United States.

3 And while the entire region suffers, it is
4 often the African American community that is hardest hit.
5 Even today the Delta resembles a closed social order that
6 has carried over from the dominance of plantation
7 agriculture, low pay, no benefits, no training, and
8 social, educational, political, economic, and quality of
9 life inequalities are for too many a way of life.

10 Historically to escape this, many of the best
11 and brightest of this group have responded by leaving the
12 region in search of a better climate and opportunities.

13 The public and private sector resources have
14 all but ignored the glaring needs of the Delta, although
15 many Delta financial institutions are among the nation's
16 strongest and have billions of dollars in unloaned
17 deposits.

18 They focus primarily on agricultural lending
19 and have not even invested in commercial lending
20 expertise. Banks are also scared of the transaction
21 costs required to make a deal work when the borrower is
22 not an A credit risk and the application does not come
23 packaged to approve.

24 And few of them fit in this category. And when
25 you factor in discrimination that is so characteristic in

1 the area, it is easy to see why financial institutions
2 have not been a player in the business development in the
3 Delta, particularly for people of color.

4 The major focus of public economic development
5 efforts are primarily industrial recruitments that mostly
6 target New Orleans, Little Rock, Jackson and other urban
7 areas. They target casinos and prison construction.

8 All of this adds up to limited choices, short-
9 term views, and pervasive hopelessness.

10 Some years ago some people in the region
11 decided to get together, and I'm going to hurry up, but -

12 -

13 CHAIRPERSON BERRY: You'll get questions so
14 you'll be able to talk more,

15 MR. WALKER: Yes, but I just wanted to point
16 out some areas where we do work. In the area of
17 development finance, entrepreneur development, business
18 development services, we provide direct services, broker
19 -- we play a broker role and entrepreneur development.

20 There are a number of other things that we can
21 talk about, but I will provide a complete copy of my
22 testimony along with the fax I just received, and that
23 will be an attachment.

24 CHAIRPERSON BERRY: Without objection, that
25 will be included in the record. Thank you very much.

1 Mr. Tommy Hart. Mr. Hart is Executive Director
2 of the Washington County, Mississippi, Industrial
3 Foundation. Is that correct, Mr. Hart?

4 MR. HART: Correct.

5 CHAIRPERSON BERRY: Mr. Hart, please further
6 introduce yourself and describe the mission of your
7 organization and say whatever else you'd like to say in
8 your opening statement.

9 MR. HART: Thank you, Chairman Berry and
10 members and of Commission. I will be brief.

11 I do serve as Executive Director of the
12 Industrial Foundation of Washington County, and in an
13 effort to create a public-private partnership, I also
14 serve as Director of the governmental division of
15 economic development called the Economic Development
16 District of Washington County.

17 And through those two vehicles we're able to
18 bring public, private leadership together in a
19 partnership role. A great deal of my time is spent in
20 creating partnerships, issue-related networks, to create
21 a greater focus in areas of needed improvement.

22 The balance of my time is spent as an
23 industrial recruiter. I work around the United States
24 and on occasion outside the country with client
25 corporations, seeking to expand and trying to attract

1 that expansion into the area of Washington County and its
2 communities.

3 I want to comment about two or three other
4 items that I think are significant to change in this
5 region and change in the Delta. One of the grandest
6 programs that I encountered in my 30 years in the
7 business began when a few of us came together and decided
8 to prepare an application for federal empowerment zone.

9 We did that. We went out into the communities
10 in the defined area, were able to stretch that influence
11 into a large area in the Delta, and developed a strategic
12 plan from the bottom up, with its leadership from the
13 bottom up.

14 A much different approach to problem solving
15 than I have ever witnessed before. As you all are quite
16 well aware, most problem solving generally originates
17 from the top, somebody telling us how we need to solve
18 our problems without any forethought, feeling, experience
19 or anything else.

20 We're in the -- still the beginning stages of
21 the program. Success, however, in our particular case,
22 has been tremendous, and we're very excited about the
23 continuing potential and development that will come
24 through this program.

25 I would predict there are many things in the

1 future in future years that are benefits that we can't
2 even dream of today that will come as a result of this
3 program.

4 The next program that we looked at was the
5 CIIC. I don't know whether you're familiar with that or
6 not. It was a program out of Washington involving an
7 application to develop a for profit corporation. It's
8 the official title of that program was Community,
9 Individual Investment Corporation. And I won't explain
10 all the details, but it's basically a revolving loan
11 fund. We received a three and a half million dollar
12 award from Washington based on the fact that we had
13 brought to the table many other partners.

14 We did that and collectively that revolving
15 loan fund will be somewhere in the neighborhood of 20
16 million dollars that will be available in the county
17 areas that include the empowerment zone.

18 Arbag (phonetic) grants that have been made in
19 the area as a result of the zone are bringing us further
20 benefit and impact through the creation of jobs and
21 infrastructure and other opportunities.

22 If I would have to say what is the greatest
23 need for the area, wouldn't the fact that we have some of
24 these new opportunities, I would have to point very
25 strongly toward training, to move into the information

1 age, out of the metal stamping and machinery mind set and
2 smoke stack mind set of manufacturing. That's gone.
3 Those views left this area ten years ago. We now run our
4 industry with computers.

5 Infrastructure development to aid that,
6 training to bring the people in line are probably our
7 greatest need.

8 CHAIRPERSON BERRY: Thank you very much. Mr.
9 Hailes, would you like to begin the questioning, please?

10 MR. HAILES: Yes, thank you very much. I have
11 a general question for the entire panel, and is it an
12 unusual circumstance for the four of you to sit together
13 as you are today to talk about strategies to increase
14 economic development in the Delta?

15 MR. HART: It has happened. We -- I have been
16 -- with the exception of Mr. Hart, have been in the
17 company of the other two young men. I would say that
18 organizationally, maybe not individually, but
19 organizationally, all of our organizations are brought
20 together on many occasions across this Delta area and in
21 many programs. I spend half my time reading the
22 announcements of successful loans that these people are
23 making all over that Delta region.

24 One of our staff members participates in the
25 workforce alliance programs in that entire Delta area,

1 because again training is one of our greatest needs.

2 All too often the river is a barrier in this
3 area to development efforts. That's sad and maybe it
4 points a need for an initiative on our part to do more,
5 but I think the Foundation for the Mid-South and others
6 are making that picture clearer, that we can cross some
7 of those natural boundaries and be successful.

8 MR. WALKER: Let me just mention one thing.
9 The Foundation for the Mid-South was the parent
10 organization, more or less and out of that was created
11 the Enterprise Corporation of the Delta, that has an
12 economic development thrust. The Foundation has several
13 components, areas that it focuses on, one of which is the
14 workforce alliance, which is designed to bring
15 representative groups from communities, including the
16 representatives from business, education, community,
17 together to talk about concerns, and to map out
18 strategies for training, et cetera, to make the wheels
19 turn faster and right.

20 MR. BELL: I must confess, the river is also a
21 barrier to us in Southeast Arkansas. One thing too that
22 contributes to that, and a lot of people don't
23 understand, they think that Lake Village and Greenville
24 are right next door, when in fact they're oh, 20 miles
25 apart.

1 And there's virtually nothing between them.
2 And that has been a detriment. I have very little
3 association with my colleague. I have a counterpart here
4 with very little -- but within the area, yes, we talk.

5 MR. HAILES: You want to comment?

6 MR. WALKER: Well, you know, we have taken the
7 approach that mind set is a barrier and not the river.
8 Some years ago -- I think it was 1989 -- the governors of
9 Mississippi, Arkansas and Louisiana met at a strategic
10 point where the three states pretty much came together
11 and made a pledge that the time had come for us to work
12 together, and with the Foundation and the Enterprise
13 Corporation of the Delta, we work in all three states.
14 We do not see barriers as such.

15 I'm not trying to punch what has been said, but
16 our contention is that the barriers are mind sets.

17 MR. HAILES: Thank you very much. Mr. Jones,
18 how are your programs funded?

19 MR. JONES: We're funded with Foundation
20 dollars primarily, Foundation for the Mid-South provides
21 -- with the Rockefeller Foundation provides resources,
22 and we get some state funds for violence prevention,
23 anti-drug efforts, but we do those in terms of prevention
24 type programs. So we have a funding mix which includes
25 multiple -- primarily private foundation.

1 MR. HAILES: I presume any responsible
2 executive director would say they could always use
3 additional dollars and funding but specifically if you
4 could receive more funding, how would those funds be
5 directed to increase the amount of programs that you
6 currently are attempting to provide to the Delta region?

7 MR. JONES: We would provide -- try to provide
8 more job opportunities, job, work experience
9 opportunities. Our complete program is based upon that
10 statistic that there was one job created in the Delta for
11 every 70 around the state.

12 Now, our issue is jobs so whatever we would do,
13 it would be directed toward creating the opportunity for
14 people to work, whether that work was long term or
15 transition, but to get on a job and get a paycheck.

16 MR. HAILES: Thank you very much. Mr. Bell, I
17 understand from your testimony, your opening statement,
18 that there is a federal funding stream running through
19 your program into the Delta; is that the case?

20 MR. BELL: Yes.

21 MR. HAILES: Are you aware of Title 6
22 requirements, Title 6 of the Civil Rights Act of 1964
23 that would prohibit the use of federal funds in a
24 discriminatory manner?

25 MR. BELL: Yes, sir. That's one of the

1 certifications on any grant application that's made.

2 MR. HAILES: How specifically do you ensure
3 compliance with Title 6 requirements apart from checking
4 off the certification that is done?

5 MR. BELL: Well, the compliance is the way
6 we've always interpreted it. It's restrictive. It says
7 you shall not do certain things, and those things we do
8 not do.

9 All of our programs are open for anyone. We do
10 have some discretion in how we target funds and where we
11 think there's the greatest need. JTPA is a good example
12 of that.

13 It's simply not really -- I hate to say it's
14 not really an issue for us, because our board of
15 directors represents virtually every type of person in
16 the area.

17 And we've just been conscious of that and have
18 never had a problem with it.

19 MR. HAILES: I guess that does lead to my next
20 question, because you do have a very expansive board, 55
21 members including elected officials. How often do they
22 meet and do all of the members participate in those
23 meetings?

24 MR. JONES: We generally meet -- well, we meet
25 once a month with three exceptions. We do not meet in

1 the months of July and August and we do not meet one
2 month during deer season. That's a pretty big thing
3 here.

4 CHAIRPERSON BERRY: Shooting deer?

5 MR. JONES: Yes. That has been traditional for
6 at least the last 25 years. We also immediately
7 following that meeting, we have our regional solid waste
8 board meeting, and there are some very, very important
9 issues that are discussed at that meeting.

10 So I would say a typical attendance out of our
11 ten county judges, we would typically say average seven.
12 Out of the mayors, out of the 16, 17 mayors on the board,
13 we'll have ten.

14 And we'll have a total of probably 25 to 30
15 people. The press generally covers our meetings, and
16 we'll usually have three or four guests there. It has
17 become something of a monthly forum for discussion among
18 the people. We find that there aren't many vehicles for
19 neighbors to sit down and talk.

20 There aren't many occasions where county judges
21 talk to mayors, in fact, from adjoining cities and
22 adjoining counties.

23 In fact, we've had some people say that even if
24 we did not have an organization, the meetings that we
25 have would be worthwhile to continue.

1 So it's a very good dialogue.

2 MR. HAILES: Mr. Walker, can you describe some
3 of the partnerships you may have formed with the churches
4 in the Delta?

5 MR. WALKER: Yes. Before I respond to that,
6 let me deal with an omission. We have one of our board
7 members here, Dr. L. C. Dorsey, who is a member of the
8 Foundation for the Mid-South and the Enterprise
9 Corporation of the Delta, and I just wanted to
10 acknowledge.

11 One of the -- to your question, with the
12 Foundation for the Mid-South, and like I said, we're like
13 family programs. We have what's called a black church
14 project, and we provide grants, you know, bond proposals,
15 submission and approval. We provide grants to faith-
16 based groups to develop, you know, economic development
17 type activities within their areas.

18 That's one relationship that we have. Over and
19 above that we have a black church advisory group that
20 meets on a regular basis and our meetings are conducted
21 on a rotating basis from one state to the next,
22 Mississippi, Arkansas, Louisiana.

23 MR. HAILES: Can you give us more specific
24 details? What do they actually do? What do the churches
25 do in connection with the Mid-South Corporation?

1 MR. WALKER: Okay. What do they in terms of
2 the proposals --

3 MR. HAILES: The programs, yes.

4 MR. WALKER: For example, if a church group
5 wants to deal with helping someone get a business started
6 or working with their members to learn budgeting, money
7 management, and things -- we think these are economic
8 development types of activities.

9 There is no limitation on the types of things
10 that they could do. There are some areas where they can
11 work in, but we don't see that you can't submit a
12 proposal on this.

13 Because of the fact that the churches represent
14 such a large body of people and cut across so many
15 different categorical lines, we feel that a whole lot
16 could be done through using that as a body.

17 It's a major institution in all communities and
18 we feel that if we can tap into that resource, progress
19 will come sooner and it will be better, more
20 comprehensive. We use -- we involve faith-based
21 leadership in our groups with the workforce alliance, for
22 example, in community groups that meet with key players
23 from economic development organizations.

24 MR. HAILES: Thank you very much. Mr. Hart, to
25 what extent, if any, do government policies impact your

1 program operations?

2 MR. HART: Totally.

3 MR. HAILES: And how so?

4 MR. HART: For policy -- competitive posture of
5 the community comes from that governmental policy. And
6 if it isn't competitive, then it will not move forward in
7 competitive locations of new jobs, competitive positions
8 with federal programs, funding, anything you can think
9 of, even from a governmental level is competitive.

10 And if your policies are not addressing the
11 cutting edge of that competitive activity, then you're
12 losing. We feel like we're extremely competitive and our
13 policies are focused in that direction.

14 The awarding of the empowerment zone to the
15 area doesn't speak just for Washington County but for six
16 counties, a region, through the Delta. We have
17 development-oriented policies.

18 We wish there were a greater access to funding
19 that would take more things into account when it came to
20 the grading process to allow us to be just a little bit
21 more competitive.

22 We can't always come up with the same level of
23 matching resources to matches, as you know, years ago
24 were very low. Today they're very high. And that's
25 penalized areas like us as good as our policy is, if we

1 don't have that level of additional resource, we can't
2 match nor grade out and receive that kind of assistance.

3 There used to be entitlements, not bringing
4 money to the area, because of lack of matching resources
5 is part of the reason why the empowerment zone process
6 came into being, because it's a direct entitlement. We
7 never would have qualified for it on our own, but I think
8 our policies are moving in the right direction, are
9 pointed the right direction.

10 We just don't have that level of resource we'd
11 like to have.

12 MR. HAILES: Madam Chair, I have no further
13 questions --

14 MR. WALKER: May I -- and I don't get to talk a
15 whole lot, but there's one other thing I need to mention
16 in response to your question. We have provided some
17 grants to some church-based groups to help get credit
18 unions started and to also do some things in the area of
19 day care.

20 CHAIRPERSON BERRY: Okay. Vice Chair, do you
21 have any questions?

22 VICE CHAIRPERSON REYNOSO: I have a general
23 question, then a couple of more specific questions.

24 We were encouraged by the discussion of the
25 last panel. I don't know whether you were all here to

1 hear that last panel, pertaining to economic development
2 and what they seem to agree on is that perhaps the
3 single-most important way of fighting poverty is by
4 helping families develop their assets. The most
5 important asset for most American families begins with
6 the house, but then very often it goes into business
7 enterprises and so on.

8 I just wonder, one, whether you agree with
9 those general comments and two, how your specific
10 programs are helping create assets for those families.
11 Several of your programs have been in place for some
12 years, and probably had a chance to see whether or not in
13 the long run they've been able to create assets certainly
14 of a business enterprise. It's been successful, that's
15 been the creation of assets, but I just wonder what your
16 reaction was to that general conclusion by those folk and
17 how your programs fit into it?

18 MR. JONES: The focus on family and the
19 development of assets within a family is appropriate, but
20 in terms of what makes that happen, which is where we
21 think the development process obviously begins, is the
22 barriers to that would be the lack of capital in the
23 region, reaching down to the level where that can occur.

24 And the obvious -- without the lack -- without
25 the capital, you don't get the jobs created, where the

1 assets themselves come from, so then I would say yes, as
2 a goal, but as a strategy, the strategy would be to
3 create -- to extent the ability to get capital to lower
4 levels and then to try to figure out how to make that
5 capital become job producing, you know, not in the
6 traditional way, but in new ways that are more key to
7 human development as opposed to say smoke stack chasing
8 or whatever the case may be.

9 MR. BELL: That's an interesting way of looking
10 at it. I've never really thought of it that way, because
11 the problems as I perceive it are much more fundamental.

12 Obviously -- and we see people like this that
13 come in and quite frequently their only asset when they
14 start a business, the only thing they have is the equity
15 that they may have in real property.

16 But I think you'll find that this is a
17 subjective judgment, that that is not really, really
18 common to see that, particularly with business
19 development.

20 What we do, we try to look at something even
21 more fundamental. I mean, the things that we're trying
22 will work toward that. That will be a spinoff of what we
23 hope our activities are. We do not do industrial
24 recruitment but we try to prepare communities for that.
25 In fact, if you drive up the highway and you see the

1 shiny new water towers, there's a real good chance that
2 we had something to do with that.

3 VICE CHAIRPERSON REYNOSO: That's what Mr. Hart
4 does.

5 MR. BELL: Yeah, he does that. And I admire
6 him for it. It's a very, very difficult and a very
7 expensive operation. In fact, we found that the other
8 order, that it works best when it's done locally. You
9 know, you have to have local folks, but what we try to do
10 is get them prepared.

11 But on the other hand, we look at the workforce
12 and because that leads to it. That leads to people, it
13 leads to the jobs, and that leads to people being able to
14 have the income that can then lead them into the -- into
15 owning property.

16 But we also look at the preparation of the
17 workforce to get them there. And we realize, you know,
18 the problems, with the workforce and we operate the JTPA
19 program and our resources just scratch the surface of
20 what's needed in particular, and I mentioned a while ago
21 that we've targeted some of our programs, and one of the
22 things we've targeted are welfare recipients and high
23 school dropouts, because we had -- we got a lot of
24 private businessmen on our private industry council, and
25 they look at that.

1 They look -- they're taxpayers. They're
2 taxpayers and employers. And they see what can happen
3 that -- they see that what happens when you help someone
4 that's a welfare recipient or a high school dropout to
5 become gainfully employed, that the payoff is really
6 tremendous. I mean, it is really tremendous.

7 And if I can share one thing right quickly with
8 you, that really kind of startled me, that kind of gave
9 me my mind set for a lot of the JTPA things that we do.

10 When JTPA first started as a transition from
11 CETA and under CETA it was all work experience, work
12 experience went out. We paid people to go to class.
13 That quit. So we were scrambling around. Here we get to
14 about the same amount of money and we're wondering what
15 should we do.

16 Well, the private sector people said let's do
17 something with these high school dropouts. And I'll
18 admit to you that the conversation in the group was, we
19 have high school dropouts, they're standing around on the
20 street corners, and they end up in the penitentiary, so
21 let's do something for high school dropouts.

22 So we contracted with the University of
23 Arkansas at Pine Bluff to operate a high school dropout
24 program for us. And we were all going to feel real proud
25 of ourselves. We were all going to have these hoodlums

1 off the street corner and they weren't going to go to
2 prison and cost the government \$25,000 a year.

3 We had 100 people enrolled in that program the
4 first year and we got the report and it absolutely
5 stunned me, because the high school dropouts that we got
6 weren't who we thought we would get. The high school
7 dropouts that we got were almost all female.

8 And then we went on and further looked at it
9 and found out that they dropped out of high school
10 because they had children. And it wasn't anything at all
11 -- it had nothing whatsoever to do with their motivation.

12 You know, they were motivated. They were
13 intelligent. They weren't hoodlums. They just had
14 children and they couldn't afford to continue to school.

15 And I could go on and on about what we've done
16 to address that and how we targeted our JTPA program
17 toward that. But hopefully it will all lead to the
18 ideal, which is a very good place to end up.

19 VICE CHAIRPERSON REYNOSO: And certainly one of
20 the ways to get assets is to have good jobs, to be able
21 to finish high school, and all that, but I was struck
22 with the fact that the previous panel spend little of
23 their intellectual energy, if you will, talking about
24 jobs and so on. They emphasized assets, that that's what
25 the poor community is basically lacking and that we ought

1 to think through again whether even job -- they didn't
2 say this -- I'm saying it -- I think they were saying we
3 should think through whether job training or CETA
4 programs, the old CETA programs, et cetera, are really
5 the best way in the long run to help the poor, maybe we
6 ought to come up with programs to start building those
7 assets, and they had some examples and maybe
8 generationally that's going to help us more than many of
9 the programs we have now. Mr. Walker?

10 MR. WALKER: We sort of take the view that an
11 asset is an intangible, it's a tangible, and we talk
12 about building capacity, not just building people
13 capacity, but the capacity of communities. We talk about
14 the capacity of folk to run businesses, like management,
15 and we would offer management training.

16 We know that if there is some still training,
17 if there's management training, and there's some jobs,
18 then somebody in a family who may have been unemployed
19 can be employed, and then they become a part of building
20 the capacity of that family to, you know, to get assets.

21 We sort of take that approach and we were
22 founded in a different way too, because it took some
23 business people, some foundations, and some interested
24 individuals to come together and sort of look at our
25 region that had the same problems but not had made the

1 progress because nobody was working together essentially
2 so we had an infusion of funds from private sources, from
3 -- and the business community, from foundations, and some
4 of our board members were able to put some funds into
5 this big pot and we started growing, and we were about,
6 from the beginning, of building capacity of the region
7 and everything that was included in that.

8 VICE CHAIRPERSON REYNOSO: We have in
9 California some interesting developments. I just wonder
10 how that might relate to your experiences here,
11 particularly with immigrant groups.

12 We have found that among Mexican immigrant
13 groups, for example, the employment rate is very, very
14 high even though the educational rate is quite low and
15 the employment rate particularly in non-governmental
16 work.

17 On the other hand, the family income is very
18 low, because many of them are working as ambulatory
19 vendors and that sort of thing. They are very
20 entrepreneurial but the income -- still the family income
21 is the lowest of practically any group in California.

22 Generationally, incidently, that
23 entrepreneurship apparently face off, because in the
24 second and third generation do a lot better.

25 But we also have other immigrant groups. One

1 has been mentioned is the Korean American group, where
2 there's apparently a tradition in that group of sharing
3 resources. Families will get together and buy a small
4 business. Then when that business succeeds, that
5 resource will go to buy yet another business, and I was
6 interested, Mr. Walker, in your working with church
7 groups, because I was thinking that's sort of a natural
8 in church, when you're talking about assets and needing
9 resources to put a business together. In fact, you gave
10 that example.

11 It seems to me that church groups are sort of a
12 natural equivalent in the Delta of say the closeness of a
13 certain family members in the Korean American community.
14 I just wonder how much that concept has been developed by
15 your foundation or how you've seen that work or not work
16 in terms of people putting their resources together.

17 MR. WALKER: One of the areas that we are
18 moving into is one where there will be an encouragement
19 of people to pool resources.

20 One of the difficulties we've experienced not
21 just in the Delta but all over this country is the lack
22 of resources within certain communities to even have the
23 collateral to leverage to get a loan.

24 And if we can get several persons to come
25 together and pool those resources, then a whole lot could

1 happen.

2 I think to the first part of your comment, you
3 know, standard of living or perceptions of standard of
4 living has something to do with how some can take so
5 little and get a whole lot out of, and everybody who
6 survives in the Delta gets a whole lot out of very
7 little, especially in the minority community, and poor
8 folk, generally.

9 VICE CHAIRPERSON REYNOSO: I had a sort of
10 overall question for Mr. Hart, because he's been at this
11 business for a long time, since '72, is it?

12 MR. HART: In Greenville, but since '68
13 practicing profession.

14 VICE CHAIRPERSON REYNOSO: '68 -- '78, '88 --
15 29 years. My general -- this is more of a general
16 question in terms of your observations. In terms of
17 enterprise zones or the other governmental efforts that
18 we've seen since certainly the 60's and you've been
19 involved in probably all of them, what is your sense,
20 looking at it 29 years later, as to their effectiveness
21 and I -- sometimes in a historical sense I mentioned to
22 one of the witnesses the other day, I've been observing
23 the issue of farm workers, and how they fit into the
24 economy in California for over 50 years, and even though
25 they're now covered by Social Security, which they were

1 not many years ago. They're now covered by unemployment
2 insurance and we can see all these things where we could
3 say ah-ha, there's progress.

4 But frankly, if I were to compare the
5 relationship of farm workers 50 years ago to the rest of
6 the population, and compare the farm workers today to the
7 rest of the population economically, I probably would
8 conclude that they're worse off now.

9 So we have a lot of programs that do a lot of
10 good and you see good things happening and good things
11 happening there, but when you sit back, sometimes you
12 wonder, and so my question to you is in looking at the
13 Delta 29 years ago and looking at the Delta now, do you
14 think those programs have helped to bring the races
15 together? Do you think they've helped to narrow the gap,
16 particularly between black families and white families in
17 terms of their income and their education?

18 What's your overall assessment? I know that a
19 lot of good things happen individually, but I'm asking
20 for your global view just as you've been at this for a
21 little while?

22 MR. HART: Well, I made a comment earlier that
23 anything that is directed without a real feeling in a
24 sense, in a true sense of understanding, being on the
25 ground, has the potential to really miss the mark. The

1 world is full of dreamers. You can print schemes on
2 paper that are just glorious in all words, but what's the
3 practical outcome of what happens?

4 Across the board I won't say that there haven't
5 been some shining stars of example, where these things
6 have occurred. On the other hand, there's been as many
7 dismal failures.

8 The one thing that I'm encouraged by through
9 the years is that with every new administration and
10 whether it's local, state or federal and new solutions to
11 old problems really, it seems that the experience of the
12 former programs carry through, and we learn from those
13 experiences and try to shape a better program.

14 We're continually trying to refine those
15 programs. Again, most of these are from the top down,
16 and that's why I am so excited and encouraged with this
17 experiment that we are in. I don't know that you could
18 point to its existence in that format in any other
19 program.

20 Watching it out over the years and seeing if
21 the bottom can produce the leadership to solve their
22 problems the way they want to solve them is in anyone's
23 opinion the way to do it.

24 I think it has every chance of success but not
25 without strong collaborating partners. Issue-related

1 networks that can come together and marshal resources and
2 focus. We cannot do it alone.

3 The entitlement funds were really leverage.
4 They are for leverage. I think its chances of producing
5 a meaningful outcome are higher than any other program
6 I've ever witnessed.

7 VICE CHAIRPERSON REYNOSO: Thank you.

8 CHAIRPERSON BERRY: Commissioner Lee.

9 COMMISSIONER LEE: I have several questions.
10 First of Mr. Bell. Seems like your organization is in
11 the best position to deal with the welfare reform law
12 that's passed. You talk about job creation and
13 employment training, and since you have all the mayors in
14 your group and also the local business leaders there,
15 what plans have you developed to deal with this expected
16 demand of your services, and is the state government
17 involved with your pending actions or whatever?

18 MR. BELL: Let me just talk just a minute about
19 that. As you may or may not know, we just got a new
20 governor not too long ago. There had been some
21 initiatives with the previous governor that we had been
22 working on.

23 Well, the new governor comes in, new cabinet
24 level officials, new philosophies of operation. Also our
25 legislature is currently in session, and there are

1 several welfare reform --

2 CHAIRPERSON BERRY: That's a dangerous time.

3 MR. BELL: It's a good time to be in
4 Mississippi. But it is, and in fact it's getting on
5 toward the end of the legislative session. However, the
6 internet has changed quite a bit the way the legislature
7 operates. Now the bills are all on line and with the
8 search factors you can put in there -- you want to know
9 about welfare reform? Type welfare reform and all the
10 bills come up.

11 So there's not too much going on that's not
12 well know, well publicized.

13 That bill has not passed. It's still being
14 debated right now, and there are a number of factors that
15 -- some of them are kind of scary, because I'm afraid
16 that a lot of the people that are going to be making the
17 decisions on it haven't really seen what's going on and
18 the effects. In fact, I was listening to NPR on the way
19 down here this morning and they were talking about a
20 number of states are doing, and some of it is going to be
21 catastrophic.

22 I'm particularly concerned about the children,
23 but we're not here for that right now.

24 I'll be meeting Monday. We have a meeting
25 scheduled with the state agencies Monday from ten o'clock

1 till three o'clock to start defining exactly what our
2 role is.

3 You have to understand too that we're really
4 not -- we're not a state agency. We're not, and in fact
5 we're very independent. The Private Industry Council was
6 established according to federal statute, and there's not
7 a lot that the state can force on us without really
8 causing some -- a big uproar in the political spectrum.

9 What we do, and I've got the numbers here, we
10 generally -- our placement rates for welfare recipients
11 are somewhere in the 40 to 50 percent range, which I
12 think is amazing. It started out when we first started
13 doing this at around 20 percent.

14 But I think one of the things that's happened
15 of our eight to ten subcontractors that we have now, I
16 think seven of them deal with dropout prevention and
17 dropout recovery, because we found that the multiple --
18 we call them multiple barriers to employment, when you
19 include high school -- just being a high school dropout
20 doesn't make you that -- that hurts a little bit.

21 Being young, that hurts you a little bit.
22 Being female, that hurts you a little bit. I think I may
23 have said high school dropout and also with a child.

24 What happens is that each one of those
25 multiplies the other. It's an exponential thing that

1 makes a person with all those characteristics extremely
2 difficult to employ.

3 And we feel -- we can't do anything about their
4 child and we can't do anything about them being young,
5 but we can do something about their education, and so we
6 put a lot of emphasis on them going back to school.

7 In fact, we had to fight some battles to be
8 able to do this, because when JTPA first started there
9 was a tremendous emphasis on employment. Everybody get a
10 job, everybody get a job.

11 Well, we felt like flipping hamburgers was not
12 much of a future, you know, not many hamburger flippers,
13 you know, eventually become store managers out of the
14 great number of them.

15 So we said what we would do, we would go ahead
16 and take the hit on our performance. We would spend the
17 money on the folks keeping them in school, training them,
18 and if they didn't get a job immediately and we took a
19 hit, so be it.

20 We also were involved in literacy. We tried to
21 integrate program where we could take a non-reader and
22 take them all the way to college. In fact, we have one
23 program for college entry students where we'll pay for
24 their tuition for their first two semesters in college.

25 But we're very strong on the educational

1 aspects of that.

2 Now, as to what the legislature is going to do?
3 What the administration is going to do? I really haven't
4 got a clue. I read in the paper every day and every day
5 it's different.

6 COMMISSIONER LEE: It's a nice concept but you
7 have to jump through a lot of hoops to get there.
8 Assuming through your programs people received a
9 financial and capital assistance, what kind of hoops do
10 they have to jump through to get the business started so
11 they could be entrepreneurs and business owners.

