

The civil defense commission has six members. No blacks.

The county welfare services commission has 14 members. No blacks.

And it just goes on and on. So that's—

MR. POWELL. This is in a community where during the last 20 years the black population has consistently been about 35 percent of the total. Is that correct?

MR. BLEVEANS. That's correct. And I would offer on that point in connection with the lawsuits we have pending I secured a statement from the Director of the Census, Mr. Brown, which states the population by race for the county and the city as compiled from the censuses of 1950, 1960, and 1970, which I would share with you if you'd like.

MR. POWELL. May we have that for the record?

MR. BLEVEANS. You certainly may.

(Whereupon, the document referred to was marked Exhibit No. 16 and received in evidence.)

MR. POWELL. Mr. Bleveans, how are members appointed to local boards and commissions?

MR. BLEVEANS. Well, it depends on the board, but you could say generally that city boards—the members of city boards—are appointed by the mayor with the consent of the city council.

County boards are usually appointed by the chairman of the county commissioners, sometimes with, sometimes without, the consent of the other two commission members.

There are a few that are appointed by other people. For instance, the airport authority, if you noticed our airport out north of town, that has five members. All of those are white. That board is appointed partly by the circuit court of Alexander County and partly by the mayor of the city of Cairo, so it's mixed.

But generally it's either mayor's appointments, county commissioners' appointments, or a combination.

MR. POWELL. Are public announcements generally made to inform the citizens of Cairo when vacancies exist on these public bodies?

MR. BLEVEANS. No. And that is also part of the public record, because it's been filed in the court. Part of the proposed decree that we filed in both of these cases, the housing authority and also the public utility commission, we have asked the court to require publication of this sort so that people know when these appointments are coming up, when the vacancies are occurring, so that interested people and groups can provide names of people that would serve and accept appointments.

MR. POWELL. Mr. Bleveans, as I understand it, you have compiled statistics reflecting the employment policies of the public utilities commission. Again drawing only upon information of public record, would you please summarize these statistics for us?

MR. BLEVEANS. Yes, and it's very easy. They have 25 employees and all of them are white. And this is in a city that this exhibit I provide you shows as of 1970 had a population of 37.4 or 37.5 black. And they have no black employees.

MR. POWELL. Does this public utilities commission have any educational or physical qualifications that you are aware of which would account for its failure to hire black employees?

MR. BLEVEANS. I will refer for that answer to answers to interrogatories that were filed in the suit, and the answers were of course filed, and those are also public record. There haven't been any—at least since 1967 and as I recall that's how our interrogatory was framed—there haven't been any educational requirements for employment nor have there been any height, weight, or sight requirements or preferences for employment by the public utility commission.

MR. POWELL. Has your office also compiled statistics regarding the employment policies of the county housing authority, Mr. Bleveans?

MR. BLEVEANS. Well, pursuant and in connection with the lawsuit, yes, we have, and those facts are also of record, public record.

MR. POWELL. Would you summarize that for us?

MR. BLEVEANS. Well, the housing authority as far as I can tell—and let me just read you a part of a document entitled "Pretrial Submission" which is on file with this court. It says, "At least"—and this was drawn from answers to interrogatories, by the way—"At least since November 18, 1959 the Authority has not advertised any job openings in the Authority work force. The Authority has not solicited new employees through the use of union referral services, private employment agencies, newspaper advertisements, or the Illinois State Employment Service, nor has any representative of the Authority visited or contacted any union, school, college, training-work experience or other sort of agency for employees."

So my experience in Title VII cases when I was with the Government was that generally employers sought employees through word of mouth. Present employees tell their friends there's an opening, and then they go fill it. And although it's not of record, I speculate that that same thing may pertain here.

MR. POWELL. Mr. Bleveans, does the housing authority have a written program of equal employment opportunity?

MR. BLEVEANS. Part of their contract with HUD—I can't recall the exact section of the contract; it's called an annual contributions contract—states that, well, at least in employment matters anyway, in hiring—It's the usual Federal language about, you know, they won't discriminate.

MR. POWELL. Are there any specified educational requirements for positions with the authority, Mr. Bleveans?

MR. BLEVEANS. Educational requirements, no.

MR. POWELL. Madam Chairman, I have no further questions.

COMMISSIONER FREEMAN. Commissioner Mitchell?

COMMISSIONER MITCHELL. Mr. Bleveans, one of the more heavily federally subsidized industries would be I should think, especially in this area, that which takes place up and down the river—river traffic, barges, and the like. Have your studies taken you into that area at all?

MR. BLEVEANS. Well, only informally. I'm aware that—through people who have been in and around the river business all their lives—that the river business generally—now, this we're talking about regulated barge lines now—that is an all-white operation except for, you know, not enough exceptions to talk about.

COMMISSIONER MITCHELL. Have you ever pursued that in any way?

MR. BLEVEANS. No. We are bound as lawyers, you know, not to solicit business. And we have never had a person, for instance, who had an unfortunate experience trying to get a job on the river come to us and say: "What can you do for me?"

MR. POWELL. Has it been your observation that there is a good deal of Federal money coming into this area in the form of subcontracts through local business? When we talk about—

MR. BLEVEANS. I know there are, yes.

COMMISSIONER MITCHELL. I beg your pardon?

MR. BLEVEANS. There are a lot, yes.

COMMISSIONER MITCHELL. There are?

MR. BLEVEANS. Yes.

COMMISSIONER MITCHELL. Do you see evidence of affirmative action programs in effect or would you guess there is general compliance with the requirements of Federal contractors and subcontractors with respect to employment?

MR. BLEVEANS. No, because my experience has been that, as someone pointed out earlier, that this—For some reason, you know, the part of the contract that says "make the product, and this is how you will make it" and all those things, all those contract provisions are very important and everybody knows what they are, but when it gets down to that bit about affirmative action or you won't discriminate against blacks, that seems to be an appendage which nobody seems to care about.

And without the enforcement and without the threat of a contract rescission based on noncompliance with a nondiscrimination clause, who is going to do it? I mean, you know, they don't do it unless they have to.

COMMISSIONER MITCHELL. You would suggest then a fruitful line of investigation for the Commission might be an examination of the frequency with which compliance investigations take place in this area?

MR. BLEVEANS. Yes, and I assume that you'd be met with the same thing you have been met with before—that they don't have the staff. They can't handle it. They can handle other things, but this is something they can't handle.

COMMISSIONER MITCHELL. Yes.

MR. BLEVEANS. And it's very discouraging. I don't mean to make light of it but—

COMMISSIONER MITCHELL. That's not necessarily always the case. But it's discouraging. Thank you.

COMMISSIONER FREEMAN. Mr. Buggs, do you have a question?

MR. BUGGS. No.

COMMISSIONER FREEMAN. Thank you, Mr. Blevens. You may be excused.

Mr. Powell, will you call the next witnesses?

MR. POWELL. Madam Chairman, the next witness is Mr. Fred Wood, a panel of witnesses; he is to be accompanied by Mr. Lewis Thomas and Mrs. Sarah Jane Clark.

Madam Chairman, these witnesses will be questioned by Mr. Michael Smith, Staff Attorney with the Commission.

(Whereupon, Mr. Fred Wood, Mr. Lewis Thomas, and Mrs. Sarah Jane Clark were sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF MR. FRED WOOD, JR., CAIRO COORDINATOR FOR THE SHAWNEE DEVELOPMENT CORPORATION; MR. LEWIS THOMAS, DIRECTOR, MAINSTREAM PROGRAM; AND MRS. SARAH JANE CLARK, STAFF MEMBER, SHAWNEE DEVELOPMENT CORPORATION

MR. SMITH. Beginning with Mr. Thomas, will you please state your names, occupations, and addresses for the record?

MR. THOMAS. My name is Lewis Thomas with the Shawnee Development Council. I'm supervisor of a government program funded by the Labor Department known in Cairo as Operation Mainstream.

MRS. CLARK. Sarah Jane Clark. And I'm a Neighborhood Youth Corps project director with the Shawnee Development Council, Karnak, Illinois.

COMMISSIONER FREEMAN. Will you speak into the microphone, please?

MR. WOOD. Fred Wood, Jr., Alexander County coordinator for the Shawnee Development Council, Cairo, Illinois, area.

MR. SMITH. Mr. Wood, will you please describe, very briefly, what the Shawnee Development Corporation is, particularly with regard to its program in Cairo?

MR. WOOD. Okay. Well, first I might explain that it's a five-county operation with a local office here in Cairo as the sponsor agency for several programs that we have in operation, OEO programs and also Department of Labor programs.

We have three Department of Labor programs; two NYC programs, and one Operation Mainstream program operated in Cairo. We also have emergency food and medical programs.