12 MR. HART: An entrepreneur of the delta?

13 COMMISSIONER LEE: Yeah, in the delta
14 specifically.

15 MR. HART: Well, you know, I don't know that I
16 can answer the question specifically, but let me --

17 COMMISSIONER LEE: Is it a user friendly
18 environment for them to start business here.

19 MR. HART: Okay. Well, I'd have to say yes and
20 no. If they are --

21 CHAIRPERSON BERRY: Sounds just like a lawyer.

22 MR. HART: If they came from a background of
23 entrepreneurs and that kind of mind set and
24 understanding, they probably will have the capital to
25 start their business and they will find the environment

1 extremely friendly, helpful, a lot of supported research

2 If there's someone who someone has told them
3 that, well, I can't find a job so you need to be an
4 entrepreneur, they're going to have a great difficulty
5 which points out one specific need that I don't see in
6 any of the entrepreneurial programs that I've ever
7 witnessed. And I've run some. And that is a program to
8 legitimately train people who think they want to be
9 entrepreneurs. That's an educational program. It might
10 be an apprentice program.

11 You know, why do doctors' children become
12 doctors. Why do lawyers' children become lawyers. They
13 grew up in the environment. Why do entrepreneurs become
14 entrepreneurs? Because that's the way they were raised.

15 I once had a tool kit which was -- I learned on
16 it how to start your own business. The first page in
17 that tool kit was a sheet that was a test. And there was
18 one question on that test -- were your parents
19 entrepreneurs? And if answered no to that single
20 question of about 50, you failed the test because it's
21 very real.

22 Now everybody can't be fortunate-enough to be
23 the son or doctor of a doctor or the son or a daughter of
24 an entrepreneur, but we need to regenerate our economy in
25 this area through entrepreneurial activity. And I'm an

1 advocate of that. That's a different concept then we've
2 talked about altogether here.

3 We need training, teaching, apprentice -- some
4 effort to develop the skill to be an entrepreneur. And
5 then they will find the environment very friendly.

6 COMMISSIONER LEE: How about the building
7 structure? Is it a friendly -- for instance, if you want
8 to start a business, how easy it is to get permits or
9 rezoning?

10 MR. HART: Very easy. Very easy. We have a
11 one-stop shop basically for permitting.

12 COMMISSIONER LEE: Okay. One more question for
13 Mr. Walker. You mentioned that the financial
14 institutions are not players in your --

15 MR. WALKER: Well -- in this area financial
16 institutions are geared more toward making agricultural-
17 type loans. And that, you know, markets are directed at,
18 you know, the big cities -- Little Rock, New Orleans,
19 Jackson and other urban areas. In some cases financial
20 institutions in the Delta don't have the expertise to do
21 commercial lending.

22 There is something that we do that's kind of
23 interesting in terms of entrepreneur development.
24 Without getting into the details, we have fast track
25 entrepreneurial training program that's designed to build

1 management capacity. And in this program, we have a
2 partnership with, you know, institutions and the like,
3 but we try to get business plans developed as a part of
4 that. And, you know, assuming that it's a reasonably
5 decent business plan, those graduates of the fast track
6 program become eligible for loans.

7 One historic program of the Delta and many,
8 many other places is that, you know, folk who have had
9 money or have had business histories in their families,
10 you know, don't go out and recruit other folk in. And
11 they have not only a lock on that particular business,
12 but they have a lock on survival at a reasonably decent
13 level. And in order to alter that, opportunities are
14 going to have to be creative.

15 And we tried to be creative in creating
16 opportunities, otherwise everything would be the same.
17 We try to get minorities and women. We think that the
18 group of things we do we will be able to get more
19 minorities and women into the entrepreneurial community.

20

21 MR. WALKER: I'm sorry I didn't mention that
22 because that is the only program I'm aware of that even
23 comes close to what I was talking about and it's a valid
24 effort that's producing results.

25 I wanted to follow on that with a comment just

1 identification.)

2 CHAIRPERSON BERRY: Secondly, Mr. Hart, could
3 you tell me the exact status of the empowerment zone
4 funding? Is it the case that some of the funds are being
5 held by the State Human Services Director? Could you
6 give us an update on the funding?>

7 MR. HART: They're currently back in operation.
8 Yes, we had a brief disagreement on, I guess as man and
9 wife does occasionally, you don't always agree and one
10 may balk temporarily, but we're all going the same
11 direction. We have worked those agreements successfully
12 at a state level. They are on board as full partners.

13 The leadership at a state level through funding
14 will now come from the Department of Community and
15 Economic Development department that we feel certainly
16 understands the Delta, the people in the Delta and our
17 needs. So we're very encouraged about that new position.
18 Things will flow and operate smoothly and will continue
19 moving forward.

20 CHAIRPERSON BERRY: How much money we talking
21 about here?

22 MR. HART: Well, the point in question had to
23 do with a statement of withholding any further points.

24 CHAIRPERSON BERRY: I understand.

25 MR. HART: And what that amounted to at that

1 particular moment was one 30-day administrative cycling
2 amount. So that was a very small amount of money -- some
3 7 to \$8,000. We are on the verge of making awards to
4 some of the programs that we have graded within the
5 empowerment zone.

6 And had we not worked an agreement, it could
7 have backed into that time frame and the number of --
8 power because we're at the 3 to \$4 million dollar level in
9 successful awards for at least those projects that have
10 been approved or awarded. But we were able to work that
11 out. It was not difficult at all. We signed an MOA or
12 are signing an MOA to that --

13 CHAIRPERSON BERRY: Memorandum of agreement for
14 the unlettered, untutored.

15 MR. HART: Right.

16 CHAIRPERSON BERRY: Is that what you mean --
17 MOA? Yes.

18 MR. HART: We were introduced to that term out
19 of Washington.

20 CHAIRPERSON BERRY: That's alright, Mr. Hart.
21 Let me go to then next, what is the geographic boundary
22 of the empowerment zone?

23 MR. HART: Essentially two census tracts in
24 each of six counties. Under the law you could have three
25 centroids -- they did not have to be contiguous. We used

1 that three centroid approach to enable us to spread
2 regionally. We thought that was important. The problems
3 of the Delta aren't centered in Washington County. They
4 cover a large portion of this Delta and the counties in
5 it. And through that vehicle, we could bring that
6 capability to a much larger geographic area and more
7 people it impacts to the communities that were adjacent
8 to those zones.

9 CHAIRPERSON BERRY: Okay. The other thing I
10 wanted to ask was I have some substantive questions now
11 that I've taken care of those details. First of all, in
12 Arkansas, if I understand it correctly based on your
13 telling us, Mr. Bell, that the bill that was before the
14 legislature in there -- the Welfare Reform Bill in
15 Arkansas -- that Arkansas has not implemented the
16 individual development account provisions in the Welfare
17 Reform Bill either. Is that the case?

18 MR. BELL: I'm not certain. No, I don't know.

19 CHAIRPERSON BERRY: Do you know, Mr. Jones?

20 MR. JONES: The bill as published which has
21 been passed by the Senate does not contain that.

22 CHAIRPERSON BERRY: Because the, Federal
23 Welfare Bill that was passed, and we discussed it on the
24 panel before you, has a provision in it so that there
25 will be individual development accounts available for

1 welfare mothers who then can use them for asset
2 development. But they require some enactment by the
3 legislature. Mississippi has not enacted them.

4 We were told generally that the impression that
5 none of the places in the Delta have, and I was just
6 asking. I assume Arkansas has not. If that turns out
7 not to be the case, could you let us know that to correct
8 that for the record? I charge you, Mr. Bell, with doing
9 that.

10 MR. BELL: Now the State of Arkansas did grant
11 our program. We're going --

12 CHAIRPERSON BERRY: I understand that.

13 MR. BELL: They granted a waiver to permit the
14 stipend which we paid to be used to develop that.

15 CHAIRPERSON BERRY: Right, right. The other
16 thing I wanted to ask is what is your reaction to the
17 possibility that for-profit firms might displace some of
18 the non-profit activity under the new Welfare Reform
19 Bill?

20 As you know, the Bill permits for-profit firms
21 to bid to take on the activities that are provided in the
22 Bill, whether it's training or whether it's the
23 administration of the programs or any of these
24 activities. And in some states, for-profit firms are
25 already bidding to take over these programs, activities

1 and to provide services that non-profit providers have
2 been providing in the past.

3 What would be your view of the feasibility, the
4 efficiency, the effectiveness in dealing with the clients
5 ultimately and in getting jobs for people and so on, or
6 creating entrepreneurial activities or having for-profit
7 firms become the mechanism by which this is implemented
8 in the Delta? Anybody got any ideas? Yes, Mr. Hart.

9 MR. HART: I tend to be a little more
10 parochial, so forgive me if all the firms could be
11 created in the local area where the service was
12 performed. I would support that, but if we're going to
13 import a bunch of Washington approach -- and I'm familiar
14 with a lot of them and all they do is sit up there
15 everyday looking at these programs, trying to figure out
16 where they can make the next bid. And that's great and
17 wonderful. And certain occasions, I've witnessed these
18 have been very efficient -- a more efficient manner of
19 making meaningful change where it needs to occur.

20 But I would really have an interest in the
21 local development aspects of that from an entrepreneurial
22 standpoint or a business development activity to capture
23 as much of that resource that's helping to regenerate the
24 area as possible, as opposed to allowing it to go
25 outside.

1 CHAIRPERSON BERRY: Well, the ones that have
2 been publicized have been national firms, such as EDS,
3 Electronic Data Systems --

4 MR. HART: They're hard to beat.

5 CHAIRPERSON BERRY: -- Lockheed Marietta and so
6 on. But I was wondering if you thought it would do a
7 better job for the clients if a company with an
8 entrepreneurial spirit and a for-profit motive, whether
9 it's local, national, whatever it is, came in to run
10 these programs and to get these people working or engaged
11 in entrepreneurial activity as opposed to leaving it to
12 the for-profits who are not accustomed to -- as your tool
13 kit asked the first question -- whether your parent's an
14 entrepreneur -- who are not accustomed to being
15 entrepreneurs themselves?

16 MR. HART: I personally think that the for-
17 profit approaches, and that's privatization of
18 government, will produce a higher return on the
19 investment and a higher result level. But that's just a
20 personal felling I have.

21 CHAIRPERSON BERRY: Or will it only produce a
22 higher result in terms of profits for the for-profit
23 firms? I don't know the answer. I'm asking the question.

24 MR. HART: It obviously would generate profit,
25 but with it a real motivation now that you don't have

1 when you're strictly doing it publicly.

2 CHAIRPERSON BERRY: Okay. Do any of you have
3 any --

4 MR. JONES: Every business has a waste factor.
5 Every business has a waste factor. And when for-profits
6 get involved in this, there's going to be a waste factor.
7 I think the waste factor will be too high in terms of the
8 human factor that has to be dealt with here. What we're
9 dealing with when you're dealing with for-profit, the
10 bottom line's going to eventually call the shot. And
11 that's going to cause a cut-off somewhere in there. And
12 I think that that's where the waste begins -- the human
13 waste beings. And I don't -- I think that that has to be
14 carefully looked at.

15 And, of course, if you were to say a better fit
16 would be entrepreneurial-oriented firms that would better
17 fit than maybe for-profit, but then they would be leaving
18 something within that individual rather than just simply
19 the training process to get them ready for something.
20 It's kind of a difficult call. But when you involve
21 business and human development, can you stand the waste?

22 CHAIRPERSON BERRY: And to tag onto the
23 question that the Vice Chair asked you about asset
24 building -- asked the panel about asset building. Could
25 it be argued that what we need to do is to de-emphasize

1 job training and job creation for people in the Delta or
2 elsewhere, and that we might even minimize the lack of
3 education because we had a whole panel on education and
4 we've been talking about all the education programs which
5 I'm sure beset you as you try to work with people to
6 train them.

7 And that by giving people small amounts of
8 money and some help and assisting them in starting their
9 own entrepreneurial enterprises that that way you simply
10 bypass this whole stage of training for jobs, trying to
11 find a job or create a job -- become small scale
12 entrepreneurs -- microeconomic enterprise -- and simply
13 do that. Is that viable in terms of a solution to the
14 major economic problems that exist i this region, or is
15 that marginal to them or what is your view of that?

16 The last panel seemed to think -- at least one
17 member thought this was the greatest thing and that it
18 probably would solve these problems. Should that be used
19 instead of job training? I mean there are countries in
20 which people are less educated than the poorest educated
21 people in the Delta, where these microeconomic
22 enterprises have been started with small amounts of money
23 and they seem, for at least some groups of people, to
24 have worked.

25 And what they then create -- parents who are

1 entrepreneurs, and therefore, when you got the took kit
2 and it asks are your parents an entrepreneur, the answer
3 is yes. And then you go onto the next step, rather than
4 no. So yes, I can see some reactions. Who wants to
5 answer that first?

6 MR. HART: Let me throw an emphatic no. And
7 say that, you know, the entrepreneurs have got to have
8 customers. We're talking about economic redistribution.
9 And for decades, it's been, you know, redistributed.
10 We're not supporting our own economic generation and
11 needs in this area. You have to have customers. You
12 just can't have a bunch of entrepreneurs --and that
13 customer base is generated by the whole of the economy.
14 And what we're talking about is the ability to generate a
15 more viable cash flowing economy here with inflows of
16 money and then we can support entrepreneurial activity.

17 CHAIRPERSON BERRY: I suppose your answer is --
18 what you're me is, and if I think about it, is that the
19 nation as a whole -- forget about just the Delta or
20 people of color or anything like that -- most people are
21 workers. Not everybody's an entrepreneur. Because if
22 everybody were an entrepreneur, -who would they sell to I
23 guess. Is that your point?

24 MR. HART: That's it.

25 CHAIRPERSON BERRY: I guess they would sell to

1 other entrepreneurs in other fields. I don't know. Yes,
2 Mr. Walker.

3 MR. WALKER: You know, it would depend on what
4 you have to sell. You know, I think it would be great.
5 There'd have to be some caution as to the areas. And
6 we'd like them to go through our fast track training
7 program because, you know, there are some capacities you
8 would need in order to run something successfully if you
9 want a profit. I think there could be incentives that
10 people get.

11 I think now according to Mississippi law, if
12 you're selling farm products on the other side of the
13 street and you're not in an enclosed facility, there
14 aren't taxes or something like that. You don't have to
15 pay taxes. And I think depending upon what it is on a
16 pilot basis at least, there could be some considerations
17 given. I don't have any problem any problem with that,
18 you know, as a pilot thing.

19 The question came up about entrepreneurial
20 spirit, of programs that may come about through Welfare
21 Reform. Privatization is, you know, picking up. And
22 it's been demonstrated with our program that you can have
23 an entrepreneurial spirit and a heart and a conscience,
24 you know, if that combination is there maybe.

25 CHAIRPERSON BERRY: Okay. Oh, you wanted to

1 say something?

2 MR. JONES: Yeah, I think that the element that
3 is missing in that equation is work. If individuals have
4 the opportunity to -- I think work is what's missing in
5 the Delta. People don't have the opportunity to work,
6 because work is what creates the asset. And we have a
7 lot of self help -- the self-help housing programs give
8 people the opportunity to work and create that asset that
9 they have. And we have like 20 of those houses springing
10 up in Durham right now, which is a great self-help
11 proposition.

12 But if add the element and the ability and the
13 opportunity to work, then that begins the process of
14 creating the IDA's because we had to find a way to pay
15 the people who are setting up the IDA's in our program.
16 They had to have that -- but they could only do that by
17 we had to give them the opportunity to work. So if you
18 put that factor in, then it begins to make sense.

19 CHAIRPERSON BERRY: The other point -- Mr.
20 Bell, you mentioned when you were talking about training
21 people, you said something about flipping hamburgers was
22 not much of a job. Could it be argued that one way to
23 develop assets or develop capital in order to get assets
24 -- and this is not my view. I'm only asking the question
25 for the purpose of the record.

1 Is that flipping hamburgers may not be much of
2 a job, but if one got, you know, two jobs flipping
3 hamburgers and worked and saved some money, then one
4 might move, and that that is the way many people have
5 sort of, you know, managed to gain upward mobility. And
6 so that flipping hamburgers would not be sneezed at, as a
7 beginning at least, put together with two or three other
8 jobs.

9 MR. HART: That's the double burger.

10 MR. BELL: Right.

11 CHAIRPERSON BERRY: Right. It's a double
12 cheeseburger.

13 MR. BELL: Let me address that a little bit
14 because that actually --

15 CHAIRPERSON BERRY: And that fuzzy liberals
16 like me are always accused of -- complaining about
17 flipping hamburgers and this and that, and how I want
18 people to have good jobs and good wages and all the rest
19 of it.

20 MR. BELL: There's a point here that we've
21 touched on, but hasn't really been driven home. And that
22 is we've been talking so far about microeconomics.
23 Flipping hamburgers works real good for the person that's
24 getting the money for it, but there's very little value
25 added to selling hamburgers to each other. Now if that

1 person's selling that hamburger to someone driving
2 through town, then that's a boost.

3 The area has got to be -- has got to position
4 itself on a macro level to -- you can't generate capital
5 if all you have is a closed system. To generate capital
6 and to generate your economy, you've got to do what this
7 gentleman down here is doing or you've got to stimulate
8 the poultry industry or the catfish industry. You've got
9 to do something in your area that somebody outside your
10 area is going to pay you for. When you get that money
11 coming in -- it can be a lot of different things.

12 In Pine Bluff, Arkansas, they sell paper. They
13 sell paper all over the world. They have railroad
14 employees. They ship products from all over the world.
15 Well, that money is spent -- comes into Pine Bluff is
16 spent in wages. And that enables the area to do what
17 we're talking about for the McDonalds and the Burger
18 Kings and the Kentucky Fried Chickens and whatever to
19 grow. Without that, nothing's going to happen.

20 All the entrepreneurial efforts in the world
21 won't do anything if all you're doing is sitting there
22 talking to each other. You've got to have additional
23 capital come into the area.

24 CHAIRPERSON BERRY: Which is a model we talk
25 about in the black community about taking the dollars

1 that come into the community and then spending them with
2 each other in the community as a way to have a multiplier
3 effect. But your point is if no dollars are coming into
4 the community from anywhere else --

5 MR. BELL: You'll die. You'll eventually --

6 CHAIRPERSON BERRY: No matter how you try to
7 sell to each other you still wouldn't be able to do that.

8 MR. BELL: You'll consume yourself if you don't
9 have some something. And that can take a lot of
10 different forms. I don't really have a big knock on the
11 corrections industry. A prison is a wonderful industry.
12 I mean it's very neat -- nice and tidy -- and the people
13 make a lot of money in the Department of Corrections.
14 You know, the catfish industry is great. Chicken houses
15 are great. Because that brings money in. Of course, if
16 it's public money, it's taking money out of some other
17 area.

18 CHAIRPERSON BERRY: Yep.

19 MR. BELL: But we're parochial around here --
20 wouldn't be greedy if we can get it.

21 CHAIRPERSON BERRY: Yeah, yeah.

22 MR. BELL: But perhaps those are some things on
23 a federal level that could be addressed for the Delta
24 area and like we're talking about through the enterprise
25 communities.

1 But let me make one other comment, and the
2 folks aren't here and I really don't want to speak for
3 them, but there are a number of programs that deal with
4 -- very successful programs. The program you're
5 referring to I believe started in Bangladesh. That good
6 faith fund with the South Shore Bank out of Chicago
7 operates, and it's very successful in a micro level.
8 Loans of \$1,000 or so in groups.

9 But we also have with our university system --
10 we have a pretty good network of those folks who have the
11 ability to help entrepreneurs write business plans. I
12 have people come to me all the time and say loan me some
13 money. And I said what do you want to do. And they tell
14 me what they want to do. And I say have you written
15 anything down. And they say no. And I say if it's not
16 written, this doesn't exist. And so I refer them to
17 someone that can help them and give them that technical
18 expertise and those people are out there. And those
19 people are out there. They just need to have -- they
20 just need to know where they are because they're out
21 there and they will help them.

22 CHAIRPERSON BERRY: Okay. Did you have your
23 hand up, Mr. Hart?

24 MR. HART: Well, one comment talking about
25 bringing money in. As hard and as fast as we work in

1 trying to bring new sources of capital into the economy,
2 the bigness of the business world and it becoming bigger
3 and more consolidated in banking and energy and
4 government and everything else, in many cases it's
5 consolidating jobs out of this area and we're losing that
6 economic base. And as a party to that in terms of a rate
7 payer or a taxpayer or anything else, we're still paying
8 the same amount of money.

9 Where we used to have a lot of that left in the
10 community by those supporting activities, that's now
11 gone. And we're looking at new forms of development to
12 try to bring some form of that segment back into our
13 economic, whether it's the data input or -- but there we
14 have infrastructure disadvantages. We have other things.

15 So as hard as we work in trying to bring new
16 things -- new dollars into the economy -- the problem of
17 losing what you already have is ever growing. So it's a
18 constant struggle. And policies affect all of that from
19 a federal, state and local level.

20 CHAIRPERSON BERRY: Okay. Well, we want to
21 thank you for being here with us today. And you are now
22 excused and a member of our staff will escort you through
23 our sign-out procedures. Thank you very much for being
24 here. We are now going to recess for a short lunch break
25 and we will resume the hearing at 1:15 p.m.

1 (Lunch break.)

2 CHAIRPERSON BERRY: May I have your attention
3 please. Our lunch break is over and we'll now reconvene
4 the hearing. Do we have any new signers or interpreters,
5 and, if so, can I can swear you in? No new signers and
6 interpreters.

7 This panel is on governmental and business
8 initiatives to revitalize the Delta's economy. And the
9 witnesses have already come forward, but they are Major
10 General Paul A. Harvey, Mr. Ronald E. Hudson, Mr. John
11 Walker and Mr. Derrick Crawford. Is that right? Okay.

12 And could you please stand because you have to
13 take the oath. Please raise your right hand.

14 (Witnesses sworn.)

15 CHAIRPERSON BERRY: Mr. Hudson, we're going to
16 begin with you. And I'm going to ask you to introduce
17 yourself for purposes of the record. Say who you are and
18 what you do. And then to give a 5 minute, no more than 5
19 minute, opening statement describing the mission of your
20 organization and any other thing you'd like to tell us.
21 There will be questions after that. Okay.

22 MR. HUDSON: Yes, ma'am. I'm going to read a
23 statement.

24 CHAIRPERSON BERRY: Yes.

25 MR. HUDSON: I am Ron Hudson -- Ronald E.

1 Hudson, but I'm referred to as Ron. I am the executive
2 director of the Chamber of Commerce Industrial Foundation
3 in Clarksdale, Mississippi.

4 Honorable members of the Commission, I am Ron
5 Hudson, as I said, executive director of the Clarksdale
6 Coahoma County Chamber of Commerce. Welcome to
7 Mississippi. The Chamber is a multi-functioning
8 organization consisting of basically five groups. The
9 Chamber of Commerce Industrial Foundation, Industrial
10 Authority, Tourism Commission and our Business
11 Development Center, or what is referred to as our
12 incubator.

13 The Chamber of Commerce is a volunteer
14 organization dedicated to economic and civic improvement
15 of the community. There are approximately 450 dues-
16 paying members consisting of businesses, industry and
17 individuals. The Chamber provides business support in
18 terms of sponsoring seminars and workshops or conducting
19 grand opening ceremonies, organizing businesses, after-
20 hour socials, providing community information and other
21 such support.

22 The Chamber sponsors community special events
23 such as the Delta Jubilee, the Spring Break Blues -- a
24 festival, and the Holiday Festival Parade. The Chamber
25 provides support to other communities' special events

1 such as the Tennessee Williams Festival and the Sunflower
2 River Blues Festival.

3 The Industrial Foundation works to further
4 economic development of the community and to promote and
5 assist the growth and development of business activity.
6 The Industrial Foundation is responsible for industrial
7 recruitment and industrial retention. The Foundation
8 endeavors to bring industrial prospects by marketing the
9 community to various advertising mediums, participating
10 in trade shows and recruiting trips and maintaining
11 contact with other recruiting organizations such as the
12 Mississippi Department of Economic Development, the Delta
13 Council and the Intergy Corporation.

14 The Foundation also means a well-organized
15 prospect sales team to greet industrial prospects who
16 visit the community to consider location. The Foundation
17 is active in industrial retention through its existing
18 industry committee which annually visits industries in
19 the community to determine problems they may be
20 encountering and to explore potential opportunities for
21 expansion.

22 The Foundation has undertaken projects such as
23 establishing a Manufacturers Association, sponsor job
24 fairs and is a designated team member -- is a designated
25 team city member, excuse me, through the Intergy

1 Corporation's self-evaluation program.

2 The Industrial Foundation recognizes that
3 education is a major barrier to economic development.
4 The Foundation works in close cooperation with Coahoma
5 Community College Skill Tech Center. It is a one-stop
6 career center and meets the challenges of the Mississippi
7 Work Force Act by providing individuals and companies
8 with all types of training and education job analyses,
9 long-range planning and total quality management
10 programs. Through its 15 member work force council,
11 business leaders share their experiences and make
12 recommendations for improving training programs.

13 The Foundation played a significant role in the
14 recent announcement of the location of the Rural Minority
15 Business Development Center at the Skill Tech Center. It
16 is anticipated it will be a vital resource for recruiting
17 minority businesses to locate in the incubator facility
18 at the Chamber.

19 The Foundation is serving as a lead
20 organization in the Tri-county Work Force Alliance, which
21 is a new initiative to tie together collaborative efforts
22 for work force development and education. The Alliance
23 is funded through the Foundation for the mid-south and
24 continually seeks grant opportunities through various
25 grant agencies.

1 Some current projects include a forum on
2 Welfare Reform, job resource fair, industry education day
3 at the area high schools and issues dealing with
4 transportation and child care needs of the work force.

5 The Foundation is a collaborating partner with
6 the Delta Partners Initiative of Delta State University.
7 This Initiative is funded by a grant from the Kellogg
8 Foundation and targets Clarksdale in an effort to develop
9 a grass roots strategic plan for the community.

10 Now to our Industrial Authority which owns and
11 manages and maintains and develops lands within our two
12 community industrial parks -- Sunbelt Industrial Park and
13 The Leonard Farr Industrial Park. The Sunbelt Park has
14 approximately 240 acres of available industrial land that
15 is served to a large extent by water, sewer, streets and
16 drainage. Over the years, the Authority has implemented
17 a spec building program involving the erection of two
18 structures that have been successful in either luring new
19 industry into the community or retaining existing ones
20 needing to expand.

21 The Chamber by contract administers the day-to-
22 day activities of the Coahoma County Tourism Commission.
23 The staff is responsible for assisting the Commission in
24 the development of its annual budget and work program.
25 The Commission has a well-planned advertising program

1 centered around the community's blues heritage and, in
2 particular, the internationally known Delta Blues Museum
3 in Clarksdale.

4 In conjunction with the Coahoma County Board of
5 Supervisors, the Commission is developing a major
6 tourism-related infrastructure improvements, including
7 the renovation of the old Clarksdale passenger depot that
8 will be developed into a blues club, shops and other
9 tourism-related developments.

10 The depot is part of an overall redevelopment
11 project being undertaken by the city in its downtown area
12 known as Blues Alley. The city has also committed
13 substantial financial resources to the redevelopment of
14 the nearby freight depot which is in the Blues Alley
15 area, which will be used as an extension of the Blues
16 Museum's exhibit area and the site of the annual
17 Sunflower River Blues Festival.

18 In addition to the tourism -- in addition,
19 excuse me, the Tourism Commission is developing, along
20 with the county government, a new 50 acre fairgrounds and
21 multi-purpose livestock facility to draw horse and cattle
22 shows, rodeos, equipment shows and other such regional
23 type events. The fairgrounds will serve to expand the
24 annual Delta Jubilee in Northwest Mississippi -- excuse
25 me, I have a mistake there, but to become the Northwest

1 Mississippi Fair.

2 The Chamber operates Coahoma County Development
3 Center -- it should be Business Development Center -- in
4 facilities adjacent to its offices. The facility was
5 developed approximately 4 years ago as a joint project of
6 the Chamber, the City of Clarksdale, Coahoma Community
7 College and the County Board of Supervisors. The
8 facility offers a sheltered environment where a small
9 business entrepreneur can operate in a quality facility
10 at reduced initial rents with shared services and
11 facilities provided by the Chamber.

12 The survival rate of businesses started in
13 incubators are reported to be much greater than those on
14 the outside.. Thank you for your indulgence in my
15 presentation.

16 CHAIRPERSON BERRY: Thank you very much. Your
17 statement will be entered in the record. There will be
18 some questions for you in due time. Next, I want to turn
19 to Mr. John Walker, who is an attorney who's been in
20 private practice in this region since 1965, and is well
21 known to us and has been, you know, before the Supreme
22 Court of the United States and everywhere else handling
23 lawsuits. And we want to invite you to make an opening
24 statement and then there will be questions for you after
25 that, too. Please.

1 MR. WALKER: Thank you, Ms. Berry. To you and
2 to the members of the Commission and to the staff
3 members, it is a privilege to appear before you and to be
4 able to share with you some of my views regarding the
5 problems of racial inequality which continue to plague
6 our region.

7 Your hearings are timely and appropriate
8 because they allow for review by a group of outsiders, so
9 to speak, to look at what we're doing and to help us make
10 assessments about how well we're doing it, and what we
11 may be able to do better in the future.

12 I hasten to add that your Commissioners are
13 outsiders only in the sense that the Commission
14 headquarters are located in the District of Columbia.
15 But I am aware of your familiarity with our problem and
16 that that familiarity is very great. Your presence will
17 also inspire, hopefully, interracial dialogue which is
18 still essential if the problems of this region are to be
19 effectively addressed.

20 I begin my remarks with the premise that our
21 region cannot prosper unless there is a direct focused
22 intent with appropriate initiatives to uplift African
23 American citizens of the Delta educationally. The idea
24 is still prevalent that the South would be a wonderful
25 place to live and that peace, tranquility and economic

1 abundance would characterize a region were it not for the
2 presence of those who lacked ambition, motivation, didn't
3 want to work and had criminal intent. Translated to mean
4 this view aims directly at my race, and it seems to blame
5 us for the region's shortcomings.

6 Of course, those of you here know that this
7 view cannot be supported by the evidence or by logic.
8 But nonetheless, it is a view that limits rather than
9 enhances our ability to address our most compelling
10 problem -- the lack of any meaningful substantial effort
11 to uplift our race.

12 As a practicing lawyer who has addressed the
13 problems of racial separation and inequality for more
14 than 30 years, I see things from the position of the
15 promises that were reflected in the Civil Rights laws
16 enacted in the '60's, reinforced by progressive court
17 decisions of that era and the reality that the South,
18 especially the Delta region, has never accepted the
19 notion that we are equal human beings. This
20 nonacceptance still separates us and divides us.

21 In my work educational equality and inattention
22 seem to characterize our school systems. The public
23 schools all too often are separated into segments to
24 address the needs of those who theoretically have a
25 future and to simply provide a holding place for those -

1 for the others who basically have no future, so that the
2 schools are still effectively segregated along racial
3 lines. Notwithstanding Brown v. Board of Education and
4 with segregation much is lost.

5 If children are not taught to know each other
6 and how to get along with each other, then they never
7 know each other and they never learn the necessity for
8 interacting with each other and things continue as they
9 have always been.

10 This is not to say that we have not experienced
11 some degree of change in the racial equation in the Delta
12 over the years, for we have. But there is no single area
13 where it can be said that African American people are
14 viewed by the dominant power interests as equal.
15 Moreover, the region seems to be becoming more
16 sophisticated and more pervasive in its separating
17 policies and practices. This is so much the case that
18 there is a great clamor in African American communities
19 across the Delta to return to practices of separate with
20 the hope that the separateness will also yield equality.

21
22 The employment patterns reflect the training
23 provided to the people of the region to a great extent.
24 Most of our people are untrained and, therefore, many are
25 either unemployable, unemployed or underemployed.

1 Education is still important for African Americans to be
2 given any consideration for jobs. But I constantly face
3 the situation where uneducated people are making
4 judgments regarding our people who are educated, and then
5 making determinations that our well-educated people are
6 not qualified. This means that education is important to
7 some, but not to all.

8 This allows arbitrariness in the employee
9 selection process and restricts employment opportunity.
10 This also allows for other practices of favoritism to
11 continue, such as friendship hiring, word of mouth
12 recruitment and inconsistent application of work place
13 rules.

14 A restrictive concept which needs to be
15 addressed is the at will employment concept which allows
16 employers to terminate employees for any reason just as
17 long as they do not state what those reasons are, and
18 then become subjected to Title VII type considerations.

19 It would be most helpful if legislation were
20 considered which would prohibit governmental employers
21 from implementing at will employment policies, for
22 government stands on a different footing than private
23 industry, as we discussed this subject of privatization.
24 The government must operate in the sunlight, while
25 private industry in a capitalistic environment may

1 operate in the dark so to speak.

2 Government promises due process under the
3 federal and state constitutions. And the fundamental
4 concept of due process is noticed with the requisite
5 opportunity to be heard. That concept must be retained
6 at all costs even as we move from government operation of
7 our institutions to privatization.

8 There is another concept that we must
9 reconsider and revisit which is proportionate sharing of
10 community benefits. Some may call it quotas, but I call
11 it expected outcomes in a fairly operated biracial
12 environment. I intend to elaborate more on this concept
13 in my remarks, if given the opportunity to do so.

14 As I seek to establish an overview of our
15 racial divide, attention must be given to the
16 disproportionate and unfair incarceration of black youth,
17 especially males. This impacts upon our educational
18 system and upon what we're able to do in the communities.
19 And it is a reflection, as well, of our lack of
20 opportunity. For these people, we may as well write them
21 off at birth if they are to be incarcerated or mistreated
22 by the criminal justice system in such high proportions.

23
24 Jails, however, and one-sided justice do
25 produce employment opportunities as the gentleman in the

1 last panel indicated. But it is usually for members of
2 the dominate race which suggests to me another form of
3 slavery which must be faced up to with the attendant
4 slave structure.

5 The reason I believe in order to overcome our
6 problems has to commit to good educational systems which
7 have purposes of doing more than meeting test score
8 expectations. The primary goal should be to cause
9 children to want to receive an education, to be happy in
10 their educational environment, to be challenged by the
11 learning experiences, to be supported by their teachers,
12 to be taught the rules of adult society and to be treated
13 as they would expect to be treated in family situations.
14 Retention rather than expulsion or suspension should
15 characterize each school system. The idea has to be
16 imbued that all children have a future and that the
17 educational enterprise has as its purpose the achievement
18 of that future.

19 The experiences of children should be such that
20 they come to know each other across racial lines with the
21 understanding that when they seek higher education or
22 employment or start businesses, or as they seek to enter
23 into other areas of work and life, they will have an
24 equal opportunity to participate in whatever the
25 community has to offer. It also has to be one which

1 clearly provides that there are not black jobs or white
2 jobs, black living areas or white living areas, black
3 qualifications and white qualifications. And above all,
4 government has to be a partner with private individuals
5 in seeking to change the mind set, and thus the actions
6 as well, of those who govern and of those who make
7 important business decisions about community.

8 These comments are somewhat rambling and I
9 would be happy to be more specific or to be more
10 elaborative in response to questions. But thank you for
11 allowing me the opportunity to appear before you.

12 CHAIRPERSON BERRY: Thank you very much. There
13 will be questions. Let me go now to Major General Paul
14 A. Harvey. Could you please just introduce yourself for
15 the record and then give some opening remarks?

16 GENERAL HARVEY: Yes, ma'am. For the record,
17 my name's Paul Harvey. I run a radio show out of
18 Chicago. That was a cheap attempt at humor. I'm the
19 executive director of the Mississippi Gaming Commission,
20 and I'll give you a little background on the Commission.
21 It's somewhat unique and it's a new industry to our
22 state. And then certainly will be available for any
23 questions.

24 I would like to, with your indulgence, to
25 introduce some staff that our with me. Our senior

1 attorney, Ms. Carol Brand -- Carol, if you'd stand up.
2 Mr. Ozie Brooks, who is our chief of compliance or head
3 auditor in the gaming business. The gaming business is
4 very intensive in using auditors and CPA's. Cassandra
5 Moore. Cassandra's our chief of personnel. And Warren
6 Strain. Warren's our director of public affairs. And
7 Warren, will you bring my map up so I can just show the
8 panel here a little overview of Mississippi as we go
9 through that.

10 My staff has no comments to make at this time,
11 unless asked to, but we're certainly prepared to answer
12 any questions that you have.

13 To date, that's Mississippi's gaming community
14 if you will. And what we're talking about is 30 casinos
15 in the state of which there's also one that's in
16 Philadelphia, Mississippi, which is a land-based casino.
17 And that's run by the Choctaw Nation. That's an Indian
18 casino.

19 CHAIRPERSON BERRY: Where is that?

20 GENERAL HARVEY: It's in Philadelphia,
21 Mississippi, ma'am.

22 CHAIRPERSON BERRY: Oh, I see.

23 GENERAL HARVEY: It's about in the center.

24 CHAIRPERSON BERRY: I see it. It's over there.

25 GENERAL HARVEY: Yes, ma'am. Mr. Warren, woul

1 you point that out. We deal with and exchange criminal
2 information with the Indian casino, but we don't regulate
3 it. In like manner, they don't regulate our state
4 casinos and those are the ones that I'll focus on.

5 Gaming came to Mississippi in about the 1990-91
6 time period. But by the time we saw a casino actually
7 take foot to where we were in the process of actually
8 hiring and expanding the industry was in August of 1992.
9 And that's when the first casino opened in Mississippi.
10 As a matter of course, the name of the casino was Flash.
11 It was up in Tunica. By today's standards, it was a
12 fairly inexpensive casino at about \$22.5 million and they
13 amortized that in 5 weeks.

14 Today, we're seeing half a billion dollar
15 projects brought to our state through companies like
16 Mirage doing business fundamentally as the Golden Nugget
17 or Beau Rivage. So the short time period that this
18 commission's been in effect, which is in October of 1993
19 -- by statute, by law, we were created -- we've seen a
20 rather expansive growth within the State of Mississippi.

21 Depending on what criteria you want to apply to
22 it, we're either the second or third largest gaming
23 jurisdiction in America. If you take casino square
24 footage, we're number two. We exceed New Jersey, but
25 we're certainly and considerably under Nevada. If you

1 take gaming revenue -- revenue to the state -- we're
2 number three. New Jersey and Nevada exceed us in that
3 aspect of it. And I'll more than prepared to talk about
4 revenues and revenue generations that's come to the state
5 later on in the question and answer period if you feel
6 appropriate.

7 Fundamentally, we're a rather small commission.
8 We're authorized by the legislature for 164 people. We
9 have a \$10.8 million budget. As of this morning, we had
10 144 people on board and we're actively hiring to come up
11 to our 164.

12 Since October of '93, we've had a turnover of
13 some -- I wouldn't say significant type -- but sort of a
14 steady migration into the industry by our personnel. We
15 train them in the regulatory side and the industry again
16 hires them from that aspect of it.

17 To date, the industry -- and the figures that
18 we get are from the Social Science Research Center at
19 Mississippi State -- Dr. Art Cosby has done some work
20 with us on this. There's roughly about 34,000 jobs that
21 have been created directly in Mississippi by the gaming
22 industry. And he uses a factor of .8 which we accept
23 that. We use that as well. Of add-on jobs. And what
24 we're really talking about is probably about 55,000 jobs
25 have been created since the August of 1992 initial

1 opening or first opening of Splash Casino.

2 The state still is going through a rather
3 expansive growth period within the gaming industry and as
4 such, would anticipate that we'll probably see at least a
5 doubling of revenue or even exceeding New Jersey by the
6 state of the new millennium. It certainly wouldn't
7 surprise me at all from that aspect.

8 And we're seeing major market development.
9 We've gone into a destination resort activity. We'll be
10 in international destination resort jurisdiction. Our
11 international draw will be primarily Central and South
12 America. And our major markets will be Tunica and the
13 Coast. Markets in Greenville and Natchez and Vicksburg I
14 would say are somewhat infantile compared to what we're
15 seeing of the major growth expansion in the North and the
16 South. They're fine markets, but they're sort of local
17 in draw, if you will. Local being the adjacent or
18 contiguous states generally, and the local aspect of
19 that.

20 We're primarily a law enforcement agency. When
21 I say primarily, we have administrative support
22 functions, but we have nobody staffed in the social side
23 of the business. From that aspect of it, I'll be glad to
24 talk to you about that if you would care to get into it.
25 But 85 percent of our people are certified law

1 enforcement officers that have to pass minimum standards
2 They go through academies. They're certified in deadly
3 force which, goodness, we hope we never have to use. And
4 have to meet minimum standard requirements of law
5 enforcement officials within the state.

6 It's a little different type of law
7 enforcement. In essence, it's a regulatory type of thing
8 as opposed to what we would traditionally see in law
9 enforcement from that aspect.

10 We have young college graduates that are coming
11 in and we just had a 62-year-old gentleman who passed the
12 academy. So we're sort of across the board. We're
13 drawing from older experience that comes to the
14 Commission to teach as well as young experience. And
15 we're so new, we're going through really a rather
16 expansive growth period.

17 With that, I'll just hold my remarks at this
18 particular point, and would be more than glad to answer
19 any questions. And certainly if I can't answer it, I'll
20 get you an answer when we get back to Jackson.

21 CHAIRPERSON BERRY: Thank you very much.

22 GENERAL HARVEY: Yes, ma'am.

23 CHAIRPERSON BERRY: Mr. Derrick Crawford, could
24 you introduce yourself for the record and then make a
25 brief opening statement?

1 MR. CRAWFORD: Okay. I don't have a lengthy
2 opening statement.

3 CHAIRPERSON BERRY: Good, good.

4 MR. CRAWFORD: My name is Derrick Crawford.
5 I'm economic assistance regional director for the
6 Department of Human Services. I've been with the
7 department 18 years I think. I was formerly county
8 director of Tunica County Department of Human Services,
9 which we in Tunica County were one time considered the
10 poorest county in the nation.

11 Our main goals with the economic assistance
12 branch of the Department of Human Services is with AFDC
13 which is now called Talent and Food Stamp Program. Right
14 now we're in a transition period with the new policies
15 that have been enacted by the United States Legislature.
16 And I supervise 9 counties in the administration of these
17 policies.

18 CHAIRPERSON BERRY: Okay. Thank you very much.
19 Our council, Mr. Hailes, will begin the questioning.
20 Mr. Hailes, would you begin the questioning?

21 COMMISSIONER HAILES: General Harvey, it's good
22 that you're here this afternoon. I want to start off
23 with a very basic question, because when you mentioned
24 near the close of your statement that you're principally
25 in the law enforcement regulatory business, it called to

1 mind a recent testimony I heard by an official of the
2 FBI, which of course is a major law enforcement entity.
3 And they noted that the budget for this Civil Rights
4 division was quite small.

5 I'm wondering if there is a specific staff
6 responsibility -- a staff person or a division within the
7 Gaming Commission that's dedicated to Civil Rights
8 enforcement?

9 GENERAL HARVEY: Specifically to Civil Rights
10 with that type -- I wouldn't say with that type of title
11 if you will. I would certainly our director of personnel
12 works in those areas very closely -- introduced earlier,
13 Cassandra Moore. And probably from my 32 years in the
14 Air Force and my federal experience, I feel a
15 responsibility. But specifically, obviously --

16 COMMISSIONER HAILES: A person with the
17 expertise of Civil Rights enforcement. Let me ask this
18 question. For example, if it came to your attention, and
19 we're talking hypothetically because we don't have any
20 specific factors that would lead us to conclude that this
21 occurs, but if you learn that there were casinos that
22 were limiting access by certain segments of the
23 community, would there be a person who would understand
24 the Civil Rights implications? That possibility?

25 GENERAL HARVEY: I would -- yes, I would think

1 so. And I think we're addressed it in our personnel
2 area. I think we'd addressed it again in my area from
3 that aspect of it. Have we had any such situations? To
4 date, that's not really the question you asked. We
5 haven't had that to date. Have we dealt with the casinos
6 in programs in this area? Yes, we have. A leader in
7 that would be Harrah's in my opinion. It's one of the
8 finest gaming companies -- had programs that would
9 address these issues. But do I have a director of Civil
10 Rights -- no, sir I don't.

11 COMMISSIONER HAILES: Have there been -- have
12 you observed any overall reduction in racial tensions in
13 the Delta area since the infusion of the gaming industry
14 here?

15 GENERAL HARVEY: I could only comment about the
16 gaming industry itself obviously. That's where I deal
17 and do business. I have not sensed an increase by any
18 means. And if anything, I would think probably it
19 decreased. I base that upon the fact of the numbers of
20 minorities that are employed in the casinos, and that
21 people fundamentally have maybe transferred from the
22 roles of not working to being employed and being paid as
23 such. So I haven't sensed an increase. Certainly, a
24 decrease would be my perception.

25 COMMISSIONER HAILES: Then this is a question

1 probably a personnel director could answer more --

2 GENERAL HARVEY: Yes, sir.

3 COMMISSIONER HAILES: -- directly regarding
4 specific percentages of persons that are African American
5 that are going into managerial positions as opposed to
6 other jobs within the industry. Is that a question that
7 you can answer or would you prefer --

8 GENERAL HARVEY: I think I can address it. And
9 Cassandra certainly -- from the aspect of -- the question
10 is -- can I have the question again, please?

11 CHAIRPERSON BERRY: Managerial.

12 GENERAL HARVEY: The number of people in the
13 managerial set -- I can obviously address the Commission
14 I don't have those figures for the industry, nor would I
15 get into that. As a law enforcement agency, I wouldn't
16 touch that. But let me dwell on something that probably
17 is a legislative issue. It's not a regulatory issue.

18 But one of the things that we probably have a
19 shortfall in this industry right -- not in just
20 Mississippi. I'm sure New Jersey's going through it or
21 Missouri or any of the others. Is we don't have a good
22 mechanism within the state to grow young executives, if
23 you will, through the various managerial levels that you
24 might have to prepare them for. Say a degree in gaming
25 management or a degree in gaming science or accounting

1 and finance skills and what have you.

2 There's nothing I can do about that from that
3 aspect of it. In fact, the legislature would have to
4 fundamentally enact a law that would allow the colleges
5 to teach those courses.

6 From that aspect of it, what we're really
7 seeing is the majority of executive skills that are in
8 the gaming industry in our state come from other states,
9 because that's where it is. That's where it's growing.
10 That's where it's been developed. It's been in Nevada
11 and New Jersey for quite a time period.

12 So from that aspect, I don't track minority
13 figures from the regulatory side as a law enforcement
14 agency. Now I'm sure there is a state agency that
15 clearly does that, but --

16 COMMISSIONER HAILES: Okay. I want to go to Mr.
17 Walker, because earlier today and yesterday, we heard
18 testimony from other witnesses regarding the amount of
19 economic development in the Delta that is targeted for
20 prison construction and the gaming industry. And you
21 touched on that a little bit in your opening statement.
22 And I would like for you to expand on your view about
23 that right now.

24 MR. WALKER: Well, the region seems to be
25 growing, if you would call it that, in economic

1 development at the expense of people and their misery to
2 a great extent. When we look at prisons, what we're
3 talking about is improving communities through putting
4 more prisons there. We look at Forest City, Arkansas.
5 We look at other places in Arkansas which have been
6 impoverished. And the idea is to enhance them by
7 building prisons. And it means that perhaps our
8 governmental policy is misdirected.

9 Instead of building prisons, I think that we
10 really should be thinking of finding ways not to build
11 prisons. When you build a prison, that doesn't help the
12 community quite frankly. You take people out of
13 communities and put them into those institutions and, of
14 course, it creates a few more jobs, but it makes people
15 ineligible thereafter to hold other jobs. The people are
16 incarcerated -- it takes away from them in most cases the
17 right to vote and to be contributing citizens.

18 I think that a few years ago our region was
19 seeking to become -- at least many places in the region
20 were seeking to become repositories for waste, you know
21 -- nuclear waste and other kinds of products that nobody
22 else wanted. But I don't know how you can build the
23 Delta by focusing upon misery and those things that cause
24 or result in misery.

25 Surely, there has to be some other way. And I

1 don't know that there is -- I mean I looked at the
2 Mississippi Gaming effort. I see that's misery, too,
3 being capitalized upon to a great extent. I mean, you
4 know, hopefully, somebody's going to come away and do
5 well. But when I go to the casinos, I see blatant racial
6 discrimination and blatant sex discrimination. I could
7 easily sue those places and make me plenty of money by
8 putting up the racial disparity and the sex disparities.

9 In addition to that, I don't know that you help
10 people by having revolving door employment policies
11 within those institutions which are operated by
12 outsiders. It is very clear that if you go to Tunica,
13 you'll find that there is a very high turnover rate in
14 the employment of black people, who are limited also in
15 employment opportunity. They seldom get above a certain
16 level. And they are limited into mostly low level jobs.
17 And you don't need degrees for these kinds of jobs.

18 These practices show that it's not the
19 education that we have or don't have, it's a question of
20 who we know. And we're not in the know so to speak. We
21 don't -- we're not part of who you know, so therefore
22 we're limited.

23 I think that there has to be a systematic
24 approach with government being involved in Mississippi,
25 Arkansas, to at least track what goes on within

1 institutions and within institutions and within
2 employment enterprises. And then to at least, even if
3 you don't deal with the quota concept, at least have it
4 pointed out by institutions who are responsible for
5 regulation where the areas of shortcoming are so that
6 those institutions can address them.

7 I think that, you know, people can better if
8 they're challenged to do better, but most people go along
9 and get along as long as no one raises issues for them.

10 COMMISSIONER HAILES: Let me ask you one last
11 question and it's not related to that earlier response.
12 But in your discussion with our staff, you mentioned that
13 one source of racial tension in the Delta was the
14 competition between African American health care
15 providers and their white counterparts. Can you discuss
16 that?

17 MR. WALKER: Well, I mentioned that in part
18 because I have represented a number of physicians of
19 African American descent. And it appears that -- well,
20 of course, African Americans have to struggle harder in
21 order to both get into and then get out of medical
22 school. But then when they get into the profession,
23 they're more stringently regulated. That seems to be the
24 pattern in everything we do for the most part.

25 But my experiences have dealt with people who

1 have experienced success. And when they get to a point
2 of success and are regarded as meeting the standards that
3 successful people who are white meet, then there are
4 efforts to repress them. We find increasing efforts to
5 -- it's both in the law profession, as you may know, and
6 in the medical profession -- there are efforts to limit
7 access to hospitals or to restrict privileges or to have
8 lots cast upon reputations in the legal profession. And
9 several of those will result in disqualification of those
10 persons for other kinds of things, such as the ability to
11 be mobile in moving from state to state, or being able to
12 be successful.

13 We have experienced a lot of difficulty in
14 hospitals because there's a lot of competition between
15 doctors for Medicare patients and for other patients,
16 especially in some regions. Most prevalent in Little
17 Rock, there's at least one physician who's been very
18 successful and he's been able to cross over the Medicare
19 divide. And he gets people who have private insurance
20 who basically are white and middle class or black and
21 middle class. And all of a sudden when he became very
22 successful, then there were hospitals seeking to limit
23 his privileges, saying that he practiced bad medicine.
24 Well, whether he did or didn't, I don't know, but I'm
25 sure that there are a lot of doctors practicing bad

1 medicine.

2 But if you look at the numbers -- and that's
3 where numbers become important, Mr. Hailes. If you look
4 at the numbers, you'll see that African American health
5 providers are subject to more regulation, more
6 limitations, more reprimands and things like that. And
7 thus, that means that those people, upon receipt of those
8 kinds of adversities, become less able to provide the
9 services for which they are qualified for which they
10 communities depend upon them for, for which their
11 communities depend upon them.

12 Now I think that it is fair to say that as many
13 as 20 percent of the lawyers in my state or physicians
14 have been subject to flack. Have been subject to this
15 kind of oppression -- and I'll call it oppression -- at
16 one point or another. While correspondingly, there are
17 probably more whites who have been actually subjected to
18 these kinds of practices. But when you look at the
19 percentages, they are just greatly disparate. You may
20 have 1 percent or 2 percent of the white population. And
21 that 1 or 2 percent will be far more than the 20 percent
22 of the blacks or so.

23 But it was said at one time that in Arkansas,
24 at least 30 to 40 percent of the black legal profession
25 was under some kind of review by the bar association at

1 one time or another. Now this has the tendency to limit
2 -- this has a tendency to limit the ability of these
3 people to practice and to be hired in corporations and to
4 do other things. This extends not only to members who
5 practice, but also to the people in the judiciary. And
6 we have a few black judges as Mississippi has and the
7 region has. But I think that it is fair for us to look
8 to see what's happening to those people.

9 These things limit the perception of our youth
10 regarding their opportunities for moving into those areas
11 and being able to be equally regarded in the event that
12 they do become professionals.

13 CHAIRPERSON BERRY: Thank you very much.

14 COMMISSIONER HAILES: Mr. Hudson, I only have
15 one question for you. Can you describe the efforts of
16 the Chamber to address the unemployment rate of African
17 Americans in the Delta and any fair housing concerns or
18 programs that the Chamber addresses.

19 MR. HUDSON: As far as fair housing -- no, sir.

20 COMMISSIONER HAILES: Okay. Unemployment among
21 African Americans in the Delta?

22 MR. HUDSON: As far as employment, we do
23 address that. As I said in our statement, what we're
24 trying to do is of course provide more jobs in our area.
25 If you look at our employment statistics -- unemployment

1 statistics, we're typically running double digit
2 unemployment rates. I think our 12-month average is
3 about 9.5 as of December or January -- I can't remember
4 which one -- but that's very typical.

5 And of course, what we're trying to do is to do
6 the things that will expand existing industry. We've
7 had some successes, but it's a very competitive world out
8 there. Businesses are downsizing. We've experienced
9 that. We've lost a number of companies in our area.
10 That's why we go out and work with them to develop the
11 companies that we have so that they can expand jobs. You
12 know, it's a difficult job to do.

13 And as I said in my statement, we realize that
14 education is the key to attracting jobs and holding jobs
15 in our area. And that's why we've done so much with the
16 Skill Tech Center. I have statistics with me, but they
17 started in 1995. The Act was adopted in 1994. And the
18 number of people who are coming to the center now are
19 just growing phenomenally because people want the
20 training. The training is there and it's available. And
21 our training center is doing a very good job of preparing
22 people to work.

23 So we feel like that we're on the right course
24 as far as upgrading their skills. What that does is help
25 us hold the companies that we have and it helps us to

1 draw in new ones.

2 CHAIRPERSON BERRY: Thank you very much.

3 COMMISSIONER HAILES: Mr. Crawford, the
4 recently enacted Welfare Reform Act -- the federal law
5 that was recently signed into law makes a number of
6 significant changes in public assistance, including
7 eliminating Aid to Families with Dependent Children or
8 substituting block grants for that program and imposing a
9 5-year lifetime limit on recipients of Public Assistance
10 from obtaining those federal funds. What impact, if any,
11 will these changes have on persons that live for example
12 in Tunica County?

13 MR. CRAWFORD: Basically, it will have a big
14 impact because Tunica County before the casinos -- which
15 we have a good deal of money coming in from the casinos
16 now -- it was rural. It was a place where only
17 employment was we had a couple of factories and farming.
18 So the AFDC roles were higher because we didn't have
19 anything that would put the -- you hate to say it, but
20 the mothers to work.

21 So -- and in a lot of counties in the Delta
22 region we still have that program. It's going to impact
23 greatly, because, you know, you have a 5-year limit but
24 you only have 2 years in that 5 years that you can get
25 those benefits. And it's going to impact a great deal on

1 our -- a person actually going to work because there are
2 not many jobs left. Not many jobs out there for them.

3 COMMISSIONER HAILES: Madam Chair.

4 CHAIRPERSON BERRY: Okay. Thank you very much.
5 Vice Chair, would you like to begin?

6 VICE CHAIRPERSON REYNOSO: Yes, thank you very
7 much. General Harvey, you described your agency as a
8 "law enforcement" agency. What does that mean? What is
9 the specific -- and then you said that you didn't have
10 anybody on the social side of it. I'll ask you about
11 that in a minute. But could you first describe for us
12 what it means to be a law enforcement agency?

13 GENERAL HARVEY: Again, I think it would be
14 probably more specifically upholding the regulatory
15 requirements that are put upon us by either statute or by
16 rule and regulation as it's developed. That claim pure
17 and simple. The power of if need be, arrest, would be a
18 part of the law enforcement agency.

19 VICE CHAIR REYNOSO: There are presumably
20 requirements before the casinos can come in. Do you deal
21 with that at all or do you deal with them only once
22 they're in? I was looking at your map. Aren't you
23 missing some developments on your map? I drove down from
24 Memphis and I ran into an operating casino. Then I ran
25 into another -- I think either about to operate or maybe

1 already operating gambling establishment. So I ran into
2 two between here and Memphis, but you only have one up
3 there.

4 GENERAL HARVEY: To my knowledge, that's --

5 VICE CHAIR REYNOSO: This is a multi-billion
6 dollar outfit. It's big hotels. Big casinos.

7 GENERAL HARVEY: Was this near Tunica? This is
8 the probably the Grand Tunica which just opened up.

9 VICE CHAIR REYNOSO: One was off Highway --

10 GENERAL HARVEY: Oh, I see.

11 VICE CHAIR REYNOSO: Where does that go?

12 GENERAL HARVEY: This is Tunica. This is what
13 you passed. The Grand Tunica.

14 VICE CHAIR REYNOSO: And where's Tunica?

15 GENERAL HARVEY: Tunica's right here. This is
16 Tunica County.

17 VICE CHAIR REYNOSO: Anyway --

18 GENERAL HARVEY: -- would be here. This is
19 Coahoma County. This is another county south of Tunica
20 County.

21 VICE CHAIR REYNOSO: It's just my running into
22 two. They're quite impressive if I must say.

23 GENERAL HARVEY: Pretty big.

24 VICE CHAIR REYNOSO: This is like the new
25 Vegas. All kinds of lights and hotels and everything.

1 But -- so are you involved in the initial licensing
2 process?

3 GENERAL HARVEY: Yes, we are.

4 VICE CHAIR REYNOSO: And what does that entail?

5 GENERAL HARVEY: It's about a four-phase step
6 of which again, Mississippi law is patterned after
7 Nevada's and close to New Jersey. We use that model.
8 One of the first things that we get involved in in
9 bringing the casino into the state is a site. Approval
10 of a legal site.

11 The second area that we get into from that
12 aspect is the -- not only the approval of a legal site,
13 but the suitability of that site to do business in that
14 particular location.

15 Next area we get into is the suitability of the
16 individuals and the corporations that will be doing
17 business in Mississippi. We go back for 20 years. We do
18 deep background investigations to determine their
19 personal moral fidelity, if you will. You can't be in
20 this business in Mississippi if you're a convicted felon.

21 VICE CHAIR REYNOSO: So that's all
22 investigative work --

23 GENERAL HARVEY: It's investigative work if you
24 will. And it's also -- we get into the financial side of
25 it which our auditors get into from the standpoint of

1 corporate and personal financial areas. So we go through
2 that process. And it can take a considerable amount of
3 time. Anywhere maybe from 3 months to maybe a year,
4 depending on the company and who they're doing business
5 with and what have you. So we get into that aspect of
6 it, clearly, well before we get into any regulatory
7 situation with them.

8 VICE CHAIR REYNOSO: And then once they get
9 established, you follow the regulations, make sure that
10 they follow the appropriate legislative and regulatory
11 scheme.

12 GENERAL HARVEY: Yes.

13 VICE CHAIR REYNOSO: If there's a violation,
14 presumably you have some discipline.

15 GENERAL HARVEY: Yes.

16 VICE CHAIR REYNOSO: And you're involved in
17 all that.

18 GENERAL HARVEY: Yeah.

19 VICE CHAIR REYNOSO: Okay. What does it mean
20 that you don't have anybody on the social side of the
21 business?

22 GENERAL HARVEY: We get --

23 VICE CHAIR REYNOSO: Let me just mention I
24 couldn't help being reminded that I served on the Supreme
25 Court of California for some years. Remember having a

1 conference one time with Chinese judges. And in the --
2 one of the judges, I think the chief judge, was telling
3 me that in his province one of the most serious problems
4 they had was gambling by young men. You know that they
5 got into -- if they got into debt and they went out and
6 committed burglaries and they did all of these terrible
7 things.

8 It reminded me very much of the problems we
9 complain about drugs. How drugs bring about all this
10 crime. So it was interesting to me that his perspective
11 was that in terms of his experience in his province. But
12 you don't have anybody that worries about those things in
13 the Commission?

14 GENERAL HARVEY: We all -- you know, I think
15 your question's very interesting, Judge, but certainly,
16 we're concerned about that by all means. Now what I was
17 saying when I made the social statement -- and it's
18 clearly -- I have no problem on way or the other. But
19 within the way the state is regulated -- now there are
20 certainly agencies within the state that work these
21 issues. But giving an example.

22 I get questions quite frequently about the
23 issue of compulsive gaming -- gaming addiction if you
24 will. It's a little bit different than some addictive
25 behavior. It's probably the most violent or extreme for

1 of an addition. But from that aspect of it, my cops can
2 do a little bit to maybe spot a person that's having
3 trouble in the casino, but they are not psychologists.
4 They're not psychiatrist. They're not trained in
5 addiction controls. They're not trained in those areas.
6 And if the state wanted to have a division under the
7 Gaming Commission to do that, I'd be delighted to do
8 that.