COMMISSIONER FREEMAN. Just a minute, please. We seem to be having difficulty hearing you, Mr. Wood.

MR. WOOD. Sorry.

COMMISSIONER FREEMAN. Can you speak into the microphone?

MR. WOOD. Okay. We have three Department of Labor programs operated in Cairo; two NYC programs, one Mainstream program. We have an outreach referral program. We have an emergency food and medical service program. We also have a youth program that we operate through our office.

MR. SMITH. The Department of Labor programs, those are Mainstream and NYC—Neighborhood Youth Corps? Is that correct?

Mr. WOOD. Right.

Mr. SMITH. Would you please describe these two programs in a little more depth, just a couple of sentences about each one?

Mr. WOOD. Operation Mainstream deals with—The age group criteria is 22 on up, with no education requirements.

The work-training program, I think we have a total of 76 people that are working on the project here in Cairo.

The NYC program, the neighborhood program, Neighborhood Youth Corps program, we have an in-school program that deals with high school students from ages 16, 17 years old.

Mr. SMITH. About how many enrollees are there in that program?

Mr. WOOD. Forty-two.

Mr. SMITH. In Cairo?

Mr. WOOD. Right.

Mr. SMITH. Could you give us an estimate on both the Mainstream program and the NYC program about what percentage of the makeup of that enrollment is black?

Mr. WOOD. Mainstream program I would say would be about 60 to 65 percent black.

Mr. SMITH. Mainstream?

Mr. WOOD. Right. Neighborhood Youth Corps would be about 50-50. 75-25. I'm sorry.

Mr. SMITH. Seventy-five percent black? Is that right?

Mr. WOOD. Right.

Mr. SMITH. Mrs. Clark, does the Neighborhood Youth Corps program make vocational training available to its enrollees?

Mrs. CLARK. We have two Neighborhood Youth Corps programs, one for the high school attending student which provides work experience. We have another program for dropouts called NYC-2. We have 50 enrollees in the five counties served by Shawnee Development Council. The majority of these are enrolled at the Cairo Adult Vocational Training Center. We have about 36 persons from the five-county area who come into Cairo.

We have 12 of our students are back in the regular high school completing their senior year of studies, and we have two students in a beauty school in Marion, Illinois.

Mr. SMITH. Let me ask you this. Do you feel that, by and large, those who are enrolled in programs—Upon graduation from these programs do you feel that they are adequately qualified for their chosen professions or vocations?

Mrs. CLARK. These dropout students come to us at ages 16, 17 years old. We enroll them in what we call a 2-year employability plan which combines education, vocational training, remedial education, whatever is necessary so that within a 2-year period hopefully we will bring them up to an employable level.

Now, when they leave us perhaps to take private employment or go on to further training they are only about 18 years old. The job market for 18-year-old or teenage employment in this area is very

limited. The jobs that are available—The merchants, everyone, can be pretty selective about who they hire because the jobs are so few.

MR. SMITH. Mr. Wood, is your experience also that jobs for young people in this area are inadequate or unavailable?

MR. WOOD. Yes, they are.

MR. SMITH. Let me ask you this. Do you feel that job prospects for young black people in this community are any less adequate than job prospects for white young people?

MR. WOOD. I feel this way. With reference to young people as a whole?

MR. SMITH. Yes.

MR. WOOD. Okay. Young people I feel have a tendency to—Black people here are frustrated, you know, after they finish their high school education, or what have you, for the lack of opportunities, availability of job opportunities here in the area. They move on elsewhere, to larger metropolitan areas, you know, to find some type of employment to make their living.

Another possible cause—Because there are so many people I think from the surrounding areas such as across the river from the larger manufacturing plants here that do not hire, you know, local people—They haven't hired local people until recently, you know. Kentucky and Missouri people were taking a lot of jobs away from the younger people.

MR. SMITH. So you are saying that the employment by local employers, mainly larger employers, of out-of-State residents puts greater pressure on this community?

MR. WOOD. Right.

MR. SMITH. Mr. Thomas, you stated that you are the administrator of the local Mainstream program in Cairo?

MR. THOMAS. That's supervisor, sir.

MR. SMITH. Supervisor?

MR. THOMAS. Yes, sir.

MR. SMITH. What has been your experience in attempting to place black Mainstream enrollees with local government agencies?

MR. THOMAS. I haven't been able to do so, sir. I have tried. For instance, I can give you—We had a lady on our program which was a white lady, and at the time the city officials, some of them resigned, retired because of age—Well, I had a lady who was still working on the program. When the program broke up, well, I told her she had to go. I mean this was the last day of the program. But the city held her on until my program broke up. Instead of them hiring this lady what I had over there, the white lady, they hired two more people.

Now, when my program broke up I had to let this lady go. They wanted her back. I told her that I wasn't going to let her go back because they could have hired her if they wanted her.

So they said they wanted a secretary. I told them I'd bring them one. Well, they had a meeting at city council, and I went there that evening about 3 o'clock and I went in with a black woman. And they didn't want her. They didn't want no secretary at that time.

MR. SMITH. They had asked you for a secretary?

MR. THOMAS. They had asked me for one, but when I stepped in with the black lady they didn't want none at that time.

MR. SMITH. They changed their mind?

MR. THOMAS. Yes.

MR. SMITH. Can you think of other examples of similar situations?

MR. THOMAS. Yes, sir. Before this new Commission got in at the jail house, this other fellow who was the maintenance man resigned. He was a black man. So I had one working there and I asked them about giving the job—Our contract reads that wherever we hire someone and they get a sufficient amount of training, after a certain length of time if a job should come open our people will have first priority.

Well, when this fellow resigned I had a young man there who could take over the job but instead of giving it to the black man they reached out and got a white man for the job, and I never knowed them to have a white jailer in this town since I been here.

MR. SMITH. Even though the black man was qualified for the job?

MR. THOMAS. He had been there 6 months and he had did the job once before. But they hired a white man.

MR. SMITH. What happened to the black man who was in that position?

MR. THOMAS. Well, one day I happened to be coming to my office. My office was upstairs over the jail house at that time. And one day I was coming to work to my office and they was standing around. I asked the jailer what they going to do about my man. He said: "We don't need him because we going to use the prisoners."

Well, the State man came down and looked over the jail and they couldn't arrest nobody—At least they could arrest and couldn't hold them. So the jail got in bad shape. And they wanted two more of my men. And naturally I had to bring it up before my director. And I explained the case to him. And so far they haven't got anyone.

MR. SMITH. I see. Are there any other city or county agencies with whom you have tried to place black employees?

MR. THOMAS. Yes, I have. I have tried to place a black lady with the public utility company. I told them what we would do, that we would hire and then pay her while she was training. After a certain length of training the city would take them over.

So the chairman of the board told me that he would have to bring it up in the meeting. I asked him when was the meeting. This was sometime back in November. And I told him I would make the meeting myself.

But that night somehow or another the meeting was cancelled. But I did go see the manager of the utility plant and I asked him had the chairman of the board talked with him? He said yes.

So then I said: "Did he ask you anything about me putting a young lady in the place for training?"

And he said: "What you do is send me some people down here to take a test."

Well, I did. I sent him about three or four blacks down there to take a test. And I haven't heard any more since. And that's been 3 or 4 or 5 months ago.

MR. SMITH. Then is it your opinion that these experiences were due to a hesitance on the part of these officials to hire people because of their race?

MR. THOMAS. Yes, sir. They dragging their feet. They could do a little better than what they doing.

MR. SMITH. Thank you. Mrs. Clark, in the fall of 1970, did you as a Shawnee staff member aid the mayor's office in the preparation of a statement on the needs of the community of Cairo in response to a request by the Federal Regional Council?

MRS. CLARK. I did.

MR. SMITH. Why was your office called upon to aid in this manner?

MRS. CLARK. The city administration in the city of Cairo operates with four Commissioners and one mayor. These are persons who make their living elsewhere. They have full-time employment and they are kind of part-time administrators of our city. They are low-salaried. I believe it's about \$100 a month for commissioners and \$125 a month for the mayor.

They do not have a sufficient staff. They have a city clerk. The mayor has no secretary. He has no official office. They have no photocopy machines. They have no library of the latest periodicals to keep up with what is going on in the world. And so we have an administration that has received a lot of public attention nationally, statewide, locally, and they have no machinery with which to combat this problem.

As I understand it, the corporation councilmen and the mayor of the city of Cairo were invited to Chicago to meet with the interagency regional task force about December of 1969. At that time they were pretty embarrassed that they couldn't present any kind of a comprehensive plan or exactly what they thought could be used in the city of Cairo.