9 That doesn't -- as a prior commander in the
10 military, we had all those disciplines all the way from
11 an operational skill to a social issue, the social
12 actions offices and what have you. So that's what I'm
13 saying is I can only address these things in a limited
14 basis when you're talking about addictions and those
15 social types of things.

16 VICE CHAIR REYNOSO: Let me ask a more specific
17 question with respect to the concerns that this
18 Commission has. Do you have anybody whose concern it is
19 equal employment in the industry? And maybe you could
20 even give us the figures of what the employment is in the
21 industry broken down on the basis of gender and race.

22 GENERAL HARVEY: We can get that. I just don't
23 have it with me.

24 VICE CHAIR REYNOSO: Okay.

25 GENERAL HARVEY: That's available. Certainly,

1 it's available.

2 VICE CHAIR REYNOSO: Okay. If you could submit
3 that for us.

4 GENERAL HARVEY: Do we -- does anybody have
5 their -- Carol? The bottom line is there's no
6 requirement for us to ask for that information. And
7 maybe that answers part of your -- but I'm sure if we
8 asked the casinos for that information, we would get it.
9 And yes, we can provide it.

10 VICE CHAIR REYNOSO: Let me make a statement
11 and then I have a question. Here you have a brand new
12 industry in the state. A new opportunity to bring fair
13 employment and money and resources to the state. And
14 I've been talking to some of the folk in the audience and
15 they say, you know, many of the witnesses there are just
16 being blind to the problems of Mississippi, particularly
17 the Delta. He says, you know, the reality is that much
18 of the political leadership wants to hide its eyes from
19 the issues of race that we find in the Delta. And much
20 of the social employment problems have to do with race.
21 With a history of slavery and now the continuation of
22 those residues.

23 And do I sense here that there is some reality
24 to that in terms of how the legislature has set up this
25 Commission and what it's asked you to do and what it has

1 not asked you to do? It hasn't asked you to worry about
2 even reporting figures pertaining to employment by gender
3 and race. Do I see some confirmation of what some of the
4 folk in the audience have been telling me during the
5 breaks? What is your reaction to my comment and my
6 question?

7 GENERAL HARVEY: Well --

8 VICE CHAIR REYNOSO: I'm disturbed frankly.

9 GENERAL HARVEY: Again, you know, as my counsel
10 says and I guess -- I'm limited to what I do by what the
11 legislature charges us to do.

12 VICE CHAIR REYNOSO: I understand that. What
13 recommendations have you as the chief executive officer
14 made to the legislature to have this new industry be
15 responsive to the issues based on race in the Delta?
16 That's my question. You're the executive. You have some
17 responsibilities. You can't just go by what the
18 legislature does. They're looking to you for some
19 leadership, as well as your counsel.

20 CHAIRPERSON BERRY: Now, now, let's have order
21 in the room.

22 GENERAL HARVEY: I have certainly --

23 VICE CHAIR REYNOSO: I don't mean to get you in
24 trouble politically, but I do have the sense that just to
25 ask the question might get you into trouble politically.

1 GENERAL HARVEY: I'm not a political appointee
2 so I'm not worried about that. I'm hired. I've
3 certainly had numerous discussions with members of the
4 legislature -- with the leadership of the legislature
5 about these areas and we've talked about issues such as
6 what is the role that should be played. What should we
7 be doing. Where are we going from the standpoint of
8 everywhere from let's do away with gaming in Mississippi
9 in total, which might be, you know, one aspect. To, what
10 is the role of what we do as a regulatory agency.

11 I guess what I'm trying to say is if I were --
12 I'm not saying this is right or it's wrong. If we were
13 to sit there and say what are the functions of any other
14 gaming regulatory agency in American that I know of, I'm
15 not too sure that they follow the areas that you're
16 asking me to -- you're sort of saying that I have been
17 irresponsible. That I have not addressed this and I
18 should address this. I'm not too sure if that is a
19 classical function that I see regulatory agencies in
20 gaming -- my counterparts in Nevada or in New Jersey.

21 I know of no discussions that I've ever had
22 with any of these agencies that that area is what they
23 address. I'm not saying it's right. I'm not saying it's
24 wrong. I'm just saying it is not -- and something that
25 fundamentally has been a charge.

1 Now I've said to the leadership in the
2 legislature any number of times if you give me the skill
3 and expertise to address any issue, I'll take it on and
4 I'll be glad to take it on. I have no problem with that.
5 Whatever that might be. I certainly don't have a problem
6 with that.

7 VICE CHAIR REYNOSO: Well, I guess some of our
8 independent witnesses have indicated there's been a lack
9 of will -- political will particularly -- to face some of
10 the issues of education, to face some of the issues of
11 poverty, to face some of the issues of housing. And I
12 confess that if they're correct, I see a lack of will to
13 face some of these same issues in the gaming industry.
14 I'm sure you're correct in terms of that being the
15 tradition in New Jersey and Nevada -- not having the
16 gaming commission worry about those matters.

17 But here you have a new industry in a bright
18 light to make sure that you have the type of Mississippi
19 that you would want that to have, and sad to say -- I'm
20 speaking only for myself -- I see the same lack of
21 leadership in this regard that some of our independent
22 experts have expressed to us in those other very
23 important areas. And I'm just sorry to hear that lack of
24 interest. I mean there's not even a requirement that you
25 report on gender and race employment, for example.

1 CHAIRPERSON BERRY: Why don't we try this --

2 VICE CHAIR REYNOSO: I'm getting excited about
3 that.

4 CHAIRPERSON BERRY: -- let me just suggest that
5 based on this exchange, and I agree with the Vice Chair,
6 it might be appropriate for the Commission to look into
7 recommending that the new national commission that is to
8 look into the gambling industry might take this under
9 advisement. And that we ourselves might make some
10 recommendations in this regard, because it would be a
11 pity to have all this development -- this gaming -- in
12 the Delta and then to end up 20 years from now with poor
13 folk just as poor as they were. And with all of the
14 devastating conditions that we see here perpetuated while
15 a blind eye is turned to their fate. And there have been
16 issues like that in New Jersey and other places.

17 But I respect your answer because that's not
18 your area and you're not asked to do any of that. And
19 we're not asking you for your personal views. Maybe we
20 could ask you for your personal view. In your personal
21 view what you think it was appropriate for
22 recommendations to be considered to make part of the
23 function of the regulatory bodies to look into matters
24 such as equal opportunity in employment and such issues
25 as -- social issues as those.

1 GENERAL HARVEY: My personal opinion?

2 CHAIRPERSON BERRY: Yeah, personal opinion.

3 GENERAL HARVEY: I have no problem with that.
4 I addressed those issues when I was on active duty in the
5 Air Force as a senior commander. I have -- I guess my
6 concern would be if anything -- and I think probably our
7 state personnel board which clearly you maybe should have
8 them here to address some of these areas, not a gaming
9 cop -- the issue is somebody should be, that's for sure.
10 That's for sure. And if it should be me, that's fine and
11 I'll be more than glad to do that. If somebody said
12 that's not my job and I don't want to do it across
13 government, I'd say that's very wrong from that aspect of
14 it.

15 So, yeah, and if somebody said we don't want to
16 do it, I -- surely, I would take it. I'd take it in a
17 heartbeat. But I would certainly want to have people
18 that know what they're doing that are trained in it and
19 had the expertise and the background that don't come in
20 with a preconceived notion or anything like that. That
21 we could work the problem on a rational, educational
22 point of view.

23 CHAIRPERSON BERRY: Which means that it might
24 be better to have people like you and others who are in
25 it doing it as opposed to some other body. That might be

1 a consideration.

2 GENERAL HARVEY: Yes, ma'am. Yes, ma'am.

3 Again, it's -- we can do just about anything we're asked
4 to do, you know, if we again have the capability to do
5 it.

6 CHAIRPERSON BERRY: Yeah.

7 VICE CHAIR REYNOSO: I just want to observe
8 that General Harvey being in the military that has indeed
9 done so much along these lines -- I think Mississippi's
10 probably losing a bet to not have folk who know what
11 they're doing be involved in these things.

12 CHAIRPERSON BERRY: Now in the interest of time,
13 Vice Chair, could we ask if Commissioner Lee has a
14 question or questions or any questions.

15 COMMISSIONER LEE: Okay. I'll make it quick.
16 Just one more question for the General.

17 GENERAL HARVEY: Yes, ma'am.

18 COMMISSIONER LEE: Of the 30 casinos over
19 there, how many are located in minority districts or
20 close to the minority -- with heavy concentration of
21 minorities?

22 GENERAL HARVEY: Well, clearly, the ones up in
23 Tunica which are 10. Clearly, the ones in Greenville
24 which are 3. Natchez would be --

25 COMMISSIONER LEE: If you could provide that

1 information for us later.

2 GENERAL HARVEY: Oh, sure. Yes, ma'am.

3 COMMISSIONER LEE: And the follow-up question
4 is do you have --

5 CHAIRPERSON BERRY: You can submit that --

6 GENERAL HARVEY: Yes, ma'am.

7 COMMISSIONER LEE: -- any information on the
8 percentage of the revenues from these casinos? Are any
9 percentage of the revenues going back to these
10 communities for improvements in schools, road
11 improvements, other infrastructure? If you can provide
12 that information, too.

13 GENERAL HARVEY: Sure. In a nutshell, you
14 know, the state roughly gets about \$170 million. The
15 counties get about 80 million. It's a 12.3 percent
16 breakout of how they do it and what have you. But the
17 bottom line on that is the money -- the way it's -- it
18 goes back into the general fund. Is it earmarked for any
19 specific area, being education, law enforcement? To my
20 knowledge, it is not. We can get that information, but
21 I'm not too sure that we know specifically where that
22 goes in the general funding account because it all goes
23 into the general fund as opposed to specific funds.

24 COMMISSIONER LEE: What are the specific
25 impacts the community will get in proportion of the

1 revenue? That's what my question --

2 GENERAL HARVEY: The counties and the cities
3 clearly get 3 percent of the gaming -- 3.8 percent of the
4 gaming revenue. The state gets 8 percent. And how
5 that's broken out is generally a county/city relationship
6 and how they do that generally. And that can vary a
7 little bit, but that's about 4 percent roughly of the
8 revenue ends up in "the city and the county that the
9 gaming establishment is located."

10 COMMISSIONER LEE: And then for Mr. Hudson.
11 You mentioned there are several projects that you guys
12 are doing like the fairgrounds and what have you. For
13 these new projects, are there any requirements in place?
14 For instance, the hiring, the procurement, the contract
15 areas, that they would need to give preferences to local
16 low income residents specifically?

17 MR. HUDSON: I'm not sure about the -- these
18 would all be public projects. One is -- well, both of
19 them are actually -- in the depot project and the
20 fairgrounds, they'll actually be owned by the County
21 Board of Supervisors. And what they will have to do is
22 to go out for public bid for that. Now I don't know --
23 I'm not that familiar with the state laws as it refers to
24 the purchasing by county governments. I don't know that
25 there are any set aside for that.

1 COMMISSIONER LEE: So if you can provide us
2 information on the affirmative action plans on those.

3 MR. HUDSON: Okay.

4 COMMISSIONER LEE: The hiring and the contract,
5 too. We'll appreciate that.

6 MR. HUDSON: But what they do is they receive
7 competitive bids from general contractors. The general
8 contractors hire subcontractors typically.

9 COMMISSIONER LEE: I find it a disturbing trend
10 that minority teachers are not seeking recertifications,
11 there's a continued drop in that area, and you also
12 talked about the need for children to have role models,
13 so we spent yesterday talking about the education status
14 of minority children, if we do not have minority teachers
15 to serve as role models for the children, what -- number
16 one, what is your sense? Why are minorities not seeking
17 teaching profession? Why are they dropping out?

18 Number two, what is your sense? How can we all
19 work together to correct this problem?

20 MR. HUDSON: I thank you for that question.
21 Back -- in my opinion, in the late 50's and early 60's
22 and maybe continuing into the 70's there was the idea
23 that with the expended opportunities that came about as a
24 result of the civil rights laws and other changes in the
25 country our African American people would no longer be

1 limited to education for their professional employment,
2 short of the professions such as medicine and law and the
3 like.

4 And consequently a lot of people were
5 encouraged to go into business and into other fields, and
6 many of those people would have been going into the
7 teaching profession.

8 The further ideal was that teaching was not
9 rewarding, either in terms of the pay or the benefit to
10 the teacher, that it had been in the past, so there was a
11 big drop in the number of African American teachers.

12 And those of us in the civil rights movement
13 were of the view that good faith was going to govern the
14 desegregation-integration process and we sort of dropped
15 the ball in terms of monitoring the effectiveness of the
16 process as it took place, and consequently when we woke
17 up and we found that first of all we weren't in -- we
18 were no longer teaching, and then our children were being
19 segregated within the schools and labeled in ways that
20 were demeaning and reinforcing of the concept that we
21 were inferior, and we were just out here and we weren't
22 getting the job opportunities in the other areas either,
23 I mean, there was an increase in the number of
24 professionals and the like.

25 But now what we have is recognition of a need

1 to go back to where we were, at least with respect to
2 causing people to become teachers, and we are able to
3 make assessments now that teaching wasn't so bad after
4 all. I mean, teaching, even though the pay is not what
5 it ought to be, it is still a higher paying profession
6 than most black people, most African American people have
7 in this country.

8 In addition to that, there are other benefits
9 that go along with it. These things have not been
10 extolled as virtues to our people.

11 I think another thing that is pretty evident is
12 that certification laws as they have presented are not
13 necessary. They are perhaps too restrictive. I mean, we
14 look in Arkansas and we find that the schools that have
15 the schools that have the record for producing quote, the
16 students who are the best students, are schools that
17 don't have certification requirements.

18 Now, I don't necessarily agree with the notion
19 you ought not to have certification, but when we look at
20 the private schools and the Catholic -- the parochial
21 schools and the like, many of those teachers are no even
22 college graduates.

23 And that so-called product is better. And, of
24 course, you cannot measure the product outcome on the
25 basis of the teachers by themselves or the amount of

1 money that is being spent, but their per pupil
2 expenditures are lower.

3 Now, I think that there has to be, first of
4 all, as I said earlier, acknowledgment that there has to
5 be some recognition of the value of proportionality.
6 African American students have to feel comfortable within
7 an educational environment.

8 I have so many cases where there are absolutely
9 no African American teachers in a situation. And the
10 students there -- you go into the school system and you
11 can just see a difference. Those students, the African
12 American students act the part of defeated people. And
13 then somebody pushes them around or whatever and they
14 have no one to go to.

15 I mean, it is important that we recognize that
16 if these students are going to learn to live together and
17 be regarded well and equally and feel as if they too
18 have futures, they have to have these people teaching and
19 I think that what we have to do is encourage a number of
20 people who have not gotten teaching degrees to concepts
21 such as alternative certification if certification is
22 going to be required, or on-the-job training.

23 We have so many examples. I look at the other
24 areas, employment areas. I look at for instance, the
25 state A&P Commission that we have a city A&P Commission.

1 We have all these people who came in because they knew
2 the director with high school diplomas, and then those
3 people have stayed there, and then they've gone and
4 gotten these big salaries, and then as black people or
5 African American people have started to come in, they've
6 said hey, we have to have college educations, we have to
7 have all of these requirements, and those people
8 themselves don't meet the requirements.

9 But they function well theoretically in the
10 job. We don't know how well they function, but at least
11 somebody believes that they do.

12 Now, we have to relate qualifications to the
13 job of the task to be performed, and we have to sort of
14 look to see what has worked in the past, to see what will
15 work now.

16 We know that the schools before the early --
17 late 60's which were most segregated, did a competent --
18 fairly competent job of delivering better education
19 within a segregated environment on a -- with less money.

20 The kids stayed in school. They weren't being
21 put into the street, things like that. Now, I'm not
22 saying or argue for segregation, but I am saying that if
23 things continue as they are, with our children not being
24 educated and not having futures and they're not being --
25 employment opportunities for teachers and those teachers

1 having an opportunity to enhance attitudes and mind sets
2 then it may be better for us to just have schools which
3 have as their focus enhancement of the psyche, and
4 therefore cause youngsters to feel better about
5 themselves and be in a position to make a better
6 contribution to our society.

7 If we're going to be segregated when we get
8 out, irrespective of our education, then what difference
9 does it make for us to get the education in the first
10 place?

11 I mean, we see very clear examples that
12 education does not matter for white people. All you have
13 to do is be white. But for black people we say that
14 education matters and then when they get it, then they
15 get into an environment where they're competitive, then
16 it doesn't matter because the qualifications are being
17 determined by someone who is not qualified who says that
18 we're not qualified.

19 CHAIRPERSON BERRY: I have several questions to
20 ask. The first one is for you, Mr. Hudson. I have a few
21 for you. The first one is do you agree and I infer this
22 from your testimony and from your opening statement, do
23 you agree that the education in the Delta, that there are
24 quality problems with the quality of education that is
25 offered for large numbers of people in the Delta and that

1 there need to be improvements, or do you disagree with
2 that statement?

3 MR. HUDSON: I'm not an education expert but
4 apparently there are some problems. Again, we're in the
5 business of recruiting industry, and many times industry
6 comes in and they test, will score low in relation to
7 possibly other sites, other states.

8 It seems that the end product is not getting
9 the education that they need, so that's why we push so
10 hard to upgrade our education. I did not mention in our
11 opening statement but we've had a very difficult
12 situation in Coahoma County, and I think we're turning
13 the corner.

14 We have had an old high school there that is a
15 Clarksdale Public High School. There is a rating in the
16 state as far as how schools are rated. One, being
17 basically on probation, five being the top school,
18 academic, facility-wise and so forth.

19 Clarksdale High School has been rated as a
20 number three but there have been threats of putting it
21 number one, based -- not based on curriculum but based on
22 facilities.

23 We passed about a 6.8 million dollar bond
24 issue. We're in the process now -- going to be receiving
25 bids in just a matter of days to build a brand new high

1 school, Clarksdale, and I think that environment is going
2 to be much better. It's going to be an environment that
3 they can learn.

4 I went to that high school and it was old when
5 I was there, so you can tell how old that school is.

6 CHAIRPERSON BERRY: Sure. We had -- I asked
7 you a question about education --

8 MR. HUDSON: You think I'm old.

9 CHAIRPERSON BERRY: I thought you were about
10 15.

11 We had a corporate leader who was here on a
12 panel yesterday and he was explaining how for his very
13 successful business a lot of the people that he hires are
14 from out of state, who have the level of education
15 expertise he needs, and that many people that he hires
16 locally, he has to train them and he has people even
17 educating them in his corporation, has had to set up a
18 whole program to do that, because of quality problems.

19 And we had a lot of other testimony about
20 things that need to be improved in the quality of
21 education in the Delta for the students who are there.
22 And we understand that there is uneven quality in schools
23 throughout Mississippi and it depends on where you are
24 and so on.

25 But I thought -- you said education was the key

1 and I guess that's what I wrote down.

2 MR. HUDSON: That's right.

3 CHAIRPERSON BERRY: And so I meant in terms of
4 trying to get business and economic development whether
5 you thought it was important that the quality of
6 education be improved enough or maintained enough so that
7 you would be able to get economic development.

8 MR. HUDSON: I think it's the number one
9 consideration.

10 CHAIRPERSON BERRY: The other thing I wanted to
11 ask you was whether the Chamber of Commerce or the
12 Chamber's Industrial Foundation has formed any kind of
13 partnerships with any traditionally African American
14 organizations in order to improve economic conditions?
15 Do we have partnerships like that?

16 MR. HUDSON: Traditional? What would be --

17 CHAIRPERSON BERRY: Any of the organizations
18 that are around, Urban League, NAACP, fraternities,
19 churches, any organizations at all to try to promote
20 economic development issues?

21 MR. HUDSON: I would say that -- I mentioned
22 like the -- some of the initiatives that we have
23 undertaken, and what we have tried to do is we've tried
24 to be very inclusive in the people that are setting on
25 those Commissions, like our workforce council, this thing

1 that I mentioned -- skill tech center -- Tri-County
2 Workforce Alliance.

3 Many of the people who are involved in that are
4 minorities and they're also representatives of business
5 as well, so we feel like we have a good mix there.

6 Something else that I mentioned too is this
7 high school day, this business day, and we feel like that
8 that's important. We feel like that there has been --
9 and I think this is probably all over the country, that
10 many times schools are educating kids but they're not
11 necessarily educating them for the jobs that are out
12 there, the jobs that are available, so what we're trying
13 to do is to take teachers into these businesses, because
14 what they're doing is we have some very successful
15 businesses in Coahoma County and throughout the Delta.

16 And they are doing some magnificent things.
17 They have some magnificent people working for them who
18 have upgraded themselves in terms of training. They're
19 making world-class products.

20 And what we've got to do is to make the
21 teachers understand what is going on in those factories
22 so that they can prepare or better prepare people so that
23 they can go into those jobs.

24 What we're having to do right now is basically
25 remedial from the standpoint of the skill tech center.

1 We've got so many people that are already out, presumably
2 either in the workforce or they've been unemployed and
3 they simply don't have the skills to go in and do the
4 jobs that need to be done in so many instances.

5 CHAIRPERSON BERRY: Now let me turn to you, Mr.
6 Crawford. First of all, do you believe that in the areas
7 where there are casinos now and all of this development,
8 do you believe that anyone who wants a job can now work
9 and that therefore, anybody is out of a job, we can just
10 assume they don't want to work?

11 MR. CRAWFORD: No, ma'am, I don't believe that.

12 CHAIRPERSON BERRY: Well, why not? I mean,
13 there are all these magnificent buildings, and all this
14 revenue and we've heard that pretty soon it's going to
15 surpass what was it, New Jersey, I guess, or maybe it's
16 already surpassed New Jersey, I forgot, pretty soon it's
17 going to surpass New Jersey. It hasn't -- I don't know
18 whether it will ever surpass Nevada, but so with this
19 kind of economic development and this multiplier effect
20 that it has locally in the area, why would there still be
21 these pockets of poverty and unemployment and lack of
22 upward mobility in the numbers that we see in the area?
23 What's your explanation?

24 MR. CRAWFORD: We have I guess a number of
25 things -- one of the things is with the casino business,

1 if you have a felony, you're just out of it, you know,
2 you can't do anything within the casino industry or doing
3 anything meaningful so far as handle money or anything
4 like that.

5 CHAIRPERSON BERRY: You mean so some of the
6 people are -- have been convicted of offenses and
7 therefore can't work in the industry, just to be clear
8 about what you're saying?

9 MR. CRAWFORD: Yes, you know, even if they was
10 convicted of an offense 20 years ago, it's still holding
11 over to present date.

12 CHAIRPERSON BERRY: Even if they served their
13 time?

14 MR. CRAWFORD: Even if they served their time.

15 CHAIRPERSON BERRY: Go ahead. So that's one.

16 MR. CRAWFORD: That's one.

17 CHAIRPERSON BERRY: Convicted felons.

18 MR. CRAWFORD: All right. Then you have -- you
19 have people that are borderline disability cases and not
20 mental -- you know, physical disabilities, mental
21 disabilities, and they may just not meet that
22 qualification for Social Security, ASSI. And those are
23 some of the people that we're going to -- in the
24 Department of Human Services we're going -- we're turning
25 away also, because of the -- what is it called, the abod

1 policy, under the food stamp program, able bodied policy,
2 where you either work or you don't get food stamps.

3 You can work -- you can get food stamps three
4 months out of the third six-month period. That's going
5 to hurt some of the people who are in the Delta area.

6 One of the big -- one of the big things that I
7 see wrong with that program is seasonal people. In the
8 Delta area you have a lot of seasonal workers that work
9 on farms and don't get unemployment because that employer
10 doesn't pay into it, or something like that.

11 That person is -- after that first three months
12 of his eligibility is going to be turned away because he
13 might work from January -- from March through November of
14 this year, he's going to get those three months in
15 December, January, and February.

16 He probably would go back to work in March, but
17 December, January, and February the next year he's going
18 to be out there with no benefits, and he's a seasonal
19 worker. He should be just like anyone else, able to get
20 food stamps, but his only problem is that he's seasonal
21 worker.

22 CHAIRPERSON BERRY: So so far you've told me
23 about two groups of people, convicted felons.

24 MR. CRAWFORD: Okay.

25 CHAIRPERSON BERRY: Who can't get a job in the

1 gambling industry.

2 MR. CRAWFORD: Mm-hmm.

3 CHAIRPERSON BERRY: Then you've told me that
4 there are some people who are mildly disabled.

5 MR. CRAWFORD: Right.

6 CHAIRPERSON BERRY: But are not -- and
7 therefore cannot work.

8 MR. CRAWFORD: Then you have an education
9 problem.

10 CHAIRPERSON BERRY: And then you -- into the
11 seasonal unemployment issue.

12 MR. CRAWFORD: Right.

13 CHAIRPERSON BERRY: Which is an issue under the
14 food stamp requirement, but why couldn't seasonal
15 unemployed people be part of the workforce at the casino
16 rather than being seasonal unemployed people? I don't
17 understand that.

18 MR. CRAWFORD: Everybody is not for gambling.
19 Everybody is not meant to work in the gaming industry.

20 CHAIRPERSON BERRY: What do you mean, everybody
21 is not meant to --

22 MR. CRAWFORD: I mean, I work for the
23 Department of Human Services. I don't choose to work for
24 the gaming industry.

25 CHAIRPERSON BERRY: Well, I'm trying to find

1 out which people don't have jobs.

2 MR. CRAWFORD: Which people don't --

3 CHAIRPERSON BERRY: If they're unemployed, why
4 they're choosing not to work, or am I misunderstanding
5 you? I am only trying to get --

6 MR. CRAWFORD: Go ahead.

7 CHAIRPERSON BERRY: -- what is the universe of
8 people in the Delta where there are casinos and this
9 development around casinos who are still out of work.

10 MR. CRAWFORD: Okay.

11 CHAIRPERSON BERRY: I've heard the felons.
12 They can't work in the gaming industry.

13 MR. CRAWFORD: Mm-hmm.

14 CHAIRPERSON BERRY: I've heard the mildly
15 disabled.

16 MR. CRAWFORD: Okay.

17 CHAIRPERSON BERRY: Who else? Or if I see
18 anybody else walking down the street, who isn't in those
19 two categories, shall I assume they just don't want to
20 work?

21 MR. CRAWFORD: Well, you have drug addicts that
22 are not able to work because they're screened before they
23 can go in the casino.

24 CHAIRPERSON BERRY: Drug addicts who may or may
25 not be getting treatment?

1 MR. CRAWFORD: Exactly.

2 CHAIRPERSON BERRY: How extensive are drug
3 treatment programs in the Delta?

4 MR. CRAWFORD: In the Delta area, ours is on a
5 regional basis, which is run out of Clarksdale, and we're
6 in Tunica, so you know, it's on a regional thing.

7 CHAIRPERSON BERRY: Does it serve anyone who
8 needs treatment?

9 MR. CRAWFORD: Yes, it does.

10 CHAIRPERSON BERRY: So Mississippi, unlike
11 every other state in the Union, has enough drug treatment
12 facilities --

13 MR. CRAWFORD: I can't say that it has enough

14 -

15 CHAIRPERSON BERRY: -- that anybody who wants
16 treatment --

17 MR. CRAWFORD: There are waiting lists.

18 CHAIRPERSON BERRY: That's what I'm asking.

19 MR. CRAWFORD: Yes, mm-hmm.

20 CHAIRPERSON BERRY: Because every other state
21 they have waiting lists.

22 MR. CRAWFORD: Yes.

23 CHAIRPERSON BERRY: I was about to report that
24 Mississippi is unique.

25 MR. CRAWFORD: Oh, no. We haven't progressed

1 that far, I'll put it that way.

2 CHAIRPERSON BERRY: All right. So there may be
3 some people who are addicted.

4 MR. CRAWFORD: Yes.

5 CHAIRPERSON BERRY: What about the welfare
6 recipients, are they all being transferred over to the
7 gaming industry or what?

8 MR. CRAWFORD: When -- I was county director in
9 Tunica County. Our welfare rolls decreased 50 percent.

10 CHAIRPERSON BERRY: Now, should we assume then
11 that if we were to come back here ten years from now that
12 the unemployment problem in the Delta would be resolved
13 based on the casino industry?

14 MR. CRAWFORD: I wouldn't think so.

15 CHAIRPERSON BERRY: And that Mr. Hudson's work
16 is unnecessary and all these other initiatives we've been
17 hearing about and that the gaming industry is the savior
18 of the people in the Delta?

19 MR. CRAWFORD: I don't think so.

20 CHAIRPERSON BERRY: Shall I assume that?

21 MR. CRAWFORD: No.

22 CHAIRPERSON BERRY: Why shouldn't I?

23 MR. CRAWFORD: I wouldn't assume it.

24 CHAIRPERSON BERRY: Why shouldn't I assume
25 that? Mr. Hudson, why shouldn't I assume that your

1 efforts are unnecessary?

2 MR. HUDSON: I said I wouldn't bet on it.

3 CHAIRPERSON BERRY: Why not?

4 MR. HUDSON: I'm not a gambling man. Why
5 wouldn't we assume that?

6 CHAIRPERSON BERRY: Why can't I assume that?

7 MR. HUDSON: Well, you know, I just think that
8 the jury is out as far as how long gaming is going to be
9 here. And I think that's a sentiment that runs
10 throughout the population. You've got, just like Mr.
11 Crawford said, you've got a lot of people for gaming.
12 You've got a lot of people against it.

13 CHAIRPERSON BERRY: Mm-hmm.

14 MR. HUDSON: And I understand that in some of
15 the other areas outside of Las Vegas and outside of New
16 Jersey that gaming will come in, it will last four or
17 five years, and then it will move on.

18 General Harvey said in the very beginning that
19 we had casinos, which was the Splash Casino was I guess
20 one of the first ones in the north part of the state. It
21 no longer exists. It was built in a site called Moon
22 Landing.

23 Moon Landing had -- I'd have to be helped here
24 -- either three or four casinos, had four at one time,
25 and it's a modern day ghost town today. It does no

1 exist. They're all gone. They moved further north, as
2 casinos started to build closer to Memphis, these casinos
3 were right straight out west of Tunica, so all the
4 casinos moved up north, so the people in Mississippi
5 realize that all of this can go away basically overnight.

6 CHAIRPERSON BERRY: But as long as -- so long
7 as the casinos are here and are developing, and while
8 they are here, why are we still hearing about
9 unemployment and poverty and not enough money for various
10 things in the Delta? I mean, sure, if they go away, but
11 they're here.

12 So what's the problem?

13 MR. CRAWFORD: We're going to have to have some
14 more commitment from our local boards. In Tunica County,
15 I'll give you an example, where they're getting about two
16 and a half million dollars a month from casino revenue.
17 I think maybe five years ago, before the casinos, their
18 annual budget was a little more than three million
19 dollars.