When they returned, just by word of mouth and general consensus, they turned to the Shawnee Development Council, which is a community action agency serving this area, for some technical assistance in drawing up a plan.

We then worked with Dr. Laughnum from S.I.U. Economics Department and put together a paper presented—for this mayor to present to the interagency council in Chicago.

Basically, this social, economic rehabilitation plan stated that most of the community needs in Cairo were focused, were pivoting on poverty. So they offered a plan of an economic development corporation to be owned by the people and start with simple machine parts and go into manufacturing, that there would be a manpower grant to complement this effort, this enterprise, that they would coordinate all the training programs that were available from Labor, work for an industrial park. There was to be social rehabilitation.

And in here in great detail there was quite a lot of mention about redecoration and revitalizing the current housing facilities that were here, that they needed updating. They were behind the times.

So this plan was submitted to the interagency regional task force in early spring of 1970, and I think there was no contact made from—According to the mayor, he received no word back from that interagency council—

MR. SMITH. Let me ask you this.

MRS. CLARK (continuing). In relation to this.

MR. SMITH. Subsequent to the submission of that plan, you were also involved in the preparation of a proposal for a public service careers program, were you not?

MRS. CLARK. Right.

MR. SMITH. You and the mayor's staff and the corporation counsel also worked on this proposal, did you not?

MRS. CLARK. Right.

MR. SMITH. Was the city council involved in the preparation of this proposal or consulted on it?

MRS. CLARK. Right. Now, this proposal was written and submitted to Chicago in its entirety prior to the election when the administration of the council in this town changed. However, after that council was seated we held two meetings with the new city council, going over—not detailed enough—but a general consensus of what the program was to consist of.

And we got very favorable response from the city council at that time as far as accepting it.

MR. SMITH. Had there been consultation with members of the black community?

MRS. CLARK. There had not been consultation with the United Front or those members of the black community. Our staff people in our offices were well aware the city had submitted a Labor program for public service training and it wasn't a huge program. It involved a projected 25 openings over the next 21-month period and a variety of jobs and 10 upgrade jobs within the city administration. It was not a large program but it was to have been a start towards—

MR. SMITH. To be funded at about \$137,000?

MRS. CLARK. Right.

MR. SMITH. Over what period of time was that again?

MRS. CLARK. Twenty-one months.

MR. SMITH. Twenty-one months.

MRS. CLARK. Right.

MR. SMITH. Would it provide approximately 25 jobs?

MRS. CLARK. These would be 25 entry level jobs. Now, of these jobs there were to be five new positions created over this 21-month period. There were 14 of these positions to be reserved turnover—in other words, where people would quit. And six which were currently vacant in the present budget.

MR. SMITH. After the submission of this plan did the Department of Labor decide to fund the program?

MRS. CLARK. The plan was submitted in January of 1971, and because of needing additional material, extension was given to the deadline until February of 1971.

I think the Labor Department was about ready to fund it at that time, and they realized that the mayor was up for reelection and they tended to wait until after the election to see if the people who wrote the program would still be in office whenever it was to be funded.

There was no action on it from February until June, and the program was approved then in late June.

MR. SMITH. It was approved?

MRS. CLARK. Of 1971, yes.

MR. SMITH. Okay. Subsequent to the approval, is it not true that the city council determined to table the plan?

MRS. CLARK. No, this was after—

MR. SMITH. I'm sorry. Yes. After the approval by the Department of Labor.

MRS. CLARK. Right.

MR. SMITH. Would you please explain to us what happened between the time of the announcement of the decision by the Department of Labor and that decision by the city council which led to that decision?

MRS. CLARK. We had been given previous knowledge on telephone conversations that the program was to be approved, was being signed in Chicago. And then the Labor people contacted the mayor and said that representatives of the United Front had appeared at the Labor Department in Chicago, that they didn't feel like they knew about this program, they had not been consulted enough about the program, and they wanted to find out more about it.

I think the Labor Department furnished them with some information about it but suggested to the mayor that it would be wise to have a public meeting announced in the paper whereby persons in the community could come and discuss this public service careers program.

This was done, and advertisements placed in the paper. Then on the Sunday night before the public meeting was to be held on Wednesday, Reverend Koen I believe—I did not hear the broadcast—but had a broadcast from Chicago, and in the course of discussing the new program to come to Cairo said that there were to be 50 jobs in the city—and that they wanted to see that the black community received their fair share of the 50 jobs.