20 But at the same time we -- you know, you get
21 community center, something to start youth in productive
22 things, and we're breaking ground on a community center
23 at the jail at the same time.

24 So evidently -- we have just problems with what
25 the money is going to be spent on, what can it be

1 invested in? In Tunica we have housing problems. You
2 just can't find a place to build a house, you know. Land
3 has skyrocketed since the casinos were there, and we
4 couldn't find a place to build a house before then, and
5 now we're in that same process where you can't get --
6 give an example -- talking about education.

7 We can't get teachers to move into Tunica
8 because they will have nowhere to live. You know, we
9 have problems so far as housing, which some of the county
10 boards are addressing now, but that's something that's
11 going to have to be addressed before we can say that the
12 casino is going to be the saviours.

13 CHAIRPERSON BERRY: So the dislocation problems
14 as well as who can work in them?

15 MR. CRAWFORD: Right.

16 CHAIRPERSON BERRY: Let me ask you a couple
17 questions, Mr. Walker. You made some statements which
18 might be regarded as some people as sort of problematic.
19 You were talking about the disproportionate -- how
20 prisons might be okay, but that giving an employment
21 opportunity for people who are members of the dominant
22 race, I wrote down here, that you said, and you were
23 lamenting people being in prison.

24 Could it be argued that the reason why people
25 are in prison -- and remember, this is not my opinion,

1 I'm trying to make a record here -- the reason why people
2 are in prison is not because of race, but because they
3 committed crimes?

4 MR. WALKER: No, I don't --

5 CHAIRPERSON BERRY: So I mean --

6 MR. WALKER: No, it's pretty clear that it's
7 largely because of race that they are in prison. I mean,
8 that is not to say that they have not perhaps offended
9 someone, but it is very clear that many of the people who
10 are -- who plead guilty and perhaps are found guilty are
11 not guilty of major offenses, but you know, we have a
12 system throughout this country, and I think it's probably
13 worse in states like Arkansas, where the public defendant
14 system is inadequate.

15 You have one public defender who may see a
16 hundred clients on one day and in order to accommodate
17 his schedule may never interview any witnesses or
18 anything, and try to work a deal, and many people, being
19 without resources, know that it's probably okay on the
20 first time that one is charged to go ahead and take
21 probation without taking into account the effects of a
22 probation, say well, I'm not going to jail.

23 But they don't take into account the other
24 things, and then the next time anything happens, that
25 person is gone. So you have many people who really

1 aren't guilty in the first place, who are there.

2 I see it in the schools are micrococisms of
3 society. I see -- it's sort of like referrals to
4 offices. A child talks and offends a teacher and gets a
5 referral notice.

6 A record is then initiated or begun. Now, from
7 that point on that child is regarded differently from
8 other children, and it's just a matter of how many times
9 he talks in the future before he or she is put out of
10 school.

11 I mean, it's the same way in the criminal
12 justice system. The people who have the least resources
13 who happen to be racial, black, African American, are th
14 ones who get dumped upon the most. And it is very -- the
15 question of how discretion is exercised also is very
16 prevalent here.

17 Most of the officers are of the dominant race.
18 I mean, I say dominant even though they may not be
19 population dominant, and if there is discretion to be
20 given, it is certainly not given to our race.

21 I mean, a person runs a traffic light. I mean,
22 that person if he's black is going to get a ticket, in
23 all probability. If he's white and is somebody and wears
24 a shirt and tie, then he's going to be given a warning
25 ticket.

1 I mean, if you were to deal with the
2 statistical analysis of warning tickets as over against
3 tickets or for those offenses you're going to see -- we
4 had the -- I had the experience when we had -- we have
5 zero tolerance in Little Rock.

6 I'm one of the few black people who oppose it.
7 The idea is that any time in certain areas that people do
8 anything, they've got to be arrested. You know, and you
9 understand that within our race there are people who say
10 well, we've got to have controls.

11 And that's understandable, but it perhaps is
12 self-defeating to a great extent, but just on something
13 as simply as jay-walking. We had in a town which is bi-
14 racial, a hundred jay-walking arrests within like a five
15 or a six-month period, a short period of time.

16 And all of them were black. But you can go
17 downtown any day and you'll see white people and black
18 people walking across the street. So is it racial? It
19 is clearly racial.

20 CHAIRPERSON BERRY: In other words, you're
21 talking about the disparate enforcement and disparate
22 treatment?

23 MR. WALKER: It's absolute disparate treatment
24 but it's the meanness, Ms. Berry, it's the meanness that
25 is evident that is present in our South still and it's an

1 intent clearly to incarcerate and label -- to label and
2 to incarcerate much of our race.

3 And there are different -- clearly every time
4 you arrest three black people, you are creating a prison
5 job for someone, and the more you arrest, then the more
6 jobs that are being created, and it's sort of like
7 special education classes in school.

8 If you have special ed classes, you can rest
9 assured that somebody is going to label enough children
10 to every year populate those spaces, and you're going to
11 plan teachers and everything for them.

12 So when we do this kind of thing, we are
13 planning for the future. I mean, it all is the same.

14 CHAIRPERSON BERRY: The other question I wanted
15 to ask you was about education. In response to some
16 questions you talked about -- you said well, you weren't
17 making an argument for segregation certainly, but that if
18 you're going to be segregated, you know, what difference
19 does it make whether you're segregated, and you talk
20 about the in schools, and you talked about the old days
21 or old before the civil rights movement, and segregation.

22 Based on the evidence as made available to us,
23 most of the public schools in the Delta are still
24 segregated. Is that right or wrong?

25 MR. WALKER: Well, they are --

1 CHAIRPERSON BERRY: That's the data that --

2 MR. WALKER: They are still -- I think that in
3 the Delta they are still -- in bi-racial communities. I
4 mean, most Mississippi is bi-racial. Much of Arkansas is
5 bi-racial.

6 If you look at Arkansas, since I guess we're in
7 the Delta, but half of Arkansas is white and half is
8 mixed, and largely black.

9 I mean, you can just start at the top of the
10 state and go down the line with a little zig-zag and go
11 all the way down to the west, north is going to be -- I
12 mean, west is going to be beginning in north, going
13 south, is going to be white and the other is going to be
14 bi-racial.

15 The bi-racial part of the state is going to be
16 disproportionately black, but they'll still be white
17 students in those school systems for the most part.

18 What you have in those schools are white
19 administrators, white boards, and white teachers, and
20 policies which reflect those ideas. So what I'm saying
21 to you is that there has to be some attention to quotas.
22 I mean, because nothing is happening.

23 Whatever we have there is not working. Our
24 children don't stay in school. They don't want to be
25 there. And when they get out, they're not prepared to do

1 very much in college.

2 And so what is it? I mean, it's a revolving
3 door kind of a notion.

4 CHAIRPERSON BERRY: Well, here in Mississippi
5 in the Delta in terms of the numbers we have, I think
6 most of the public schools are racially isolated, which
7 is a euphemism in 1990's for segregated. It means the
8 same thing.

9 MR. WALKER: It is.

10 CHAIRPERSON BERRY: And so we don't have to
11 harken back to the good old days of school segregation,
12 because they're still segregated.

13 MR. WALKER: But it's a different kind, but
14 here's what I'm saying to you -- I don't deal with the
15 good old days, because they never were that good. But
16 what I am saying is that the present days of segregation
17 represent a different kind of power relationship.

18 CHAIRPERSON BERRY: Okay.

19 MR. WALKER: All right. What we had then were
20 people who theoretically were sensitive, who were
21 concerned, who wanted to make sure that the discretion
22 was favorably meated out.

23 Now, I mean, it's just harsh, because it's
24 meated out by persons of a different race with a
25 different motivation, designed basically to reinforce th

1 notion that we are inferior and that whatever you do with
2 us, it's just a waste of money.

3 CHAIRPERSON BERRY: Isn't it the case though,
4 Mr. Walker, that in the old days, that kind of
5 segregation that African Americans who graduated from
6 predominantly -- historically black institutions, were
7 devalued in the marketplace by whites, as having gone to
8 black institutions or segregated institutions, which they
9 knew were inferior? They knew because they were inferior
10 in terms of resources and all that.

11 MR. WALKER: Well, that's certainly the case,
12 but the devaluation is still the same. I mean, it's --
13 it doesn't matter now whether a person graduates from
14 Little Rock Central High School, which is supposed to be
15 a fine school, or Crawfordsville High School, which is
16 all black and very poor in East Arkansas, when they go
17 into the job market for jobs that are first rate jobs,
18 they are treated the same.

19 I mean, it's a question of color. And until
20 somehow or another we can cause employers to be committed
21 to equitable presence of African Americans in the
22 workplace, then it is still going to be a matter of
23 color.

24 I mean, once you make that commitment to
25 equitable presence, then qualifications will come to

1 matter more. But as long as you don't have that
2 commitment, qualifications matter not at all.

3 CHAIRPERSON BERRY: Okay. I don't have any
4 other questions. Does anybody else have any others for
5 this panel? All right.

6 VICE CHAIRPERSON REYNOSO: I have one question
7 for Mr. Crawford.

8 CHAIRPERSON BERRY: Yes.

9 VICE CHAIRPERSON REYNOSO: You mentioned that
10 when the casino industry came in, the welfare rolls went
11 down by about 50 percent. I just wondered what your
12 analysis is in terms of how much of that was due to
13 employment in the casinos, how much of it was due to
14 employment in ancillary industries that I assume grew up
15 around casinos, hotels, restaurants, and so on. Do you
16 have any notion of that?

17 MR. CRAWFORD: Initially it was just casinos,
18 because when they started in Tunica, it was just the
19 casino, the hotels weren't being built or anything like
20 that.

21 But now you can see the difference with, you
22 know, people are actually going into hotels and
23 everything.

24 VICE CHAIRPERSON REYNOSO: My assistant tells
25 me there seems to be a disproportionate large number of

1 pawn shops by the casinos locally. Is that true up north
2 also? And I wonder if that's a statement of some of the
3 social problems that come up?

4 MR. CRAWFORD: I think we've always had pawn
5 shops. The one that comes to mind in the Delta area, I
6 guess they built a new building, so maybe that came about
7 because of the casino so, yes, that kind of thing
8 happens.

9 VICE CHAIRPERSON REYNOSO: I take it that
10 insofar as welfare recipients were concerned that then
11 started working, that they worked probably in the lower
12 paid jobs, less skilled jobs?

13 MR. CRAWFORD: Definitely.

14 VICE CHAIRPERSON REYNOSO: Was it your
15 experience there too as General Harvey has indicated
16 generally, that the management and so on came from
17 outside the state, those who had already been in the
18 gaming industry?

19 MR. CRAWFORD: Yes. And you know, you always
20 used the thing of you're not qualified for that position
21 yet, but we're still not seeing that upward mobility and
22 there's no reason for it. I mean, they have nothing to
23 say well, we need to move people up, just like they said
24 there's no reason. I mean, you don't have to do it.

25 MR. WALKER: May I say something?

1 VICE CHAIRPERSON REYNOSO: Certainly.

2 MR. WALKER: Just briefly. I recall going to
3 one of these places not long ago, and I was surprised to
4 see a manager who had just come here, entered the United
5 States in the last two years from Bosnia, who can barely
6 speak English, and I wondered --

7 VICE CHAIRPERSON REYNOSO: Was he black?

8 MR. WALKER: White, Bosnia.

9 VICE CHAIRPERSON REYNOSO: I was just joshing.

10 MR. WALKER: And fairly young. And the
11 question I guess -- I don't know of any casinos or
12 whatever so that he could get experience in Bosnia -- and
13 formerly the Yugoslavia, I guess that's Bosnia -- and
14 this guy is here and in no time he's a manager, but here
15 you have all these persons who grew up and work in and
16 help staff the casinos from their infancy, and they're
17 still doing the same thing four or five years after they
18 start.

19 Now, what does that say? It simply says
20 clearly that race is a factor. You don't have to even
21 speak the language if you have the right color and
22 perhaps know the right people.

23 Now, and all I'm sort of saying here is that
24 you have to have some standards, you have to have some
25 review, and you have to have some persons in places who

1 do give attention to this kind of a consideration, and
2 I'm asking that you all -- at least I urge you all to
3 look at the process of upward mobility and how things get
4 done.

5 VICE CHAIRPERSON REYNOSO: Well, we did have
6 testimony from a CEO of a company who hires now two
7 hundred and some employees locally who indicated that he
8 in fact had very good luck hiring graduates of the local
9 schools, the local colleges to work for him in
10 professional and managerial.

11 MR. WALKER: But a dealer, a supervisor,
12 dealer, I mean who happens to be a teacher -- I mean, you
13 have that kind of thing here in this town and others, but
14 I mean it's still limited. You're talking about
15 basically minimum wage jobs.

16 I mean, the label you don't look at. If
17 anybody makes an assessment of how well the enterprise is
18 doing here, you don't just look at the label, you look at
19 the effect, which is in pay and retention.

20 As I say, I mean, you got all these black folk
21 here but they just go through the doors, a revolving
22 door. The termination rate is probably the highest of
23 any industry in the state.

24 CHAIRPERSON BERRY: Let me ask another question
25 now that you said that, Mr. Walker.

1 Who engages in civil rights enforcement in this
2 area?

3 MR. WALKER: I can't speak for Mississippi. I
4 get labeled as being an enforcer in Arkansas, but not
5 very many people get -- really are set forth to do it. I
6 mean, this is not a popular area, Ms. Berry, any more.

7 CHAIRPERSON BERRY: Obviously.

8 MR. WALKER: And people who do it for a living
9 are few, because there is not much legislation on that
10 particular subject. We're dealing now with things like
11 the King Commission and other things to just sort of
12 remember our past. And in the process we very often
13 forget our present and our future.

14 CHAIRPERSON BERRY: Mm-hmm. Mr. Crawford, does
15 Mississippi have a Human Rights -- state human rights
16 ordinance or state human rights agency?

17 MR. CRAWFORD: I'm not familiar with such.

18 MR. WALKER: Arkansas has one.

19 CHAIRPERSON BERRY: I know Arkansas has one.

20 MR. WALKER: But that's all it has. There's
21 basically no budget.

22 CHAIRPERSON BERRY: But I just wondered if
23 Mississippi --

24 MR. CRAWFORD: I'm not familiar with one but I
25 can't say for sure.

1 CHAIRPERSON BERRY: That's very interesting.

2 VICE CHAIRPERSON REYNOSO: Does Mississippi
3 have fair employment laws, state laws?

4 MR. CRAWFORD: Yes.

5 CHAIRPERSON BERRY: Then somebody must be
6 enforcing them. It has to have an EEOC agency enforcing
7 the --

8 GENERAL HARVEY: Can I make a matter of record?

9 CHAIRPERSON BERRY: Sure.

10 GENERAL HARVEY: Maybe I can answer the Judge's
11 question. Again, excepted by the Mississippi State, for
12 every five jobs that are created within a casino, there
13 are four outside, and that favor of point eight -- we
14 think it's a little bit higher but again, I don't need to
15 -- that aspect of it, but that's what he uses, that's
16 what's in studies that have been conducted by the
17 university. For every five there are four -- and as an
18 aside, I don't know about the Bosnian general manager.
19 I'm not aware of a Bosnian general manager. I know most
20 of the general managers and -- but I'll say this, the
21 first black female general manager is in the State of
22 Mississippi, and she at Harrah's up in Tunica.

23 And as I said before, and I'm not blowing
24 Harrah's horn, I'm saying they're a delightful company to
25 work with. They have some very strong programs and

1 believe deeply in what they do.

2 But there's a case in point. I'm not saying
3 we're going to offset our black female to the Bosnian.
4 I'm not implying that at all.

5 I'm just saying that -- and I would also --
6 counsel, I'd like to know that specific casino.

7 MR. WALKER: No, no. You misunderstood.

8 GENERAL HARVEY: I probably did.

9 MR. WALKER: I didn't say this person was a
10 general manager. I said that he was a manager. I mean,
11 there are labels -- I mean, I'm giving him the label,
12 manager, because he supervised people who were working.
13 He was not a high level person but he was a higher level
14 person than most of the black people who were working
15 there. He certainly is nowhere close to being the
16 general manager.

17 CHAIRPERSON BERRY: Why don't you, once this
18 panel is over, share with General Harvey the name of this
19 casino and maybe he can make --

20 GENERAL HARVEY: I have a son who just got back
21 from Bosnia and -- Air Force.

22 CHAIRPERSON BERRY: He can make discrete
23 inquiries.

24 MR. WALKER: And I'm not opposed to people from
25 Bosnia being promoted and getting employment opportunity

1 The idea though is when you talk about how well we are
2 doing as a people and as a state, there has to be some
3 measurement criteria, and in this situation it's where we
4 were as over against where we are. It's over against
5 where we want to be. And that's absent.

6 GENERAL HARVEY: There is a common
7 misunderstanding -- I'm not implying that's what happened
8 here today, but you within the industry use the term
9 manager and especially a casino manager, which is
10 different really than a general -- a general manger, the
11 average salary of a general manager throughout the
12 industry is \$186,000 a year without bonus. They
13 generally have bonus and what have you, so that leaves a
14 very high level of management, which takes a number of
15 years to get through that.

16 Of course, obviously one of the things we're
17 hoping to do, let's grow some of our own in Mississippi
18 and get them through the schools and what have you to get
19 through that area.

20 Another aside that oftentimes you hear that
21 there are minimum wage jobs. Generally the minimum wage
22 jobs are compensated fairly well in tipping but to show
23 you where -- often referred to as a minimum wage job is a
24 dealer.

25 A dealer on the Coast -- I don't have any

1 figures for Tunica, but a dealer on the Coast now makes
2 \$32,000 a year. For Mississippi that's not a bad wage.
3 That's a pretty good wage. You can take care of your
4 family.

5 VICE CHAIRPERSON REYNOSO: More than teachers
6 are --

7 GENERAL HARVEY: Yes, sir, and I wouldn't be
8 surprised, unfortunately we might have some teachers that
9 deal cards.

10 CHAIRPERSON BERRY: All right. That's where
11 all the teachers went, to the casinos.

12 We want to thank the panel for coming today and
13 we -- you are excused and we ask that you check with
14 staff on your way out. There's some checkout procedures
15 and we very much appreciate your coming.

16 (Break.)

17 CHAIRPERSON BERRY: We're ready to reconvene
18 the hearing and I want to point out that after this panel
19 we will have an open session, which means that anyone can
20 speak who wishes to, and anyone who wishes to speak
21 should inform the staff that they wish to do so, so that
22 we can schedule them to speak, but this will be the open
23 session after this one.

24 Our witnesses, John Boyd and Ben Burkett and
25 Lloyd Shaffer have already come forward. Could you

1 please stand so I can give you the oath? You have to
2 stand and raise your right hand.

3 (Witnesses sworn.)

4 CHAIRPERSON BERRY: Please be seated.
5 Beginning with you, Mr. Boyd, could you identify yourself
6 for the record and then proceed to give a brief opening
7 statement. There will be questions, but a brief opening
8 statement.

9 MR. BOYD: Yes, ma'am. My name is John Boyd,
10 President of the National Black Farmers Association, and
11 I thank you for having me here today.

12 Today I bring before this panel years of
13 struggle, a testament of hope and even perhaps answers to
14 decades of problems in this country.

15 On December the 12th I led a demonstration in
16 front of the White House. After that demonstration I met
17 with Secretary Daniel Glickman, along with 15 other
18 farmers from across the country, some as far as
19 California.

20 Mr. Glickman indicated he was moved by the
21 testimony of the farmers that protested before the White
22 House. He said he would do several things.

23 Number one, he would begin settling all
24 discrimination cases that was found discrimination on
25 behalf of the Department of Agriculture.

1 Number two, he said he would put a halt to all
2 farm foreclosures. He appointed a civil rights task
3 force, which would address all the issues of the
4 Department of Agriculture. He held 13 listening sessions
5 across the country to hear the problems and the plight of
6 the black farmer.

7 But I have little faith in the Department of
8 Agriculture. I have today a copy of the foreclosure list
9 of all the foreclosures that took place even after the
10 Secretary of Agriculture indicated that there would be no
11 more foreclosures after December the 13th.

12 CHAIRPERSON BERRY: Do you have a list of
13 those?

14 MR. BOYD: Yes, I have a list available.

15 CHAIRPERSON BERRY: Which you can leave for us?

16 MR. BOYD: I have a list available for you all
17 to take a look at.

18 CHAIRPERSON BERRY: Okay.

19 MR. BOYD: Okay.

20 CHAIRPERSON BERRY: We'll put it in the record.
21 Do we need to mark it as an exhibit? What number will
22 that be? The list of foreclosures which will be provided
23 by Mr. Boyd will be marked as Exhibit 13 without
24 objection and included in the record. Thank you.

25 MR. BOYD: Thank you very kindly. I also have

1 a copy of the foreclosure list that I just showed you
2 there. There has been no settlements and 1500 farmers
3 are being left out, according to the FSA complaint
4 tracking system, which I also have a copy of here today.

5 On this list there are approximately 241
6 farmers that have active farm complaints, according to
7 this tracking report.

8 CHAIRPERSON BERRY: And we'd like to have that
9 too and we will put that in the record. Should we mark
10 it as another exhibit or mark it as part of the other
11 exhibit? Exhibit 14. Thank you.

12 MR. BOYD: Thank you very kindly. My concern
13 is what happened to the other 1500 farm complaints that
14 are in the Office of Civil Rights there at the Department
15 of Agriculture?

16 Are they going to answer them? Some have been
17 there on file for as long as 15 years. The Secretary's
18 counsel indicated that there was ten cubic square feet of
19 farm file complaints that have been laying there and have
20 dust on them, that they have not answered.

21 This brings me great concern today. The
22 inspector general report, which I also gave you all a
23 copy of a few minutes ago, talked of only two people
24 processing all these complaints at the Department of
25 Agriculture. They have over 122 full-time and part-time

1 employees.

2 This is a sickening realization and it's also a
3 national disgrace.

4 I personally believe today that there is a
5 conspiracy to alleviate the black land ownership in this
6 country. Example: A white farmer in Texas owes two
7 million dollars in debts and are in arrears. A Virginia
8 farmer who owes \$6,000 on his annual payment in arrears
9 on 50 acres, the large white farmer receives a huge
10 write-off and is continued to be lent operating money.

11 The small black farmer with 50 acres is
12 foreclosed on and property goes into inventory.
13 Something is terribly wrong with this picture.

14 It takes 222 days to process a black loan at
15 the Department of Agriculture. It takes 60 days to
16 process a white loan at the Department of Agriculture.
17 Right now today blacks are less than one percent of the
18 nations farmers. 67 percent of that one percent are
19 program participants at the Department of Agriculture.

20 This tells me today that USDA plays a
21 tremendous role in our future. Since 1967 to 1989 there
22 was a 91 percent black land ownership in this country.
23 The government today has 400 -- let me quote you exactly
24 the correct figure on that -- 412,000 acres in inventory,
25 property that's sitting there that me, you and everybody

1 in this room are paying taxes on. These are farms by
2 which not only young black farmers, but small farmers
3 could buy and own and farm these areas.

4 Why do we have these -- all this land in
5 inventory for the taxpayers to continue to pay taxes on
6 it?

7 But I have seen a change in the department.
8 Last Friday the Secretary released the civil rights task
9 force report. There will be a lot of promotions for
10 employees. Some have already taken place.

11 But the poor old farmer that was in Washington,
12 D.C. last Friday, all of them went home empty-handed, but
13 I will keep on voicing my opinion until this
14 discrimination, racial disparities, unfair lending
15 practices and plain old racism is brought to an end at
16 the Department of Agriculture.

17 Thank you.

18 CHAIRPERSON BERRY: Okay. Thank you very much,
19 Mr. Boyd. There will be some questions here in a few
20 minutes.

21 MR. BOYD: Sure, okay.

22 CHAIRPERSON BERRY: But I thank you for that
23 statement. Now, we want you, Mr. Burkett, to introduce
24 yourself in whatever way you want to and if you have
25 anything you want to just say by opening before we ask

1 questions, you can go ahead and say it.

2 MR. BURKETT: Thank you. It's indeed a
3 pleasure to be here today. My name is Ben Burkett. I'm
4 a fourth generation family farmer from South Mississippi.
5 My family have been active in farming for a little over
6 110 years.

7 The problem that we face here in Mississippi is
8 the same old problem there has been for hundreds of
9 years, the have and the have-nots.

10 Policies of the United States Department of
11 Agriculture on the local level have not changed too much,
12 and Mr. Boyd stated, the time that farmers put in for
13 their operating loans in December and January and most
14 farmers only received their money in July and August,
15 when the farming season is almost over with.

16 And those are some of the problems we have.
17 Here in the Mississippi Delta where we have a large
18 number of African American farmers who control large
19 acreage, the move is on to try to remove those farmers
20 from their land any way possible, because we know the
21 land is the most valuable that any people can have.

22 My position with the Mississippi Association of
23 Cooperatives, a volunteer coordinator, allows me an
24 opportunity to meet and work with many of the small
25 farmers throughout the state. The Mississippi

1 Association is a cooperative association made up of 12
2 small cooperatives with around 2,000 farm families
3 throughout the State of Mississippi.

4 So I'm in day-to-day contact with these farmers
5 working with some of the problems they have throughout
6 the State of Mississippi. As Mr. Boyd so eloquently
7 stated that the Secretary has just released a report and
8 I go back to the report that your Commission did in 1982,
9 I believe, which I have a copy of, and looked at it very
10 often at the lot of statistics at the rate of land we are
11 losing, and it continues in 1997.

12 That was a fine report too. The Secretary's
13 report is a fine report. But I think what we need and
14 what -- is enforcement of the civil rights laws already
15 on the books as it relates to USDA.

16 I think there's some good rules and regulations
17 already on the books, but they are not active being
18 carried out.

19 Case in point. When we go to hearings with
20 farmers on loan application or discrimination, we follow
21 procedure. We go through the hearing process. We go
22 through the appeal hearing process and once we've
23 continued the -- when we finish the process, still that
24 farmer does not receive adequate compensation for his
25 effort.

1 As a farmer myself I know the pressures of the
2 marketplace, the weather, the rain, so the added pressure
3 of discrimination, as well in the marketplace and
4 government in the State of Mississippi, here in the
5 Mississippi Delta. When we sell beans, when we sell
6 cotton, when we sell corn, somehow or another our grade
7 is always a little bit less than everybody else.

8 Our cotton is always a little -- the quality is
9 not as great as everybody else.

10 So that's some of the problems we face. As I
11 stated, I don't see the need of another report. I see
12 the need of enforcement on what we already have.

13 And with that I'd like to submit this two pages
14 for the record.

15 CHAIRPERSON BERRY: For the record, okay.
16 Thank you very much.

17 Mr. Lloyd Shaffer, could you introduce yourself
18 in whatever way you want to and make a brief statement?

19 MR. SHAFFER: Good evening, afternoon. I'm
20 Lloyd Shaffer. I'm a farmer in the Using (phonetic)
21 County area. I'm also President of the local branch of
22 the NAACP.

23 And at our last -- the last listening session I
24 appeared there and we had -- didn't have ample enough
25 time to kind of explain some of the things that was going

1 on in our area. So someone at the Justice Department
2 asked that I would try to appear here today to address
3 some of the issues we were having, and not only just in
4 Yazoo County, it's across the State of Mississippi.

5 The ill treatments from the local offices of
6 the FSA -- I can't get the name again -- so many
7 different -- FSA, your Conservation Services -- I don't
8 know what -- and the earlier -- as far as dealing with
9 farmers there. But I have submitted a report to the
10 Secretary of Ag on some of the things that we were facing
11 and have them to address them, look into them, and
12 investigate.

13 I know this is not a hearing on personal
14 problems with the USDA --

15 CHAIRPERSON BERRY: But go ahead, you can tell
16 us if you want to.

17 MR. SHAFFER: But these was some of the things
18 that I didn't get a chance to bring out at the last
19 hearing, and that was in the matter of being a socially
20 disadvantaged farmer.

21 The way that the applications were processed
22 and the time limits on the applications for those type
23 farmers.

24 If I can, for instance, you take for instance,
25 my son, he's a beginner farmer. This was his first year,

1 1996 was his first year to apply with USDA for farm loan

2 And in his loan processing he asked to farm I
3 think it was 600 acres of land, but he wasn't allowed to
4 do that in the beginning. Now, what I'm trying to
5 emirate here is the way farmers have been done over the
6 years.

7 The policy set for so many dollars per
8 beginning farmer. If in his plan those dollars come
9 within his plan and he can flow a plan, it -- he should
10 be able to have that, you know, that particular plan.

11 But with the people that you have in the
12 offices there, they're not geared to letting -- I don't
13 want to put the racism but the blacks have a certain
14 amount of money in order to operate at a beginning stage.

15 And I think that that is one of the things and
16 one of the ways of getting you involved and getting you
17 down, because when that particular farmer, when that
18 farmer puts in his plan that he needs machinery, he needs
19 equipment, he needs the products in order to do his farm
20 operating, and he can't flow the plan, then I don't think
21 that the government -- I mean, that that supervisor
22 should take it on his own to say that you don't need this
23 or you don't need that, and that's what has crippled most
24 of our farmers, whether he's a beginner farmer, or he is
25 a generation farmer.

1 In the past -- well, for instance, I'm going
2 back to him, he requested machinery, the question to do
3 his job with, and do a well-done job, but he did not
4 receive that. He had to depend on other farmers in order
5 to operate his land, do his operation.

6 And it kind of crippled him in a way. He was
7 late getting financed on one of his crops, which was the
8 soybean. And when he did get it, he didn't have enough
9 money to complete his job, to, you know, do a good farm
10 practice.

11 But he's stuck now with a debt that he's going
12 to have to carry for 15 years. They did reamortize his
13 debt for 15 years, but if he had of had the proper
14 equipment from the beginning to do a job with the way he
15 could of went and finished his job, got his seeds in the
16 ground, harvested his crop, and been able to adjust his
17 debt at the end of the year, more so than what he did, is
18 what I'm trying to say.

19 Then go back to the old farmer, which is me.
20 These are the type things that I was faced with from the
21 beginning, and they'll continue to go on. I had to go
22 through the committee, the county committee act, and that
23 is one of the prejudiced things you can ever encounter,
24 being a black man, and I can say that now.

25 And being in the position that I am, in the

1 civil rights department as President of the Chapter of
2 our local NAACP, in 1992, I went in and applied for farm
3 loan -- operating loan.

4 Well, I went in and applied for a farm
5 ownership loan but upon knowing that, I was denied by the
6 county supervisor and the county board, whatever you call
7 them, board.

8 So I went back and I applied for a direct
9 operating loan. I was only asking for -- I was asking
10 for money enough to operate a 200-acre farm, and I wanted
11 to buy the equipment, try to get the equipment, and the
12 tractors and the products in order to do this.

13 100 acres of cotton in 1982 required 300 pounds
14 of fertilizer in order to -- that's the beginner
15 fertilizer. That's your starter fertilizer.

16 I requested that in my loan and the fertilizer
17 was going to cost in the vicinity of \$6,000. In the loan
18 process the supervisor told me that the only way that I
19 could get this loan processed is you have to cut back on
20 some of your products.

21 So what he did, he cut me down. I was asking
22 for one tractor and the equipment, which value at
23 something like \$52,000, since he had already told me that
24 you could not buy new equipment. It had to be used
25 equipment.

1 You know, farmers are not -- this is where you
2 begin to be hurt right here, you know, this is my point
3 of view.

4 I went out -- he only allowed me enough money
5 in there to buy product and to hire custom labor. In
6 other words, hire people to work my land, to work a crop
7 for me.

8 Out of that \$6,000 for fertilizer I only
9 received \$1,000 for fertilizer. And I didn't get a
10 tractor. I didn't get any equipment. I hired people to
11 do it, and they charged me somewhere in the vicinity of
12 \$8,000 an acre just to break the land through the five
13 steps of the conservation plan.

14 It took two ditchings, rowing up, your row
15 conditioning, and your planting. And out of this loan I
16 was requesting somewhere in the vicinity of 134,000, and
17 I only received \$43,00, I believe it was in order to
18 operate this amount.

19 But as I go -- out of paying -- I was paying
20 the custom harvesting -- I mean, the custom planters. I
21 was stuck in the area of using insecticide to weed out
22 the insects in my crop.

23 At that particular time the beet army worm was
24 beginning to grow rapidly in the State of Mississippi. I
25 was just coming in, and he was destroying some things.

1 CHAIRPERSON BERRY: What kind of worm?

2 MR. BOYD: The beet army worm.

3 CHAIRPERSON BERRY: Beet army worm, okay.

4 MR. BOYD: It was when the boll root -- he came
5 afterward, '95 crop. Yeah, that beet army worm was
6 working on us and we had to use a little bit more
7 insecticide in order to combat --

8 CHAIRPERSON BERRY: To kill that big boy.

9 MR. BOYD: Ward him off, because you didn't
10 combat him.

11 So what we that year -- we went in an access of
12 debt and I had a friend at the bank that was kind of
13 lenient with me. He loaned me a little money in order to
14 go along with my insecticide bill, after the supervisor
15 wouldn't let me have any more money.

16 End of the year crop ready to go to harvest.
17 Now, how am I going to harvest this crop? No machinery.
18 You don't have a cotton picker.

19 And you're only one farmer, which I had two
20 sons, a wife and two daughters, but you know, the type
21 crop I have 100-acre crop. We couldn't get out there and
22 harvest it all. I had requested all this in my farm loan
23 ap, but it was all turned down.

24 After harvesting the crop, we came in. We paid
25 over half of the debt. In 1993 I started out -- and thi

1 is where he stepped in at this year after going to the
2 state, explaining what happened to the crop, appealing
3 the decision and explaining what happened to the crop,
4 and the reason why, trying to get some disaster money,
5 which I didn't receive it that year, beginning year I
6 didn't have any insurance on it.

7 And in '93 they required -- I got the
8 insurance, which I did. But in my plan they didn't give
9 me the money to purchase the insurance. I was just, you
10 know -- '93 we came out with a crop. I had a job on the
11 side and I saved enough money to put out on me a tractor.

12 I got me a tractor and through my relatives and
13 a few friends, I borrowed some equipment from them to
14 start breaking my land.

15 But the process went on that year. The loan
16 came in late. We did get a loan but it came in late, had
17 already started the crop with what I had, so, you know,
18 it was just a long process and all the stress and anguish
19 that you have to go through in order dealing with the
20 supervisors in the county, it's just outrageous.

21 Well anyway, we had went through the loan
22 process and getting the loan. We got the loan but it was
23 late. I got me a tractor. He finally loaned me the
24 money to buy the used equipment, through I think Mike
25 Esbe, he was in it at that time. I had got their help to

1 go in and try to negotiate some type of a policy on my -
2 on getting funded.

3 Anyway, so that's why I finally getting funded
4 in May of that year. And we bought a cotton picker, and
5 this is when the weather was pretty bad on the cotton.
6 We had a lot of excess rain and it threw the cotton to
7 the ground. We had boll rot.

8 Well, this way I wasn't able to pay off that
9 '92 debt, just paid some on the '93 debt. '94 we had a
10 pretty good crop, pretty fast start, but it was late and
11 it was down in May, again getting financed.

12 And the debt was beginning to build up and we
13 just didn't have any way out. I asked, I said could you
14 write down some of my debt in order to help me out on my
15 '95 crop. That wasn't done. The subordinated me to the
16 bank. And that's why I got in trouble.

17 I didn't know the banker and the supervisor was
18 so close a relationship, you know, you know, that old
19 buddy-buddy system. It's the good old boy system working
20 on me now.

21 Well, it worked on me from the beginning but
22 this is really the way we're going to get you out of
23 here.

24 You get in with the bank, okay, the bank feed
25 me a little money and on a subordination, the subordinat

1 to the bank, since I was about \$167,000 in debt so to
2 speak.

3 The bank went along to help me out. We got
4 financed in '95 in August was the final closing in
5 August.

6 VICE CHAIRPERSON REYNOSO: At the bank?

7 MR. BURKETT: At the bank. So in 1996 -- well,
8 '95, you know, it was a bad -- it was one of the
9 terriblest years we ever had as far as cotton farmers in
10 the State of Mississippi. This is when the boll worm and
11 the tobacco bud worm came in and destroyed most of all of
12 the crops across the Delta -- central and Delta, cotton
13 crops especially.

14 And I went into a disaster state, the state was
15 declared a disaster area, and also in 1993 it was
16 declared a disaster, and -- well, in 1996 -- '95, the
17 fall of '95 I went in to apply for a loan, and I had
18 gotten the runaround. They told me you had to get all
19 your debts reamortized, get them to where you can get
20 your plan to cash flow.

21 Well, all along -- let me go back. All along I
22 had been working with the technical assistance, because I
23 requested that since farmers wasn't educated enough in
24 our county, this was one of the problems, the county
25 committees and the supervisors of the county were saying

1 that the farmer wasn't education enough in order to
2 handle the amount of money that they were requesting to
3 operate their farms.

4 So I went in and asked them to get us some
5 people in there to educate those farmers on those farm
6 plans and to help them to understand what was going on
7 with the process, since it was a problem.

8 So they begin to get the technical assistance
9 to help minority farmers in our county. We finally got
10 one in there in '95. She came in in '95, but we had -- I
11 had been working with the Alcorn technical assistance
12 program out of Loma and headed by Dr. Hermit and Dr.
13 Davis down there.

14 And they had been helping me do my plans each
15 year, and we was getting the plans done and having the
16 review by the people at the state department level. They
17 was knowing what the supervisor was doing to farmers'
18 plan. You know, mine especially, because each year after
19 I get it done, I would take it to one of the state
20 officials and let them review it to see what he's going
21 to do.

22 But nothing ever resulted out of them doing
23 anything about our local offices, so we just had to ride
24 the horse right on down the road.

25 Well anyway, I went in to apply for some money

1 loan, and they told me I had to go back and get my debts
2 reduced so the bank did. The bank went down half of what
3 the debt was. He reduced it to half.

4 Still the supervisor would not accept the plan
5 that I had because he didn't -- and there was a question
6 directed to him from me was why don't you accept these
7 plans that I bring in to you, why do you always have to
8 do your own plan?

9 And he looked at me and he do not accept
10 anything come from Alcorn. And I'm saying this is not
11 Alcorn, this is mine. They just assist me in this. It
12 will get thrown in the garbage. It got thrown in the
13 garbage. He wrote his own plan on emergency disaster
14 assistance loan.

15 And up until this day -- as a matter of fact, I
16 talked to out of state ag credit manager yesterday about
17 that loan. I went to a hearing in Morehead where the
18 Secretary was and I addressed that there with -- well, as
19 a matter of fact, I addressed it with our Congressman and
20 he asked me to go to that meeting to address it there,
21 and I did and up until this day I haven't heard what are
22 they going to do with that application.

23 CHAIRPERSON BERRY: Okay. We'll have some
24 questions. Mr. Hailes, who is acting as our counsel,
25 will have some questions first. Could you proceed, Mr.

1 Hailes?

2 MR. HAILES: Yes, Madam Chair. I only have a
3 few questions for each of you. Thank you for your
4 opening statements.

5 Mr. Boyd, how many farmers does your associate
6 represent and where are they primarily located?

7 MR. BOYD: I would say approximately 4,000 and
8 it's through the farm belt in the South, Virginia, North
9 Carolina, Georgia, South Carolina, Louisiana, and some
10 here today from Mississippi.

11 MR. HAILES: And what is your response to
12 persons who say that the farmers in your association who
13 suffer the complaints that you mention, it's because of
14 their size and not their race, and that white small
15 farmers face the same problems that African American
16 farmers face?

17 MR. BOYD: I agree partly with that statement.
18 It is a small farmer issue. All small farmers are being
19 driven off their farm. There's no question about that.
20 The statistics show that the small farmers are being run
21 off the farm.

22 When you throw this discrimination in here,
23 this gentleman talked about the same thing that I went
24 through, watching the county supervisor throw your
25 application in the trash can. When you throw situations

1 in there such as that, we have some serious problems.

2 I met with the Secretary on numerous occasions,
3 expressed my concerns about the small farmer throughout
4 this country, and the black landlords in this country,
5 and the fact that we're less than one percent of the
6 nation's farmers.

7 I expressed a backlog of complaints that I was
8 told was in the neighborhood of 2,000, and when I had a
9 chance to review the inspector general's report, there
10 was only 241 complaints listed there.

11 There are some farmers in here today that I
12 know have affirmative findings of discrimination. Mr.
13 Eddie Ross from Mississippi. His name is not on this
14 surplus list for settlement or to be even addressed. I
15 mean, what's going to happen to all these farmers that
16 already lot their farms through the hands of
17 discrimination at the Department of Agriculture?

18 MR. HAILES: Mr. Burkett, you have according to
19 our staff reports, reviewed the process by which
20 complaints are submitted here in Mississippi. Can you
21 describe your experience in receiving and working with
22 persons who have filed complaints of discrimination here?

23 MR. BURKETT: Absolutely. And being in the
24 position I am, I'm a farmer and I also have had
25 opportunity to serve on the county committees in the

1 minority valley and been elected to the county committee
2 and at the present time I'm serving as vice chairman of
3 the state FSC committee. And that process of once a
4 farmer decided he wanted to go in and follow through on a
5 -- in the case of Mr. Shaffer, the county turned him down
6 and he have appeal rights.

7 That's a very time-consuming process. And it
8 takes tenacity to really stick with it. You have so many
9 days to get your response back in writing. At least I
10 think it's 15 days, and if you come in on the 16th day,
11 you lose all rights to appeal, and that's one issue we'd
12 really like to address to.

13 Okay. And then the FSC committee side have
14 counsel. They have the whole state office and the county
15 office working on their side. On the farmer's side, all
16 he had was himself in preparing his statement, what he
17 want to say, and we try to work them as much as we can
18 one on one to go through that process.

19 The appeal sometime might be 100 miles from the
20 actual farmer's location, so we have to get there.

21 And then after the hearing you have 30 days and
22 they'll let you know. Should they rule against you
23 again, you still have another appeal right to what they
24 call an independent appeal process, where we have to have
25 someone outside of the agency to look at the case.

1 And we've been fairly successful when we get to
2 that level of reversing some of -- but most farmers don't
3 have the time or the money to really go on through that
4 process, and it can take up to six months or a year
5 sometimes.

6 Mr. Shaffer talking about his situation, I want
7 to say one incident happened to me out in the public
8 sector. My brother and I went to our local bank, which
9 was his bank which he had been doing business with for I
10 don't know how many years, to purchase a \$16,000
11 refrigerated truck. I'm a vegetable farmer.

12 The bank said they wanted the truck for
13 collateral, a \$10,000 CD, and 40 acres of land, for the
14 truck. And this was in 1992, I believe.

15 And that's the situation we face when we go to
16 borrow money, even in the local banks. They want excess
17 collateral, you know, and that was just too much -- and
18 believe it or not, we must have a lot of confidence in
19 ourselves, because we put it all up.

20 But you know, that was just ridiculous for a
21 bank to require that kind of collateral for a -- and
22 that's some of the things happening in banking, in the
23 private sector of banking.

24 A farmer go in and he want to borrow --
25 especially when he go in talking about buying land, you

1 go in and you want to buy a hundred acres of land for
2 \$500 an acre, that's \$50,000, well, you already own 150
3 acres. They'll let you have the money to buy the other
4 land if you put up the 150 you already own.

5 So that putting you in a situation where if you
6 lose, you lose it all. But to your question, that's the
7 process. It works fairly well but it's time consuming,
8 small farmers don't have the time. We're busy trying to
9 make a living and then my over the four or five years I
10 been doing this, that they just -- I tell them all the
11 time, you can win this thing, if you go -- you might have
12 to appeal it all the way to Washington, D.C. but if you
13 stick with it, with the documentation we have, you can
14 win, but most of the time after that first appeal, the
15 farmers get weary and they won't continue it on.

16 MR. HAILES: In your interview with staff you
17 mentioned that you know of occasions where black farmers
18 are denied loan applications.

19 MR. BURKETT: Absolutely.

20 MR. HAILES: Can you describe some of those?

21 MR. BURKETT: Yes, we have had farmers to go
22 into the local office and we tell them in our training
23 session that they cannot refuse to give you an
24 application, application package, you know.

25 But when they go in and the supervisor talks to

1 them and they say well, you just can't make no money
2 growing 150 acres of cotton, you know, there ain't no
3 need of you -- ain't no need of you going through the
4 process, because you're going to be turned down anyway.
5 Just dishearten the farmer, and I tell them that if you
6 know the law and your rights, they cannot refuse you an
7 application.

8 CHAIRPERSON BERRY: It's like the woman in the
9 flower store where I went in the other day to buy some
10 flowers to take to somebody's house I was going to, and I
11 went over and was looking at some real pretty flowers,
12 and she said to me, you don't want to look at those
13 flowers. And I said why? She said they're too expensive
14 for you. I have some nice ones over here. She was
15 trying to be helpful.

16 MR. BURKETT: You don't need an application.
17 And that's the problem we have and it's going on up until
18 today, but by us getting the word out and the
19 documentation to all the farmers, new and beginning
20 farmers, old farmers are sticking with their rights.

21 MR. HAILES: Well, there are these Department
22 of Agriculture county committees throughout Mississippi
23 and we understand that you are disappointed with the
24 racial composition of some of these committees. Can you
25 describe this problem?

1 MR. BURKETT: Yes. I had the state office here
2 in Mississippi to -- day before yesterday get me a
3 printout on there's 82 counties in Mississippi and we
4 have 80 committees. Two counties are combined, and that
5 happened to me my county.

6 Out of 80 committees we only have two with
7 elected minority participation in the whole State of
8 Mississippi. Out of the 80, 78 have appointed minority
9 advisor, which is a position that doesn't carry a vote.
10 And we advocate there's no need of being there if you
11 don't have a vote, you know.

12 And that's as of Tuesday.

13 MR. HAILES: Well, what difference does this
14 make to black farmers in your view?

15 MR. BURKETT: That committee is in the local
16 county is probably the most powerful committee when you
17 get down to agriculture. They sets the program that's
18 going to come in that county, they do the hiring for that
19 local office. There's five employees in there. They
20 determine who is going to be hired, if it's to be
21 declared a disaster in that area, they have to begin that
22 process.

23 That county committee have to say this county
24 should be declared a disaster. Without that it cannot go
25 forward. The money that comes in for programs, cost

1 share programs of ACP or planting of pine trees, such in
2 my area, building of composts, houses for chicken, when
3 you grow your chickens or it's a cost share where if you
4 put up 50 percent, they'll put up 50 percent. That
5 committee controls all of that.

6 So when a farmer come in there and applies
7 there, he come in, he want to -- say he want to stop
8 erosion on his farm, this committee have to certify first
9 of all that he's an eligible producer in that county.
10 Then he have to certify as to is his plan feasible.

11 So that the purpose of that committee, and I
12 might be one of the few in my association that believe in
13 that committee. I believe in that system of farmer
14 participation, and to get -- and it's elected position,
15 so that's where the problem come in, because in a county
16 where -- in my county they mail out 1500 ballots, 78 was
17 returned voting.

18 MR. HAILES: How many?

19 MR. BURKETT: 78. Roughly ten percent, and
20 that's throughout all the counties in Mississippi. The
21 participation is very low there, so what we have to do is
22 try to increase the participation.

23 But I think if the committee system could be
24 where that minority farmer was given the vote, and that's
25 the most important thing -- well, you all know the power

1 of the vote, it would help a lot.

2 MR. HAILES: Well, the crux of my question, and
3 I'm asking it for the record, and understanding the
4 significance of these committees, what difference does it
5 make whether they're white officials or black officials,
6 sitting on those county committees? That's the question
7 I want you to answer.

8 MR. BURKETT: Getting the knowledge out to the
9 community, except they're all white and they know that
10 well, the new '97 program year, the Ecrip program, which
11 is program coming out this year, will benefit you in up
12 to \$50,000 per farmer in doing what you need to do on
13 your farm.

14 Well, those three in there, they know that they
15 got the knowledge, where they're just going to go back
16 and tell two or three more. They ain't going to tell the
17 others. When they get down to me, and I go apply, oh,
18 the money's gone. Too late. So that's -- if we had
19 somebody representing us sitting at the table and when
20 the meeting was over, he come on back and spread the
21 word.

22 MR. HAILES: Mr. Shaffer, you wanted to say
23 something about that too?

24 MR. SHAFFER: Comment on that. For instance,
25 in my county, we don't have any blacks sit on the

1 committee in my county. I was elected an alternate, a
2 second alternate and they're way down the line as a
3 committee member. You don't have a voting -- whenever
4 they hold their meetings, they don't announce the
5 meetings to me.

6 They have their own meetings. You know, they
7 go to private schools, the farmers that they need there,
8 they educate them on what's happening in the program.
9 That's what, you know, what I'm saying is happening
10 across the State of Mississippi. They're not educating
11 the farmers on what they need to do as far as erosion.

12 Some farmers -- I remember a couple of years
13 ago, they went in on a farmer's property and they just --
14 himself. Didn't ask him, didn't get permission to do it,
15 say the government is doing this, we got to do this, and
16 what they did it for was to stop erosion on this guy's
17 place across the fence.

18 MR. HAILES: Mr. Shaffer, now you had an
19 opportunity to go to the listening session that was held
20 recently. What did you get from that session, after you
21 left that session, what was your sense of what would
22 happen, and what happened?

23 MR. SHAFFER: As we've done in the past, we've
24 had similar sessions with our legislatures, with our
25 officials, high officials, and all that was done was just

1 like he said, it was a listening session. There hasn't
2 been any result.

3 Those people that's in the office today that's
4 denying the same people the opportunity to farm are still
5 sitting in the little office, and the proof is there that
6 they are discriminating, that they are, you know, doing
7 wrongful things to farmers. All the results we've gotten
8 is listening, and I know they'll say you a troublemaker,
9 you run your mouth too much, but that's -- you asked me
10 for my opinion and that's it.

11 MR. BURKETT: And banks too, if someone is on
12 that local committee and you went in, that committee had
13 the power to remove somebody, you know. That local
14 committee could say well, this person is not carrying out
15 the law in this office and they need to be 15 days
16 without pay or something. But that doesn't happen.

17 Most of the time what will happen in a county
18 where a supervisor is not doing right -- all of a sudden
19 he'll pop up in another county, that's the best they'll
20 do.

21 CHAIRPERSON BERRY: .Transfer?

22 MR. BURKETT: Transfer him from the county.

23 MR. BOYD: What hasn't been said is these
24 county committee officials, they're not federal
25 employees, but they're paid by the federal government, so

1 when you complain on the process, they say well, we can't
2 accept a complaint on a county committee member, they're
3 not federal employees. So who do you complain to? You
4 can't complain to the state office, you can't complain to
5 Washington, D.C. because they're not federal employees.

6 MR. HAILES: Mr. Shaffer, and I'll let you
7 respond to that, but let me ask you this question too, as
8 a black farmer can you tell us what the significance of
9 row cropping is? What is that and what significance does
10 it have in the Delta region?

11 MR. SHAFFER: Oh, it has a great impact in the
12 Delta region. This is where you get most of your linen
13 from right here, the row crop. Not only for cotton --
14 see, we have different versions of row crop. We have
15 corn on row crop. That's a row crop.

16 We have some soybeans are grown not on flat
17 surface. It's -- I would say our resources in the State
18 of Mississippi, it would -- row-crop would participate
19 about 62 percent of that.

20 CHAIRPERSON BERRY: What kind of crop is there
21 besides row crop? Is row crop what I think it is or
22 what the heck is it?

23 MR. SHAFFER: Well, some of it is broadcasts,
24 not -- some of it is just flat --

25 CHAIRPERSON BERRY: I understand. I used to be

1 a --

2 MR. SHAFFER: We say row crop because they
3 build a seed bed.

4 CHAIRPERSON BERRY: Okay, all right.

5 MR. SHAFFER: I higher seed bed.

6 CHAIRPERSON BERRY: That's what you mean by row
7 -- I understand then. Okay.

8 MR. BURKETT: And also row crops are
9 traditional commercial crops that are grown, the cottons,
10 the soybean, the wheat, the tobacco, the corn. I'm a
11 non-traditional, vegetable in the State of Mississippi is
12 not construed as row crop farming.

13 Here in the State of Mississippi and especially
14 in the Delta, 39 percent of the economy is based on
15 agriculture, so it's the biggest --

16 CHAIRPERSON BERRY: 39 percent?

17 MR. BURKETT: It's the biggest -- even bigger
18 than the casinos, when you all was talking when we came
19 in. Agriculture still is the biggest driving force in
20 the State of Mississippi, and to participate in that it
21 should be not just one -- you know, just one segment of
22 the population, it should be, you know, as diversified as
23 possible and that's what we're all about, because here in
24 the Mississippi Delta, probably the largest number of
25 African American farmers left. We have a large

1 concentration here and we would like to see them survive
2 and that's our whole purpose of going to -- I attended
3 two of those listening sessions too, and I was sitting
4 and I was just -- like I said, I figured there come out
5 another documentation, which it has, but it's got to me
6 more than that to survive.

7 MR. BURKETT: I wanted to finish what I was
8 going to say about that county committee. Now, the
9 county committee have the authority to select that
10 supervisor.

11 CHAIRPERSON BERRY: Mm-hmm.

12 MR. BURKETT: And 99 out of 100 times that
13 supervisor is always a graduate from my friend, he
14 graduated from the same university as my --

15 CHAIRPERSON BERRY: Good old boy system.

16 MR. BURKETT: And then what we going to do
17 then, we're going to get him to hire my niece over there,
18 since I sit on the board, I want my niece hired so we can
19 keep, you know, we'll be informed of what's happening out
20 there and the policy making, so -- and that's pretty much
21 how it's done.

22 MR. HAILES: That's all the questions I have
23 for this panel.

24 CHAIRPERSON BERRY: Vice Chair, do you have --

25 VICE CHAIRPERSON REYNOSO: Yes. Mr. Boyd, all

1 of you have given the following question a lot of
2 thought, I'm sure, but let me start with you. If you
3 were the Secretary at the Department of Agriculture, what
4 changes would you make to make sure that the small
5 farmers in general and specifically the small African
6 American farmers are treated with equity, with fairness?

7 MR. BOYD: I'm so glad you asked that question.
8 I would appoint an administrator that's familiar,
9 actually familiar with farming, familiar with
10 participating and working with small black farmers.

11 I would start with the office of general
12 counsel and appoint some black attorneys there to settle
13 all of these complaints that have been in the Department
14 of Agriculture for years. They haven't settled one
15 complaint in the history of the Department of Agriculture
16 that entails discrimination.

17 The Secretary's report indicated that he would
18 start doing something within 120 days. He promised me 30
19 days. This gives me great question but back to what you
20 asked me, I would send a message to the county level that
21 there will be zero tolerance for discrimination.

22 Right now the department has not a written
23 policy but a verbal policy where the county supervisor
24 gets a number of complaints on them. They do an
25 investigation. The county supervisor is not terminated.

1 The county supervisor is transferred to another county to
2 keep on administering the same discrimination from county
3 to county, so I would install a zero tolerance to
4 discrimination.

5 Most of all, I would put in effect a national
6 outreach program administered on a state level to go
7 through every county in this nation where there are an
8 existence of small farmers and black farmers to offer
9 technical assistance and outreach.

10 What I mean by that, for example, a lot of
11 people might not understand, Joe Blow, he doesn't have
12 the highest educational standards. He doesn't understand
13 the fancy 1951S foreclosure package that he has in front
14 of him, so he throws it in the trash can. He said well,
15 it's just another fancy document from the government.

16 But all in fact it was his foreclosure notice
17 in the mail, and it's about that thick. You almost need
18 an attorney to understand it. I would do away with that
19 and perform outreach, call that farmer in the office,
20 well, Mr. Boyd, you're in trouble, and here are the
21 options that you have available.

22 We can either write off a portion of your debt,
23 we can maybe give you a five-year deferral. Explain the
24 different situations and this is what I would like to
25 see, come underneath that outreach program. That's what

1 I would start with.

2 VICE CHAIRPERSON REYNOSO: This sounds
3 revolutionary, you want the people to help farmers.

4 MR. BOYD: Yes, we need some help, farmers need
5 help.

6 VICE CHAIRPERSON REYNOSO: What sort of --
7 maybe Mr. Burkett could answer this better, what sort of
8 structural change would you suggest in terms of the
9 formation of these county committees, because you all
10 testified that they're elected, that a lot of ballots go
11 out but only ten percent vote.

12 Presumably from the racial statistics you've
13 given us, a majority of those who vote in all of those
14 counties except maybe two, are non-minority. Therefore,
15 you end up with committees that are no representative of
16 those areas, particularly when you have say a pocket of
17 five or ten percent of the farmers being black, they just
18 don't get on that committee.

19 You end up with professionals, that is the
20 supervisors who don't respond to the needs of the small
21 farmers of particularly the black farmer, so you've got a
22 built-in system that probably is never going to work if
23 it's not restructured, so I guess my question is do you
24 think the system can be made to work or do you think it
25 needs sort of basic restructuring?

1 This doesn't come from God. I mean, the
2 Department of Agriculture could say we're going to
3 appoint the committees, you know.

4 MR. BURKETT: I think it could be made to work
5 and I would say if you went to -- especially on the
6 reorganization here in the State of Mississippi, those 80
7 county office scheduled to go to I believe around 30 or
8 40 by the year 2000, so that would mean you would have
9 more tri-county structure, or you might would have three
10 counties with one office.

11 You could then create a five member committee,
12 three elected and two appointed by the Secretary or by
13 the state director. And then you'd have a way of
14 appointing black farmer, minority in it, and give one
15 vote to that committee.

16 Also if that continued in that process, like
17 that, then you would have one vote -- maybe two in some
18 cases where you can get people elected.

19 Well, we have local cooperative in the
20 Mississippi Association of Cooperative, that's where
21 those two or three are usually elected at. You have
22 somebody active outreaching, organizing. You can get
23 somebody on the committee.

24 Except the men that we know, the vote --
25 December the 12th, the nomination process is 45 days

1 earlier, we can get someone nominated, which we tried --
2 we talked to Mr. Shaffer about that. We wanted somebody
3 on every county to run this last election, and at that
4 progress, you would eventually get more and more
5 participation in -- but I think if we could come down and
6 we had a five-person committee, three elected from the
7 general farming community, two appointed by the power,
8 you know, in the state or on the national level.

9 VICE CHAIRPERSON REYNOSO: There is somewhat of
10 a national problem. I remember being on a committee
11 reviewing some of the policies of the Department of
12 Agriculture nationally and they were the worst department
13 in the whole federal government, if I remember correctly
14 in terms of hiring of minorities.

15 Then I served on a special Commission having to
16 do with hiring of women by the Agriculture Department in
17 California, and their outreach, Future Farmers of
18 America, FFA and that sort of thing, and the history in
19 California where the problems are not quite as severe as
20 here in terms of race and ethnicity in many areas of the
21 state, were very severe within the Department of
22 Agriculture, so you're fighting both a national and a
23 local problem, it seems to me.

24 Were you going to add something to that, Mr.
25 Boyd?

1 MR. BOYD: Yes. As far as the county
2 committee, those positions must be federal positions.
3 You have to have some accountability there. You can't
4 just leave them out there and say that these county
5 committee members don't belong to anybody.

6 If the federal government is going to pay them,
7 then the county committee should be a federal position so
8 that you can have --

9 VICE CHAIRPERSON REYNOSO: Even though it's
10 part time, it's still federal.

11 MR. BOYD: Yes. There has to be accountability
12 there.

13 VICE CHAIRPERSON REYNOSO: Mr. Shaffer, I just
14 want to ask you about the experiences, particularly in
15 terms of getting loans. We all know that there are laws
16 that forbid banks and others from discriminating, and I
17 take it that some of the incidents that you've seen, one
18 could prove discrimination, and yet I take it that even
19 more so with the bank, there's the reluctance to file a
20 complaint because it may be the only bank in town, it
21 will take forever to get the complaint resolved, et
22 cetera.

23 Is there any practical way of enforcing those
24 civil rights laws in the reality of the situation that
25 you see? I guess that's my question.

1 MR. SHAFFER: What I see is the fact that there
2 should be some screening from the federal level on those
3 banks. Screen those banks to find out what type of
4 committee they have, you know, who's in charge of the
5 lending practices, because for instance, most of our
6 guaranteed loan activities come through our banks, our
7 local bank.

8 And if you talk to -- if you had 4,000 black
9 farmers sitting here in this room and you would ask them
10 who has a guaranteed loan, you probably would get maybe
11 two.

12 And your large amount of monies that comes out
13 of your federal programs in that guarantee system, come
14 through guaranteed loans. In other words, our direct
15 operator loan has a cap, a limit of \$200,000, you know,
16 I'm sure you're aware of.

17 And your guaranteed loan goes from 400,000
18 beyond.

19 VICE CHAIRPERSON REYNOSO: So you're saying
20 that the federal government, knowing what you folks have
21 told them about and what their studies have indicated,
22 should not wait for the individual complainant, they
23 should have an oversight policy that goes in every year,
24 every six years or so, checks out the applications, see
25 if there's a disparity in loan policy pertaining to small

1 farmers versus large farmers, black farmers versus white
2 farmers, et cetera. That's a good suggestion.

3 I have nothing further, Madam Chair.

4 CHAIRPERSON BERRY: Commissioner Lee?

5 COMMISSIONER LEE: I'm sort of intrigued by
6 this county supervisor situation. What qualification
7 does this person have? Does this person have financial
8 expertise or farmer expertise? Is that why this person
9 is being elected?

10 MR. BOYD: BA in business.

11 MR. BURKETT: Are you talking about on the
12 committee or the staff person in the office?

13 COMMISSIONER LEE: The supervisors, the staff.

14 MR. BURKETT: Most of them come as an applicant
15 with a BS or an MA in agriculture or agriculture-related
16 field that apply for that position. I think it usually
17 starts off around a GS-10, somewhere along in there, and
18 you can go on up. Out of the 80 in Mississippi, it's
19 only eight African American, I believe, out of the total
20 of 80.

21 The hiring process again goes back to that
22 buddy-buddy thing, you have to know who to know to put in
23 for what counties and when it's open, like that, but --
24 and the FAC have less minority representation in program-
25 wide than any other agency within the Department of

1 Agriculture. And that's the one that handles all the
2 money though, all the money. But most of them come with
3 a background of agriculture with a college degree.

4 COMMISSIONER LEE: Assuming they know what's
5 best for you, by telling you what crop is best or not to
6 grow, do they provide you any technical assistance to --
7 let's say if they say cotton is no good, do they go in
8 and say let me help you to develop other produce and help
9 you --

10 MR. BURKETT: No.

11 COMMISSIONER LEE: -- merchandise these?
12 Never?

13 MR. BURKETT: No.

14 COMMISSIONER LEE: So they just tell you what's
15 no good?

16 MR. BURKETT: No. They need a national
17 outreach program. They don't -- that's what's happening
18 here. There's no technical assistance, there's no
19 outreach. If you have a county supervisor who doesn't
20 have the capabilities to communicate with blacks, well,
21 why don't you go rent this piece of equipment. I don't
22 think you need to buy this right now.-

23 The small farmer needs virtually the same
24 amount of machinery to make that crop. Maybe not as
25 large a tractor, but we need the same equipment to farm

1 as the next man. You shouldn't be told to go out and
2 rent that piece of machinery, and at the end of the year
3 can't cash flow because of the enormous of rent that you
4 paid to rent that machinery.

5 You could have made a smaller annual payment
6 and bought the machinery. This is the kind of advice
7 that they're given the small farmer.

8 MR. BOYD: Can I say something while we're on
9 this subject?

10 CHAIRPERSON BERRY: Yes, go ahead.

11 MR. BOYD: See, there's a problem nationally.
12 I imagine world-wide as far as the black farmer is
13 concerned, because I haven't seen it yet. I haven't seen
14 the black farmer or blacks that own any implement,
15 company, any of your large insurance company who rules
16 your program.

17 You see, those are the people that have the
18 entities in destroying the black plight of America.
19 Everybody don't have the ability to go out and buy a
20 policy from Farm Bureau, because Farm Bureau had members
21 sits on the county council who lobbies their legislature.
22 Or we don't have people that's in the marketing business
23 of cotton or what you say, your larger commercial
24 products.

25 We don't have it. We don't have African

1 American cotton buyers, or Indian cotton buyers, and the
2 are the people that control most of the system. We can't
3 go out -- it's hard for a black farmer to go out there
4 and say well, I need \$160,000 to buy a brand new combine.
5 Who's in control? Where can I get the credit, the
6 commercial credit? Where do I get the credit in order
7 to buy one of these machines?

8 I have to go to John Deere. Who's in control
9 of John Deere? Or who's in control of Case International
10 or whites or whoever?

11 COMMISSIONER LEE: How many --

12 MR. BOYD: Your Honor, and most of the time if
13 you look at the history of it, how they got started was
14 through government programs, through the lending
15 practices of our federal agency.

16 COMMISSIONER LEE: How many of these buyers or
17 people who set the prices for your merchandise, how many
18 of them are African American?

19 MR. BOYD: As far as dealerships like machine
20 dealerships?

21 COMMISSIONER LEE: Yes, the dealerships.

22 MR. BURKETT: I haven't seen one. Have you?

23 MR. BOYD: No. The problem is is a lack of
24 implementation. The programs are in effect. There are
25 programs. It's implementation. These programs are not

1 being administered in a fair and equal basis and I've
2 heard it time and time again, I've heard it in Virginia.
3 I heard it in South Carolina, Georgia, Mississippi, here
4 today.

5 It's the same systemic problem all throughout
6 this country. We need implementation of these programs
7 and the civil rights laws that we already have in effect.
8 These things have to be implemented. There's no reason
9 for Secretary Glickman to make a national statement that
10 there is pockets of discrimination in the Department of
11 Agriculture, and not settle the backlog of cases that he
12 has there. He hasn't settled one case, and we need
13 pressure to put on the Secretary to settle these cases.

14 MR. BURKETT: I appeal to you to do one thing
15 for me, and that is to search your records and find out
16 how many black owned cotton gins are there in the South?
17 How many are grain lots or elevators, which -- I mean the
18 government operates -- they buy these supplies, these --
19 who's in control? Who's on these boards? We don't have
20 black representation. You know, minority representation,
21 I would say, that's the word being used.

22 We don't have that, and that's bad that we're
23 taxpayers too, you know, and our tax dollars go there and
24 be programmed and be issued out to people to use against
25 us to keep us what I would say under the wood, under the

1 -- so to speak.

2 VICE CHAIRPERSON REYNOSO: All those ancillary
3 agencies that help, more often than not, you're saying
4 don't have representation of everybody, including the
5 black people, and it's public, public committees, as well
6 as the private like the banks and so on.

7 CHAIRPERSON BERRY: It is clear to me that
8 doing reports isn't enough. Now, we did that great
9 report in 1982. I thought it was a great report. We in
10 fact last year, when we looked at Title 6 of the Civil
11 Rights Act, which says you can't discriminate on the
12 basis of race, if you get any federal money, and we did a
13 section on the Department of Agriculture.

14 And we talked about some of the same problems
15 in the civil rights enforcement area there. And I guess
16 one of the answers is that when reports are done, you
17 have to just keep going back over and over again, which
18 is one reason why when I was down here last year on these
19 church burning things, fires, that I said that I was
20 coming back again this year on that issue, and that I
21 would just keep on coming back, because it seemed to me
22 that unless people knew that you were just going to stick
23 with something, they would just let the same old things
24 keep being entrenched.

25 Now, on this farmer, you have done everything

1 anybody is supposed to do to publicize what's going on.
2 I mean, black farmers, you had lawsuits, you have
3 protested, you have picketed. You've done everything.

4 MR. BOYD: That's right.

5 CHAIRPERSON BERRY: And you've been in every
6 forum taking up your time, when you could be working.

7 MR. BOYD: We need to go back to work now.

8 CHAIRPERSON BERRY: Talking about these issues
9 and Secretary Glickman, if we can it to his credit, has
10 at least stood up in public and said the word "racism".

11 MR. BOYD: Yes, he has.

12 CHAIRPERSON BERRY: Which is hard to do for a
13 public official. But we have to ask ourselves why is it
14 so hard when everybody concedes -- I mean, I challenged
15 Secretary Glickman at the time when you were in
16 Washington over there in the park and you had the
17 picketing thing and --

18 MR. BOYD: Were you there?

19 CHAIRPERSON BERRY: No. And he promised me and
20 he wrote me a letter and said, you know, I was going to
21 see this report and he was going to make all these
22 changes and so on, and watching what he's doing, but it
23 seems like the changes or the proposals don't go far
24 enough.

25 MR. BOYD: That's right.

1 CHAIRPERSON BERRY: Now, what is it in what he
2 reported in his most recent press conference and report,
3 what is it that you think among what he said might help?
4 Anything? Does any of this stuff he's talking about --

5 MR. BOYD: The fact that he admits there's
6 discrimination helps, mentally it helps, now they're out
7 of the denial stage, but the fact of implementing this --
8 if you're looking at this civil rights task team action
9 report that he passed out on last Friday, there's a
10 section in there about other reports.

11 I bet it's 60 reports in here that's been done.
12 A number of them on discrimination, race relations,
13 things of this nature.

14 I would like the Secretary to seriously
15 consider doing the right thing, and that is across the
16 board settlement for all these farmers that have been
17 affected and present and past.

18 CHAIRPERSON BERRY: Well, why do you think he
19 hasn't done that and didn't say he was going to do it?

20 MR. BOYD: Honestly?

21 CHAIRPERSON BERRY: Yes.

22 MR. BOYD: I think it's a group of black
23 farmers. They don't matter. Let's get rid of them.
24 It's more easy to process 15,000 large farm loans every
25 year than to process 50,000 small farmer loans every

1 year. That's what I think the problem is. I think that
2 we don't matter enough to settle these cases.

3 My particular case has been on the department
4 for five and a half years. They said I've been
5 discriminated against, even though your loans were
6 approved, Mr. Boyd, we didn't fund them three years in a
7 row.

8 So they found in favor of discrimination. They
9 said that we'll offer you some type of settlement, some
10 type of debt relief, compensation. None of these things
11 have taken place. Why? You have to ask the question
12 why. I think if I was a white man, I think that all
13 these cases -- if this was a group of white individuals
14 the federal government would have stepped in and taken
15 care of them years ago. That's what I honestly believe
16 today.

17 CHAIRPERSON BERRY: And then you said, Mr.
18 Burkett, that you try to encourage people to go ahead and
19 file complaints and go through the process. Now, we know
20 how long it takes to get an answer, then how can anybody
21 encourage anybody to go -- isn't that a way of
22 discouraging people --

23 MR. BURKETT: That is the only way we can keep
24 the pressure on them by folks coming in and keeping the
25 pressure on. I think Secretary Glickman really means

1 well, but to do real concrete changes takes the power of
2 Congress.

3 In the case of those committees, that is based
4 upon Franklin Roosevelt's New Deal with agriculture --
5 first began.

6 Now, all of it is based upon that, and that
7 power lies in Congress. Even if we wanted to change that
8 committee structure, it would have to be Congress
9 approved.

10 CHAIRPERSON BERRY: Now, you know Congress is
11 supposed to be holding a hearing on this on March 19th.

12 MR. BOYD: Right, that's correct.

13 CHAIRPERSON BERRY: And do you have any hope
14 that the committee up there is going to change this
15 statute, this law?

16 MR. BURKETT: I believe they're going to look
17 at it real serious. Now, what's going to happen, the
18 power to be going to come into play to let it stay, and
19 that will be -- argument will take place. Those
20 traditional -- on the committee, the committee have a
21 full-time lobbyist in Washington representing them.
22 Those county committee have organizations made up of all
23 50 states that employ somebody to look out for them in
24 Washington, D.C.

25 CHAIRPERSON BERRY: You know, Congressman

1 Thompson is on that subcommittee and so is Eva Claytor
2 from over in North Carolina.

3 MR. BOYD: We just had -- Sanford Bishop --

4 CHAIRPERSON BERRY: Sanford is on too?

5 MR. BOYD: Yeah, Sanford Bishop and Earl
6 Hilliard.

7 CHAIRPERSON BERRY: And Earl.

8 MR. BOYD: I would like to make a point. Last
9 year there's a letter from Senator Irob (phonetic)
10 addressing the Secretary. In his last paragraph it said
11 last year Congress appropriated 11.774 million in fiscal
12 year '97 agriculture appropriations bill for civil rights
13 activities. I trust that this apportionment is being
14 used to resolve these cases, and if additional funding is
15 needed to expedite efforts, I would appreciate knowing
16 that.

17 Here's 11 million dollars where they could
18 settle some of these cases here today.

19 CHAIRPERSON BERRY: Right, and --

20 MR. BOYD: Why isn't it being done? Why isn't
21 it being implemented? Where has this 11 million dollars
22 went?

23 CHAIRPERSON BERRY: You say that you think
24 Secretary Glickman means well. I'm not saying he doesn't
25 but I mean, did I hear you right?

1 MR. BURKETT: Right.

2 CHAIRPERSON BERRY: What's the answer to his
3 question on why he's not --

4 MR. BURKETT: -- to be on that committee to
5 draft a lot of the information that -- and it's not in
6 his given power to do a lot of things we want him to do.

7 CHAIRPERSON BERRY: In other words, he --

8 MR. BURKETT: He want to do it, but he don't
9 have --

10 CHAIRPERSON BERRY: He can't do anything until
11 there are legislative changes --

12 MR. BURKETT: He don't have the --

13 VICE CHAIRPERSON REYNOSO: Under the statute --

14 MR. BURKETT: Under the statute he don't have
15 that authority to --

16 MR. BOYD: It goes back to the -- it goes back
17 to the office of general counsel.

18 MR. BURKETT: -- to say well, to settle this
19 case you need \$200,000.

20 MR. BOYD: That's right.

21 MR. BURKETT: Give him \$200,000. He don't have
22 that authority.

23 MR. BOYD: It goes back to the office of
24 general counsel. You got all those career lawyers there
25 that been there 25, 30 years, advising the Secretary not

1 to settle these cases. You're going to open up a can of
2 worms across this country if you settle the first case.
3 That's what the office of general counsel tell them, and
4 that's why I recommended to Secretary Glickman to
5 appropriate ten civil rights lawyers to his office of
6 general counsel there.

7 CHAIRPERSON BERRY: Now, let's think about this
8 for a minute. Now, we way back in '82, we made some of
9 these same recommendations. We made them in the Title 6
10 report. You know what they are.

11 MR. BOYD: Yes.

12 CHAIRPERSON BERRY: And they haven't been, as
13 you say, we all say, they haven't been implemented and
14 that it requires statutory change. What is the force on
15 the other side that is preventing it, and has that force
16 gone away enough to get it to pass?

17 MR. BOYD: No. No. I'll answer that question
18 for you. Right now he presented us this nice fancy
19 document here. There's no -- no structural change. The
20 same people are there. The same people that are
21 administering the actual discrimination itself are still
22 working for the Department of Agriculture.

23 The gentleman who made the statement that they
24 didn't need any black lawyers in the office of general
25 counsel, Associate Ken Corn, still has his job. The lady

1 who said don't process those complaints, his counsel
2 advised him not to, she's still working for them.

3 You have to alleviate the problem, which makes
4 -- which means -- if it means firing some people, that's
5 what needs to happen.

6 CHAIRPERSON BERRY: Can he do that?

7 MR. BOYD: Can the Secretary do that? Sure, he
8 can fire those people. Let's be for real. He can find a
9 way to weed out that problem.

10 CHAIRPERSON BERRY: Well, he can do --

11 MR. BOYD: If I don't want you working for me,
12 I can find a way to get rid of you.

13 CHAIRPERSON BERRY: Now, now, now. Or he can
14 do what Mr. Burkett said, is to transfer them and -- are
15 you the one to say they show up in another county
16 somewhere, these people?

17 MR. BURKETT: You put a bad apple in a basket
18 of good apples, you're going --

19 CHAIRPERSON BERRY: But in any case then, what
20 we will do is reiterate our recommendations and also
21 we'll have to look what to see what subcommittee does.
22 Are you folks testifying on before that subcommittee?

23 MR. BOYD: I'm sure I'll be a part of it.

24 CHAIRPERSON BERRY: Okay. And we'll try to
25 figure out what they do there. But there is I guess

1 to thank you for coming in advance to state your
2 concerns. We ask that you limit your comments to five
3 minutes, so that we will be able to ask you questions, if
4 any, and that other people will be able to talk.

5 . Just one moment. I'm going to call two people
6 at a time to come forward, and I would like Carl Tyler,
7 Mr. Carl Tyler, and Mr. Ron Nurnberg to come forward, and
8 would you come forward and stand and then we would like -
9 - you would need to raise your right hand so you can take
10 the oath.

11 (Witnesses sworn.)

12 CHAIRPERSON BERRY: Please be seated. We will
13 begin first with you, Mr. Tyler, and you will have five
14 minutes to complete your remarks and the lights in front
15 of you will turn yellow when you have one minute
16 remaining to sum up.

17 When the light turns red, your time to speak
18 will end. Are you reading to start?

19 MR. TYLER: Yes.

20 CHAIRPERSON BERRY: Please proceed, Mr. Tyler.

21 MR. TYLER: First let me thank you for coming
22 to Greenville and I think I heard you say something about
23 somebody was saying something that they didn't know why
24 were here or something like that.

25 CHAIRPERSON BERRY: Right.

1 MR. TYLER: I wish you could go back and send
2 some more, starting tomorrow. And I really do appreciate
3 the work that you've done for us over the years. I
4 appreciate the Commission.

5 And I really -- it's a pleasure for me just to
6 be in the same room with you. I've watched you over on
7 C-Span and places like that. But from the deepest part
8 of my heart, I really appreciate what you've done. I
9 appreciate what this Commission has done.

10 CHAIRPERSON BERRY: Thank you very much.

11 MR. TYLER: I don't know if anybody else cares,
12 but just the information that I have received just
13 sitting in this room for these last two days will make me
14 know that I can take some of this and go back and
15 organize with.

16 The only problem I have, and I have to say this
17 to you, is that I felt like I've been a guinea pig down
18 here, been talked about all for the last two days, and
19 the reason I'm basically saying that -- and then I only
20 get two minutes to -- I mean, five minutes and I think
21 that's not fair to me, but you know, I'm just stating
22 those facts because I think sometimes what I basically
23 want to say is that I consider myself a grassroots
24 person.

25 And sometimes I resent the fact of other folks

1 coming and speaking for me, but haven't spoke to me.
2 Other folks trying to plan for me, but haven't sat down
3 with me. That's what's wrong with the world today is
4 that I have a dream in my house. I mean, I have a dream
5 house in my head, okay, but you can't go and plan your
6 dream house and then try to give it to me.

7 And so I'm saying that, so I'm having problems
8 sitting here, because yes, racism is alive and well in
9 the State of Mississippi, but I just came to the State of
10 Mississippi. I left Omaha, Nebraska. I got about 20
11 years of community development.

12 I don't know -- what I'm basically trying to
13 say is if you've ever been anywhere and you know, if you
14 move around, like I was in West Virginia for like two
15 years, I was in Washington, D.C. and Maryland, and my
16 mother lives in Mobile, Alabama, but this is where I
17 belong.

18 I get up in the morning time, I don't want to
19 go anywhere else. If I wanted to live in D.C., I could
20 be there. I don't want to be there. This is where I
21 want to be.

22 One of the things growing up in Omaha, I grew
23 up with 12 percent of the population. Here I'm 68
24 percent, but some of the things that I see -- it ain't so
25 much racism as it is with me. I call it traditionalism.

1 And I see a lot of things that black folks who
2 are in a position to do something, they forgot about why
3 we put them there. That's my problem. I mean, I don't -
4 - like me, God created me a man, and there's a word
5 called san cofer. It means in other words, the bird is
6 moving forward but you look back, it's the same term as
7 repent. Okay.

8 I know who I am. I know why I'm here. In
9 other words, the Book tells me why I'm here. Who I am.
10 I am an African man. I am a black man. Those words a
11 long time ago though you know about my age, when we would
12 have said black, what would have been the first thing?
13 There would have been a fight.

14 If I'd have been called an African, I really
15 would have had a fight. I am a black African man. I
16 don't hate no one. My thing is to do for myself.

17 And I came here because I was in Jackson,
18 Mississippi, with a national neighborhood association and
19 they did a tribute to Fanny Lou Hamen in '81. She just
20 blew my mind.

21 I didn't know anything about this lady, but I
22 can tell you, I can go take you right now to her grave
23 site and put your hand on it. So it's an emotional thing
24 with me. I came for that. And all I do is do the
25 research.

1 As a matter of fact, last night I went home and
2 I read Martin Luther King, *Where Do We Go From Here?*
3 It's the same thing.

4 But what I basically want to talk to you about
5 is the children. That is my total dedication.

6 So when you talk to me about racism and I'm in
7 the trenches. I don't believe in going to the elitist
8 side of town. I'm in the trenches. As a matter of fact,
9 there's a lady going to come up after me, she created a
10 program, and I'm rushing because I've five minutes, okay,
11 but we created a program.

12 The biggest thing with me is that we create
13 that program. We went out and got kids and, you know,
14 she considered me as a case manager. That means I have
15 to take these kids. I have to go follow them from home
16 all the way -- I get calls at two o'clock in the morning
17 or wherever, those are my children.

18 I go to their schools. I see what's in the
19 school. I go to their homes. I see what's in their
20 homes. But the number one thing that we built that
21 program on, we built it on four words, we built it on
22 love, respect, discipline and responsibility, and we tell
23 the children to you first, then we tell them who they
24 are.

25 And if we tell them, like number one, is that

1 if you don't have anybody to call father, then you are a
2 divine son of God. Don't never let nobody take that away
3 from you. You is to come here to do what's right and
4 can't nothing stop you.

5 So I'm always excited. I'm always excited, and
6 I think a lot of times if we get out of the way, the kids
7 will be all right. In other words -- and I take some of
8 the worst kids that you don't want to deal with, that's
9 the kids that we want, and once they understand that I
10 really love them, I can go to that school, whatever I got
11 to basically do, I can talk to them on the phone and calm
12 them down, because I said I love you, and that comes
13 back.

14 The next thing, what's your responsibility?
15 Take care of myself.

16 Number one is I always teach the children,
17 because this is one thing that we're going to have to get
18 back to, get most of the schools that I go into, there
19 are women there, so I teach the children, especially the
20 young men, that if I gave you 130 pounds of gold or
21 silver, gold, silver, rubies and diamonds, what would you
22 do with it? Oh, Mr. Tyler, I would be rich.

23 I said that lady that's standing up there,
24 that's what she represents. That's what it is. Your
25 mother, she's that. Your sister, she's that. So if you

1 disrespect that, you're disrespecting wealth.

2 So that's where we are, so I get -- but my
3 problem is is that when we come here from a grass
4 perspective and we put these organizations together, two
5 of them -- we had kids falling out the door. We didn't
6 even know what to do with them, because we was getting
7 them through the court system.

8 I guess my time is up.

9 CHAIRPERSON BERRY: I'll give you 15 seconds to
10 finish.

11 MR. TYLER: We were getting them from the court
12 system and what happens is that all at once the money is
13 just gone. The state just come in and they just snatched
14 the money from these organizations, and we basically have
15 nobody to represent us, so I'm not -- there was a time I
16 would have been angry but I'm not angry anymore. I'm
17 just determined that I'm not going to sit back and point
18 my finger at anyone and I'm just going to make folks
19 responsible for what they should be doing, do that.

20 CHAIRPERSON BERRY: I very much appreciate your
21 coming and I very much appreciate your testimony. If you
22 have anything additional that you'd like to have us know,
23 you can submit it to us in writing and we'll be happy to
24 read it and discuss it.

25 MR. TYLER: Yes, ma'am.

1 CHAIRPERSON BERRY: Now I'm going to turn to
2 Mr. Ron Nurnberg, who offered to take me to school, which
3 I didn't have time to go to, but let me invite you to
4 give us your testimony.

5 MR. NURNBERG: Thank you. Thank you, Madam
6 Chairman and Commissioners, and thank you for the
7 opportunity to address this distinguished panel and the
8 very concerned audience, albeit small. I was I guess
9 disappointed to see so few people turning out for
10 something that I see as so extremely important in my
11 life, and I think in the life of everyone who lives in
12 Mississippi and particularly the Delta.

13 As someone who has willingly and eagerly moved
14 from St. Louis to Mississippi some four years ago, to
15 pursue an advanced degree at the Center for the Study of
16 Southern Culture in Oxford, I speak from both the
17 perspective of an outsider and as a convert to my adopted
18 state, Mississippi.

19 I was drawn to Mississippi and to the Delta
20 both through years of personal interaction here and
21 through my multi ethnic and multi cultural study of --
22 and fascination for the region.

23 Certain conditions glaringly exist, and I've
24 often referred to the Delta as the land of extremes. The
25 isolation and the physical landscape, the decaying

1 structures that testify to the decades of out-migration,
2 and continual rural brain drain, and blatant images that
3 relay the great disparity in wealth, all speak volumes.

4 Weighted by the burdensome history of tensions
5 that are firmly based in race and in class, differences,
6 much of the Delta area has been left dysfunctional, and
7 unhealthy compared to viable, thriving communities.

8 I think everyone here has noticed that. I
9 think everyone here lives that.

10 Both black and white share in the blame. And
11 thereby, I think we together, Carl and I, and everyone
12 else in this room and outside of this room bear the
13 responsibility of creating the common vision, which Carl
14 was just talking about, in reaching our combined
15 potential.

16 The Delta's greatest resource is its people,
17 both black and white. Through all the testimony you've
18 heard panelists and -- cite the overwhelming realities,
19 tell of the local challenges and present initiatives for
20 building that future.

21 One quickly saw that everyone is working
22 towards a part of the solution, however, I found that
23 there was a huge lack of a united clear vision, and I
24 find that bewildering.

25 I concur with the opinion that education is a

1 great equalizer and the cornerstone from which we must
2 together build, hoping thereby to reduce ignorance,
3 mistrust, and the tensions that divide and separate.

4 I am devoted to the cause of education and I
5 presently act as Executive Director in both the Arkansas
6 and Mississippi Delta for a national nonprofit, Teach for
7 America.

8 As an organization we are committed to the
9 commission that one day all children in this nation will
10 have the opportunity to attain an excellent education.

11 To directly address the teacher shortages and
12 under resourced schools, we recruit recent college
13 graduates from the nation's top universities and
14 colleges, to find individuals who will commit to teaching
15 at least two years at schools with identified shortages
16 and desperate needs.

17 Through this we are also building a growing new
18 leadership in the whole education field. As an
19 organization, we strive to recruit corps members -- corps
20 members at 500 individuals annually, 50 percent of whom
21 our goal is to have people of color.

22 While we have only reached 38 percent this
23 year, we lead the nation which has only eight percent in
24 its population who are people of color. And
25 unfortunately because of real and perceived tensions and

1 the rural nature of our site here in the Delta, only ten
2 percent of our present Delta corps of 47 for second year
3 members, plus 12 alumni, who has taken on their
4 commitment, are people of color.

5 We are fortunate, however, of having 42 percent
6 of our corps as males and we will recruit heavily in the
7 science and math and foreign language fields, which this
8 area is desperately in need of.

9 While we are not the answer, we too are part of
10 the solution which directly addresses the teacher
11 shortage and excellence in the classroom. We have
12 quantifiable evidence of improvement in classrooms and on
13 campus where our teachers teach and start new programs
14 before and after school.

15 Corps members are creating whole new cultures
16 in schools where administrators, teachers, and students
17 have given up or are satisfied with mediocrity.

18 As you heard yesterday from Roger Malkin, who
19 acts as our chair of the Delta Community Advisory Board,
20 we are partnering with business and industry here in the
21 Delta, as well as cultivating and inviting parents to
22 partake in their children's futures and their education.
23 And in spite of all the crushed hope, which you've heard
24 about, which you've experienced, we work with a clear
25 vision and sense of urgency to educate as many as our

1 resources will allow.

2 And it is our dream and particularly my dream
3 that Mississippi will one day be the model for good
4 relationships between black and white and white and
5 black.

6 Thank you.

7 CHAIRPERSON BERRY: Thank you very much, Mr.
8 Nurnberg, and also I would say that if you have anything
9 else you'd like to submit to us, you can. And we
10 appreciate your testimony.

11 Did you want to ask --

12 VICE CHAIRPERSON REYNOSO: Couple quick
13 questions. Mr. Tyler, you gave us four words of
14 importance to your organization, love, respect,
15 discipline, and I just put R, what's the last one?

16 MR. TYLER: Responsibility.

17 VICE CHAIRPERSON REYNOSO: Responsibility,
18 okay.

19 CHAIRPERSON BERRY: All right, thank you very,
20 very much for coming. We appreciate it. Now we will ask
21 to come forward Dr. Hattie Nalls and Mr. Eddie Ross. Dr.
22 Hattie Nalls, Adolescent Family Life Institute, Inc., and
23 Mr. Eddie Ross, who is a farmer, Riverside Planting
24 Company.

25 Could you both raise your right hands?

(Witnesses sworn.)

1
2 CHAIRPERSON BERRY: Please be seated. Dr.
3 Nalls, you've heard the groundrules before and we're very
4 pleased that you wanted to come and talk to us. Are you
5 ready to proceed?

6 DR. NALLS: Yes.

7 CHAIRPERSON BERRY: Please proceed.

8 DR. NALLS: Good afternoon. I'm not here to
9 criticize, grumble or complain. I sat through most of
10 this Commission's hearing, and one of the things that has
11 really concerned me is much of the soft stroking that is
12 seemingly going on.

13 I'm a native Greenvilleian. I was born and
14 raised here. I left for about 14 years to get my
15 training, always with the intent of returning home to
16 work in the community and do exactly what I do.

17 I felt the need to address this Commission
18 because it seemed some crucial issues had not been
19 addressed, and it seemed that a very important segment of
20 the community had not been represented, and I have some
21 questions as to how persons were selected for the panels.

22 But I think it's also important that we get the
23 community perspective, as well as the perspectives of
24 youth in terms of issues that youth are facing today.

25 One of the things that came to mind for me

1 during the discussions was the difference between
2 desegregation, integration, and assimilation. And those
3 words for the most part have been passed around a good
4 bit over the past two days.

5 And I have quite a different perception of
6 desegregation and integration. Desegregation is what we
7 marched and picketed for, and integration is what we got,
8 and integration for the most part has drained the very
9 life fabric from the black community.

10 Much of what we see in public education,
11 elementary, secondary, and higher education, as well as
12 juvenile crime, teen pregnancy, the high rate of drug
13 use, whatever, is strictly an effect of integration and
14 I'll just give you a quick example of what I see as the
15 differences.

16 If you're making Kool-Aid and you have a
17 pitcher of water, a cup of sugar, and a package of Kool-
18 Aid, right? If those items are desegregated, then it
19 means that they have the right to move about freely at
20 will, work where they want to, spend their money where
21 they want to, go to school where they want to, live where
22 they want to. That's desegregation.

23 However, if you pour the sugar into the pitcher
24 and then pour the Kool-Aid into the pitcher, and stir it
25 up to make one entity, that's integration.

1 We marched for desegregation, but what we got
2 was integration. And what we have here in the
3 Mississippi Delta is a whole different animal,
4 assimilation.

5 Assimilation is a process by which persons are
6 forced to adapt to accept the cultural of the majority
7 group, and because this is what we primarily face, then
8 we are in a very unique position here in Greenville, in
9 that -- and let's just use Greenville as an example --
10 because if you look at us on paper, we're lacking
11 nothing. We are -- blacks are in majority on City
12 Council. They are a majority on the School Board.
13 They're majority on the Washington County Board of
14 Supervisors.

15 We have a number of black legislators, House of
16 Representatives. We have several black lawyers. We have
17 several black doctors. As a matter of fact, we're in the
18 unique position here of -- in one church having seven
19 black community leaders under one roof.

20 Now, if they can pray together on Sunday, if
21 they can pray and worship together on Sunday, then we
22 would suppose that they could do something meaningful in
23 the community, but because of this process of
24 assimilation, and the effect that integration has had on
25 us now for almost 30 years, it's impossible to get

1 anything done.

2 The final point that I want to make is that I'm
3 a product of both private and public education. I've
4 attended both all-white institutions, majority white
5 institutions -- well, the light's flashing --

6 CHAIRPERSON BERRY: I'm giving you some more
7 time.

8 DR. NALLS: Okay. I've attended all white
9 institutions as well as historically black colleges, from
10 pre-kindergarten through third grade I was in a private
11 community based elementary school.

12 And fourth through 12th grade I attended
13 Greenville Public School District.

14 CHAIRPERSON BERRY: I'll give you another 45
15 seconds.

16 DR. NALLS: Okay. Undergraduate, Tupugo
17 College, which is a private college. Then I did my
18 master's degree at Delta State University. We had
19 representatives from there yesterday. And I did my
20 doctorate at Old Miss. So I've had a good mix, and just
21 let me say that unless a person goes into any of these
22 institutions with a support system where they are well-
23 grounded, then the outcome is not going to be what you
24 see sitting here in front of you today.

25 And my final comment is that yes, racism is

1 alive and well in Mississippi, and all of its
2 grandchildren live right here.

3 CHAIRPERSON BERRY: Okay, thank you very, very
4 much. Mr. Ross, please.

5 MR. ROSS: I want to thank you all for giving
6 me the opportunity to speak to this panel, and what I
7 will be addressing is this panel, as I understand, is to
8 see that we get equal protection of the law.

9 And when I speak of equal protection, I want to
10 focus on the problem that black and minority farmers have
11 been having. And I'm speaking for myself and all those
12 who have had problems.

13 I want to start with the OGC. Until the OGC is
14 made to enforce these laws --

15 CHAIRPERSON BERRY: Office of general counsel.

16 MR. ROSS: Office of general counsel made to
17 enforce these laws, there will never be a change. We've
18 got a prime case here. Not one black case has been
19 settled. We've got one white filed for discrimination
20 and got 21 million dollar settlement. That was not
21 appealed, through that same Department of Agriculture
22 which refuses to settle one black case.

23 We also have --

24 CHAIRPERSON BERRY: Does the staff have that
25 piece of paper you just had in your hand about a case?

1 Do you have a copy of that? You'll leave a copy of that.
2 Let's go ahead.

3 MR. ROSS: Yes. We also, I would like to say,
4 that the USDA is no different than Texaco or Denny's. If
5 they're caught discriminating, then they must compensate
6 those victims.

7 Now I'd also like to add that every victim of
8 racial discrimination have suffered reprisals for filing
9 these complaints. These local officials, state office
10 officials, even officials on the national level, we have
11 filed complaints on these reprisals. We have heard
12 nothing from these complaints. They either come up
13 missing or misplaced.

14 Another issue that I would like to address is
15 that within the office of the OGC, they are encouraging
16 the state office officials to proceed in these
17 foreclosures. We have letters and documentation where
18 they have actually written the state office telling them
19 that just because we filed a complaint, it don't
20 necessarily mean for you to stop the foreclosure action,
21 you need to proceed with that action, regardless of the
22 litigation and the legal processes that you are going
23 through to try to save your farms.

24 While you're in court fighting, trying to save
25 your farm, they continue to foreclose.

1 And my last -- in closing I would like to say
2 we strongly urge you -- it is you all's duty to give us
3 equal protection under the law, that this is a serious
4 thing that you all need to look into and please urge the
5 Secretary, the OGC, and everyone of them up there, that
6 they are no different than Texaco and Denny's when they
7 violate our rights.

8 CHAIRPERSON BERRY: Okay. Thank you, Mr. Ross.
9 Do you have any copies of any of these letters telling
10 them that they can go ahead and they don't have to stop
11 the foreclosure?

12 MR. ROSS: Yes, ma'am.

13 CHAIRPERSON BERRY: Could you leave a copy of
14 the letter with us so we can follow up on it, the
15 information? We would really appreciate that.

16 And let me, since we have some more time since
17 you didn't use up your time, let me ask a couple
18 questions. First let me ask Dr. Nalls, I would ask this
19 anyway, question. You said that what you have in
20 Greenville is assimilation or integration. I wasn't
21 clear.

22 Did you have assimilation or integration?
23 Which one do you have here in Greenville?

24 DR. NALLS: Primarily assimilation.

25 CHAIRPERSON BERRY: Assimilation. Now, I need

1 to know more in terms of voting rights, was it your point
2 that we should not have elected all of these black
3 officials or was it your point that they're not doing
4 what they're supposed to do?

5 DR. NALLS: Well, I think it's good that the
6 seats are there, but I think that because of what those
7 seats represent, but they should be performing adequately
8 and appropriately to meet the needs of all facets of the
9 community.

10 CHAIRPERSON BERRY: Okay. And you say that
11 they're not. And when you say that they've been sort of
12 captured by assimilation, you mean even black elected
13 officials are behaving to perpetuate assimilation?

14 DR. NALLS: Absolutely.

15 CHAIRPERSON BERRY: Could you give me any
16 example at all of anything that comes to mind, just so I
17 can understand -- make sure we understand what you mean.

18 DR. NALLS: Okay. Let's just look at our
19 school board, for example. The school board is comprised
20 of five members, four of which are black. Most of their
21 decisions are not based on the needs of students or the
22 betterment of the public education system, but are for
23 the most part self-serving.

24 CHAIRPERSON BERRY: I see. So they're not
25 acting in the interest of the people.

1 DR. NALLS: Right.

2 CHAIRPERSON BERRY: What in your view also is a
3 connection between political power and economic power?
4 When I was down here during the forums for the church
5 burnings, several ministers who got up and spoke told me
6 that the fact that blacks had political -- held political
7 office, that's the way they put it, didn't mean that
8 blacks had economic power or that blacks were doing well
9 economically. Do you agree with that or disagree?

10 DR. NALLS: I understand the statement.

11 CHAIRPERSON BERRY: What do they mean by that,
12 what does that mean? How can they have -- if blacks are
13 holding all these offices, how come we see such dismal --
14 you know, some of the economic measures aren't too good?

15 DR. NALLS: Well, again I can use my primary
16 community as an example, that for the most part and I
17 state emphatically for the most part, that the blacks who
18 are in decision-making positions have been hand picked
19 and the system has been manipulated to the point that
20 they have been strategically placed in the positions that
21 they're in, and they're not serving the needs of the
22 black community, but serving the needs of the persons who
23 put them in office.

24 CHAIRPERSON BERRY: I see. Did I hear somebody
25 say amen? Amen, I heard from the audience. Halalulia.

1 Okay. All right. Well, we'll keep that in
2 mind, because tomorrow morning we have a session on
3 politics and voting rights and all that kind of stuff,
4 and what kind of changes have taken place.

5 If you could then leave those materials, Mr.
6 Ross, and we'll follow up, and I very much appreciate
7 both of you testifying. Staff will --

8 COMMISSIONER LEE: Can I just ask --

9 CHAIRPERSON BERRY: Yeah, I'm sorry.

10 Commissioner Lee has a question.

11 COMMISSIONER LEE: Is there any difference
12 between the elected officials compared to the appointed
13 officials, who are African Americans?

14 DR. NALLS: Absolutely.

15 COMMISSIONER LEE: Which --

16 DR. NALLS: Appointed officials -- a good
17 example would be the school board members are currently
18 appointed. As to city government, county government,
19 these are elected positions. So that the community has a
20 larger voice.

21 But even in that, a lot of manipulation goes
22 on, even down to our pulpits on Sunday morning. You
23 know, if a certain minister is given a certain amount of
24 money to preach a certain kind of sermon on who you
25 should vote for, okay.

1 And that's just the reality of where we are,
2 and then when we get into the appointed positions, then
3 it's already decided before it gets into the chamber as
4 to who the person is going to be. It's a very
5 interesting process to watch.

6 CHAIRPERSON BERRY: That was an excellent
7 question. Thank you for that. Thank you very much, both
8 of you.

9 DR. NALLS: All right.

10 CHAIRPERSON BERRY: I would ask Mr. Herbert
11 Williams and Ms. Siggers, Ms. Floy Siggers or is Ms.
12 Leslie Siggers? Ms. Floy Siggers, please come forward
13 and Mr. Herbert Williams please come forward.

14 (Witnesses sworn.)

15 CHAIRPERSON BERRY: Please be seated. Mr.
16 Williams, we're going to start with you. Are you ready
17 to start?

18 MR. WILLIAMS: I am.

19 CHAIRPERSON BERRY: Thank you. Please proceed.

20 MR. WILLIAMS: I'm Herbert Williams. I happen
21 to be a farmer of Warren County. I was an individual
22 farmer for approximately 1974 up until '90. I started
23 dealing with Farmers Home. My first ap, I turned in the
24 application on January 1st. Somewhere around -- I can't
25 pinpoint the day, but it's approximately 90 days receive

1 the loan.

2 In that it was a supervisor bank account. But
3 first if you all allow me, I'd like to address myself, I
4 believe in putting God in everything I do. You all may
5 not believe in it, but the scripture say, "Work without
6 faith is dead and faith without work is dead."

7 So that is -- out of all the effort that we put
8 forward and the working that we've done, somehow or
9 another there's a stumbling block.

10 So as we go on and do anything, it will make it
11 briefly, because it doesn't take me long to get the point
12 across.

13 After doing this, there's a lot you can do on
14 paper and not out in the field farming. In these rules
15 and stipulations that they have, among Congress, Farmers
16 Home, you might be a change in name two or three times,
17 but anyway, you had to abide and be governed by the rules
18 that they have.

19 And in those rules, you borrow this money, you
20 put down what you're going to put in there, soybeans what
21 you're going to put in the corn, what you're going to put
22 in your cotton.

23 However, you still have to put insurance this
24 amount of money. So you don't use as much money on corn
25 due to the weather. You don't use as much money on beans

1 due to the weather. However cotton takes more, which I
2 draw all three of them.

3 And during that time that I run across these
4 cases up until now, I didn't spend as much money on
5 beans, don't spend that much money on corn, but still the
6 money is there. I can't use that money to correct a
7 problem in the cotton, when they already got it down,
8 that you can't use it but still you got to pay the
9 insurance on this money, and you're getting grown up in
10 cotton, it's cotton you can't pick, so these kind of
11 issues boils down to this.

12 You've got a bank of supervisor, over this the
13 first year, and I been in this case for three years.
14 After the first year and you prove that you can supervise
15 your money, the issue of it -- that should be gone, but
16 they been supervising my money for the last three years,
17 and I went to them and told them in 1995 that I had to
18 have money for certain things.

19 They said what is for this, this and that.
20 They don't -- you have rain all through the week and on
21 the weekend you get to work. Nobody in the office to
22 give you a check to proceed on, so you're losing right
23 there on spraying or whatever, if you ain't got somebody
24 down the line, and back up -- like when I first started
25 farming, went to Farmers Home, I asked for some question

1 I bought one tractor.

2 They allowed me to buy one tractor. No farm
3 equipment to go with it or nothing. It so happened I
4 have a neighbor down the road that I been helping, after
5 they told me, we'll buy you one tractor, why don't you
6 try to rent one.

7 But by me being -- been farming since I ws 12
8 years old with my dad, right on down the line, and
9 sharecropping and all this, I had all the experience in
10 the world. There was folks putting money up and I was
11 doing the work, so I decided to do this for myself to
12 make a better living for myself, so these issues that I
13 found that I was qualified to do.

14 Proved the first year that I was qualified to
15 do a crop and paid out all but \$300, due to the fact that
16 the weather had a disaster the same year and like 300 for
17 paying out, so still I'm under the same category of
18 farming with them supervising my money. Well, now they
19 boil down last year, I couldn't even get a check but one
20 day out of a week. That's on Thursday. What am I going
21 to do the rest of the days that I'm suppose to be
22 farming, and everything grew up. I can't go buy
23 chemical. I can't go buy this unless they don't point --
24 one check on once a week, supervising your bank account,
25 when I'm available to be able to supervise all this

1 myself.

2 Point blank, there's a young man came in after
3 I did, been farming since I have, a lot younger than I
4 am, first year passed by, he got his money and entitled
5 to farm on his own, but he -- I know this for a true
6 facts.

7 Goes back in, tells the man what about my
8 application. First year in 1996. He said oh, I forgot
9 about it.

10 My application was the first one turned in. He
11 did three or four more white applications than mine,
12 still laying in the drawer somewhere.

13 That's what's going on in Warren County, and
14 now some new folks that have been forced to retire, and
15 we can't deal with them no more. Probably can, but they
16 done retired.

17 I want to thank you all for allowing me to say
18 what I had to say.

19 CHAIRPERSON BERRY: Okay, thank you very much,
20 Mr. Williams. We're very happy to have you come and
21 express your views. Ms. Siggers, we're happy to have you
22 with us. Could you proceed?

23 (6:00 p.m.)

24 MS. SIGGERS: I am Floy Siggers from Tunica,
25 Tunica County, Mississippi. I'd like to thank the panel

1 for allowing me -- I have a cold, I've been ill -- I'd
2 like to thank the panel for allowing me to speak.

3 I do not come before this panel as an educator.
4 My education is limited, but I am a mother. I am a
5 grandmother, and I am a great grandmother, and I am
6 concerned about Tunica County.

7 We have been having problems ever since 1968
8 with our school problem in Tunica County and now the
9 state only finds eight years of problems. What happened
10 to the other years?

11 I'm coming before the U.S. Commission on Civil
12 Rights when you say civil rights, you know you'll get --
13 you know, this is somebody going to help me. So help me
14 to see what happened to the other years of these schools?
15 What happened to the grades and to the teachers' salaries
16 and the teachers' insurance?

17 I didn't bring any papers because I only found
18 out about ten o'clock last night about this meeting.
19 It's a jumped up thing, but you all will be getting a lot
20 of papers from me.

21 I will see to that. We're having problems in
22 our city. They don't want blacks to build in the city
23 limits. They tried to stop that. They don't want blacks
24 to move into the city limits. They turned down \$500,000
25 because they had to build houses for minority. They sent

1 that back, but they had to receive it back because they
2 was threatened that they could not ask for any more money
3 if they did not receive the \$500,000.

4 But the \$500,000 is still laying in Tunica
5 County. Nobody doing nothing about it.

6 The mayor say he got his business to tend to,
7 but \$500,000 isn't worth him tending to. We would like
8 to know what's happening to that.

9 We would like to know why on the board, the
10 State Board of Education you have Mr. Harris, who was the
11 assistant superintendent of education in the past of
12 Tunica County, was sitting on the board, read a letter
13 from the attorney general stating about this.

14 He said he had no malice ill against no one.
15 But yet he was sitting on that board. Now, Mr. Harris
16 and his crew from Ponatoc, Mississippi, was the one
17 training the teachers.

18 Now, if the children fail so bad, when do you
19 blame Mr. Harris at? He was the expert. He was the one
20 on the board. And then they took the school -- said
21 they're going to take the school over from us.

22 We come before the civil rights division to ask
23 you if you could support us in getting a lawyer to stop
24 this, or whatever information you can do, we are willing
25 to go back and do it.

1 Now, most of the time when blacks go before a
2 board of any kind to ask for help -- I'm speaking about
3 Tunica County now -- you have to have a thousand
4 signatures before they will even listen to you.

5 Now, if I have to have those thousand
6 signatures, today is Friday, Tuesday I have a thousand
7 signatures to you, Ms. Berry, if I have to have them. If
8 you will say that you all will try to help us. This is
9 all we are asking.

10 We are not asking you to come in and just do.
11 We are coming in and asking you to be a little push to us
12 where we can do something for ourselves. Thank you,
13 ma'am.

14 CHAIRPERSON BERRY: Okay. Anybody want to ask
15 either one of them anything? I will -- as I understand
16 what you're saying, Ms. Siggers, is that the state has
17 decided to take over the schools in Tunica, is that the
18 point?

19 MS. SIGGERS: Yes, ma'am.

20 CHAIRPERSON BERRY: And that you want us to
21 look into -- and this Mr. Harris was there and is on the
22 state board, is the one that's deciding to do this?

23 MS. SIGGERS: Yes, ma'am. And he was also on
24 the -- you know, the head of team of educators to come in
25 to train the teachers. You know, and everything. And

1 this is something, you know, like I say, I came before
2 you all, I'm not educated, you know, and I'm not going to
3 pretend.

4 But I want to know why you're going to hire a
5 teacher and you got to carry him to school every week.
6 Now, I know my time is up --

7 CHAIRPERSON BERRY: I understand. I asked you
8 the question, so you can answer.

9 MS. SIGGERS: I have -- see, I have a daughter,
10 but it's adopted, and she missed three days out of
11 school, which I didn't send a doctor's statement, you
12 know, with me. I gets a letter saying that they -- if
13 she missed another day out of school, they will take her
14 ADC away, which my granddaughter do not draw, you know.

15 CHAIRPERSON BERRY: She doesn't draw it, okay.

16 MS. SIGGERS: No, ma'am.

17 CHAIRPERSON BERRY: So they got her confused
18 with somebody else.

19 MS. SIGGERS: Yes, they must have, you know.
20 And everything, and see, I'm saying -- why would you have
21 to train a teacher every week and you have -- when that
22 teacher go to work, that teacher is supposed to know what
23 she's doing. If you hire me to go in your kitchen,
24 you're not going in there and train me every day.

25 I'm supposed to know what to go in your kitchen

1 and do.

2 CHAIRPERSON BERRY: Okay.

3 MS. SIGGERS: And I feel like that that's waste
4 of money. See, now they tell you if your children miss
5 so many days, that they're going to take your money, they
6 scam a lot of us, you know. We want the money.

7 But every Wednesday at 12 o'clock children is
8 turned out of school, whether they told me about that
9 happened --

10 CHAIRPERSON BERRY: I see.

11 MS. SIGGERS: That half a day is mounting up.

12 CHAIRPERSON BERRY: I see, it's adding up too.
13 I tell you what, okay. Well, we will follow up. We will
14 receive any paper you send us, and staff will try to find
15 out what's going on about the farming issue, we already
16 know some things, so we can follow up.

17 But on this issue we'll have to follow up.
18 Were you about to say something?

19 VICE CHAIRPERSON REYNOSO: I just had one
20 question I wanted to ask Ms. Siggers, because you
21 mentioned that you've had these problems in Tunica County
22 since 1968.

23 MS. SIGGERS: Yes, sir.

24 VICE CHAIRPERSON REYNOSO: But there's only
25 been a focus on the problems eight years ago, and just

1 for the record, I wanted you to point out what happened
2 eight years ago that would --

3 CHAIRPERSON BERRY: -- the focus?

4 MS. SIGGERS: Eight years ago you got a black
5 superintendent of education.

6 CHAIRPERSON BERRY: Okay.

7 MS. SIGGERS: And after we got the black
8 superintendent of education, nothing was right.
9 Everything was wrong. Then the students got dumber, you
10 know. And this is true.

11 CHAIRPERSON BERRY: What else has happened in
12 Tunica in the last eight years that didn't exist before?
13 I guess how long have they had the casinos and the
14 gambling and everything?

15 MS. SIGGERS: Well, we had one -- I've been
16 trying to think of his name, but I'll get that to you.
17 We had one gentleman came from the State Education
18 Department one night to the Board of Education meeting.
19 He told us -- we was asking him what could we do, you
20 know, to help, you know, to try to bring the children's
21 schools up, you know, and everything.

22 He said regardless to what you do, the state is
23 still going to take you over, because they want a piece
24 of the pie. They wants money from the casino now, how
25 they going to get it? I don't know. I guess that's up

1 to them.

2 CHAIRPERSON BERRY: Well, we'll figure it out,
3 okay?

4 MS. SIGGERS: All right.

5 CHAIRPERSON BERRY: And we thank you for
6 bringing this to us and I guess you drove all the way
7 over here?

8 MS. SIGGERS: Yes, ma'am.

9 CHAIRPERSON BERRY: Or down here, not over
10 here.

11 MS. SIGGERS: Yes, ma'am.

12 CHAIRPERSON BERRY: All right. We appreciate
13 your coming. And Mr. Williams, we appreciate your coming
14 and we will follow up with this.

15 MS. SIGGERS: Thank you, ma'am.

16 CHAIRPERSON BERRY: Now we have Ms. Lisa
17 Burchfield. Isn't the that last person? And -- is there
18 somebody else? Ms. Siggers? Ms. Siggers -- okay, all
19 right. Then it's just -- we have Mr. Ernest Holmes. Is
20 that Mr. Holmes here? You're Mr. Holmes. Could you
21 both raise your right hands?

22 (Witnesses sworn.)

23 CHAIRPERSON BERRY: Please be seated. Ms.
24 Burchfield, thank you for being here and are you ready to
25 proceed?

1 MS. BURCHFIELD: Yes.

2 CHAIRPERSON BERRY: Please start then.

3 MS. BURCHFIELD: All right. I'm kind of
4 nervous now.

5 CHAIRPERSON BERRY: Don't be nervous. Don't be
6 nervous. We're just home folks here.

7 MS. BURCHFIELD: Okay. My name is Lisa
8 Burchfield, and I've been here 32 years in Greenville,
9 Mississippi.

10 One day about 12 o'clock noon two officers beat
11 a young man so bad till I have nightmares right today
12 about it. I don't know the young man's name or nothing,
13 but I don't want to talk about it, but anyway, they
14 brought him at the house and he was handcuffed, and one
15 of the officers were holding him behind his back while he
16 hand the handcuffs on, and the other office was just
17 beating him all in his face and in his head and the other
18 officer that were holding him behind his back, hit him
19 also.

20 And they beat him so bad, they beat him so bad.
21 You know, I hollered, somebody come, they're going to
22 kill him, they're going to kill him, and they throwed him
23 against the fence. They kicked him and they beat him.

24 And the paramedics that was there, and other
25 officers had to come out the house and restrain this

1 officer, because he was really beating this boy real bad.

2 And you know, it wasn't right. You handcuff
3 and you getting beaten like that, that's not fair.

4 Looked like they're waiting till they put the handcuffs
5 on you and get you out of the house, then they beat you.

6 It's true, I didn't believe it, but I saw it.
7 It's real. And they beat him so bad.

8 And I want to know to the mayor, to the fire
9 chief of the Greenville Police Department, not the fire
10 chief, the chief of -- I'm going to call their name --
11 chief of the Greenville Police Department, why is that
12 when an officer beats a man, why is the man is charged
13 with assaulting a police officer? Why is not the officer
14 charged with it? That's not fair.

15 You know, they spray pepper spray, they beat
16 you, they goes into beauty shops and tear up your beauty
17 shops, and don't replace nothing, you got to pay for
18 everything. It is not fair.

19 I went to the Internal Affairs about it. They
20 all told me, just hold on for a minute. I seen nobody.
21 I went there to witness what I saw, and they did not see
22 me. Nobody. And I think every officer -- I wouldn't say
23 every -- it's some good professionals, and there's not,
24 but I think the chief and the rest of them to be
25 investigated, because it's all under cover. They try to

1 cover what's going on. People have been beaten
2 seriously. It's real. They put the handcuffs on you and
3 they beat you. They beat you, baby. You hear me?

4 And nothing is done about it. You don't hear
5 about it no more. Up under the table, they left them out
6 -- on his own recognizance, but after they found out that
7 I witnessed it, then they want to say okay, we're going
8 to charge you with assault on a police officer. No, he
9 did not. He couldn't hit back. He was handcuffed and
10 the other officer holding him.

11 When -- letting the officers beat him and they
12 both was white officers. And I just -- it just needs to
13 be something done about it, because it's not fair and
14 it's not right and I'm not afraid to tell what happened,
15 because my high power, which is God, protects me, and I
16 thank you.

17 CHAIRPERSON BERRY: Well, if you -- I assume
18 you did in the intake, but if you can give the staff some
19 idea of when you -- around the time in which this would
20 happen, so they can further identify.

21 MS. BURCHFIELD: Yes, ma'am.

22 CHAIRPERSON BERRY: And make inquiries.

23 MS. BURCHFIELD: Yes, ma'am.

24 CHAIRPERSON BERRY: Or have inquiries made,
25 which we will monitor. You can do that and then we can

1 follow up on it.

2 MS. BURCHFIELD: Yes, ma'am.

3 CHAIRPERSON BERRY: But we very much appreciate
4 and just hold on just a second.

5 MS. BURCHFIELD: I appreciate you all.

6 CHAIRPERSON BERRY: Mr. Holmes, are you ready
7 to proceed?

8 MR. HOLMES: Yes, ma'am. I'm Ernest Holmes and
9 I'm a member of the Washington County Board of
10 Supervisors, District 5, and listening to Dr. Nalls, I
11 have to agree with her about local officials, African
12 Americans being on boards, we don't even know if you have
13 a predominant black board in Washington County, the way
14 the votes go, and with some of the things that have been
15 presented to them, arguing -- that would support blacks
16 economically, and then on job discrimination.

17 Now, we have three blacks on the Washington
18 County Board of Supervisors. But we still do not have
19 equal employment opportunities. From an example,
20 recently there were three jobs that came open and when
21 these jobs came open, the county administrator suggested
22 to the Board of Supervisors that they need to phase the
23 job out and consolidate the services with the roll of
24 manager, which I disagree.

25 And the only reason they did it is because a

1 black was in position to move up to a top level job. Th
2 blacks who were hired in Washington County employment
3 system is on the lower level job paying level, which I
4 disagree with.

5 And the only reason that two is getting ready
6 to move up -- and this is one in waste management and
7 another young lady who is in Parks and Recreation,
8 because I threatened to file a suit against my
9 colleagues, and when the word got out that I had
10 contacted CEO or some member of SCLC, I was going to ask
11 SCLC to file -- if not, file it myself, and the lawyer
12 for our organization -- the word got out, the young lady
13 will move into a second position as an assistant, who wa
14 doing the assistant work all the time for the past three
15 or four years, in the absence of the mayor, white mayor,
16 who also was underpaid.

17 And so they raised his salary up about two
18 months ago and then gave her an assistant, and she make
19 about 100 plus or 200 dollars less, so that was good.

20 But the only problem we've having in Washington
21 County is discrimination is really widespread and
22 prevalent. And I listened this morning -- some of the
23 people who were testifying were sugar coating these
24 issues, and you caught a couple of them, Ms. Berry, and
25 you know, and I think you all caught -- everything -- th

1 only person that I really seen that I really know of was
2 Mr. Walker. He was straightforward. We call came from
3 the same schools.

4 And I seen some others, but what really puzzled
5 me, and this is in reference to what Ms. Nalls said, how
6 these were selected to come to testify? When there was
7 people like Orns Brooks who was in the movement in Corps
8 and he came in after Corps. I came in with Corps -- I'm
9 a native here, and there's -- we have another lady who --
10 Margaret Carey, who was in the civil rights movement --
11 fights for voters rights. I didn't even see her name,
12 but when I seen one name that I'm -- I'm not going to
13 call no names, but I could have cried because he's a
14 colleague of mine -- and he never was a part of the
15 movement.

16 You know, this bothers me. It bothers me when
17 I look down and see these different people but when I
18 seen Rims Barber, I could shout because Rims Barber -- in
19 the civil rights movement he lived right in the black
20 neighborhood, and we all worked together. You see, but
21 it bothers me -- it bothers me when you pick these people
22 and say -- and I have been going around all over
23 Washington County speaking and I call some of the people
24 that you all picked, artificial negroes.

25 CHAIRPERSON BERRY: What did you call them?

1 MR. HOLMES: Artificial negroes.

2 CHAIRPERSON BERRY: Artificial.

3 MR. HOLMES: And I want to know how come you
4 picked artificial negro and pick the poor African
5 Americans like myself? Thank you.

6 CHAIRPERSON BERRY: What did you say about
7 Margaret Carey?

8 MR. HAILES: Margaret Carey is someone who was
9 interviewed and known to our staff, and she was invited
10 to testify and we understand that she is out of the
11 country right now and was, therefore, unavailable, and
12 the staff believes she would have made a tremendous
13 contribution in terms of the information and analyses
14 she's performed in the past to this panel and we were
15 quite disappointed that she was simply unavailable, but
16 she had been initially invited.

17 MR. HOLMES: See, I was crying -- as a matter
18 of fact, I work with him in redistricting in other civil
19 rights activities. So that's why I was concerned about
20 that, and I was also concerned about Orin Brooks, who was
21 also was a plaintiff in cases. As a matter of fact a
22 lead plaintiff, and I didn't see his name and that's --
23 you know, that bothers me because we have been out there
24 so long on the battlefield and things haven't gone done.

25 If anybody tells you things got done in

1 Washington County and Greenville, they're getting worser.
2 Educationally they're getting worser.

3 We would have -- again, I was talking about
4 artificial negro. We have an artificial negro down at
5 the State House who's trying to stop one of the best
6 black men from going on the school board and trying to
7 find all kind of ways, because of the whites working the
8 system. He worked in the system some 30 some years and
9 we grew up together, we grew up together, and we got an
10 artificial negro down there trying to stop him.

11 See, and that don't make no sense. When this
12 man got plans on how to develop a good, safe school, and
13 we got a group of people can work -- trying to find ways
14 to -- the school system, and he's out there fighting the
15 man, because he's a part of this game in -- this gaming
16 industry. And we're not going to tolerate it. I'm not
17 going to tolerate it. I'm not afraid. And these are
18 some of things that I feel like we need to look at and
19 education we do we have discrimination in education.

20 I heard the gentleman from Governor's Fordice's
21 office trying to run a game, and Governor Fordice don't
22 care nothing about education, particular historical black
23 colleges. He wants to close by alma mater, so I'd just
24 like to see -- I know Dr. Sutton probably did a pretty
25 good job -- I didn't get a chance to listen to Dr. Sutton

1 but I know he did a good job. But I'm asking you put a
2 deaf ear on some of those who are trying to sugar coat
3 how good the relationship, race relationship is, how good
4 education is, how much money they're trying to put into
5 education, but they don't want to raise the teacher pay.

6 Just keep a good close ear and then in this
7 tomorrow, pay attention to some of the persons on that
8 board or what they're going to say. I know you can get
9 some good information from them Ms. Blackwell. I'm not
10 worried about her. But just keep your eye on some of the
11 others. Thank you.

12 CHAIRPERSON BERRY: Okay. We very much
13 appreciate your remarks and that's why we have open
14 forums so we can hear from people and we appreciate
15 hearing from you and thank you very much.

16 MR. HOLMES: Thank you very much. I'm glad you
17 had open forum because I was mad because I wanted to
18 testify.

19 CHAIRPERSON BERRY: All right. Is that it?
20 Okay. That concludes our hearing today. The hearing
21 will reconvene at 8:30 a.m. tomorrow in this same room
22 for another half day of testimony, and our topic will be
23 Voting Rights in the Mississippi Delta. As is customary
24 with Commission hearings, the record will remain open for
25 30 days during which any of the witnesses can submit any

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STATE OF GEORGIA)
COUNTY OF GWINNETT)

I hereby certify that the foregoing transcript is a true, correct, and complete record of the said proceedings; that I am not a relative, attorney, or counsel of any of the parties; am not a relative of attorney or counsel for any of the parties; nor am I financially interested in the action.

This, the 11th day of March, 1997.


Ralph L. Ledford