Well, of course, there were not 50 jobs in any way.

But concerned citizens from the community heard this broadcast, which just about everybody in Cairo listens to on Sunday night, and they couldn't see how a city that couldn't pay overtime to its policemen and its firemen and could not meet expenses of garbage collection and things were going to hire 50 new people.

So at the public meeting that following Wednesday night we had two groups of dissenters, and as a result, with a lot of back-and-forth discussion about the PSC program—do you know what is in it or what does it involve?—and it was a shambles.

The council being just seated in office a matter of 2 to 3 months said: "The whole community is against this thing. We just vote not to have it."

MR. SMITH. Then it seems to me that you are saying that the program was ultimately rejected because of a misunderstanding in the community that resulted at least in part from the racial polarization in this community?

MRS. CLARK. There was a triple misunderstanding I think all along the way, all within the course of a week, because the city council had stated to me prior to the funding of the program that there were positions in there for firemen, policemen, typists, city clerks in the city hall, that if qualified black persons could be found, particularly for the civil service openings—but they definitely intended to have black persons in this administration. And this was the new city council.

So I don't think it was a question of racism or racial bias on the part of the council as much as it was this aura that two groups have that have done verbal battle many times.

And that evening it was pretty hot, and there were quite a few sirens running up and down the street to make everybody a little nervous, and the council simply voted no.

MR. SMITH. Thank you.

Mr. Wood, you have been active with local youth activities, have you not? And have you not been responsible for the organization of a local band?

MR. WOOD. Yes.

MR. SMITH. Will you describe for us the adequacy of recreational and social facilities that exist in this community for young people?

MR. WOOD. They are almost nil. Recreational activities for the youth in particular are very limited. There's no public building that has been really made available for youth or for the community really on a broad base. We have to go through the school system, and they have only really been lenient on this particular point within the last 2 or 3 months.

Swimming facilities. The swimming pool here in Cairo has been closed since 1962 or 1963.

MR. SMITH. It was closed to avoid integration, was it not?

MR. WOOD. Well, the pool had been integrated on a temporary—on a short basis. But after so much riot there had been a transition between ownership between the city and private organization and subsequently was closed. And since that time numerous youth of the surrounding community have drowned because of swimming in the rivers and so forth.

I think the kids of Cairo now have to travel 25, 30, 40 miles just to have decent swimming facilities. They have to go out of State to swim.

MR. SMITH. Do you feel that local officials have been sensitive to these problems and that they have been helpful in solving them?

MR. WOOD. Well, there are some organizations that are attempting and have attempted to try to get some type of recreational activities. As far as I know of, the city officials or any other public officials around have been very, you know—They turn their backs on youth activities as far as sound recreational activities.

MR. SMITH. Mr. Thomas, you yourself have been active with young people especially in Little League in this area for over a long period of years, have you not?

MR. THOMAS. Yes, I have.

MR. SMITH. What organizations like Little League are there for young people? What organized groups? Is there a Boy Scout troop in this area?

MR. THOMAS. No, sir, there is not. I mean not a black Boy Scout group. There's a white one.

MR. SMITH. A white Boy Scout troop?

MR. THOMAS. Yes, sir.

MR. SMITH. What about Girl Scout troops?

MR. THOMAS. No, sir.

MR. SMITH. Is there a white Girl Scout troop?

MR. THOMAS. That I couldn't tell you, sir. I really don't know.

MR. SMITH. Besides Boy Scouts and Girl Scouts are you aware of any other organizations that exist here of that sort?

MR. THOMAS. No, sir. For youth?

MR. SMITH. Yes.

MR. THOMAS. No, sir, I don't.

MR. SMITH. How about Little Leagues? Is there a Little League baseball team and is it integrated?

MR. THOMAS. No, sir, not any more. We once had a Little League team. It was all-black. And they had a white Little League team. We used to try to play them but they never would play us.

They always—When I go to approach them about playing them, their schedule was always made up. So one time—Next year I tried to fool them. I approached them early in August but they told me they had got together in March.

So I asked them what about the rain-out days? They said what about days you have off? They said you go for rain-out days? So then I asked them next year about merging the teams. And they said: "Okay. We'll do this."

So we had a meeting at St. Joe's gym and they couldn't come up with anything, but after the meeting was over the next 3 or 4 days I received a letter from the Egyptian League, which is the white League, said, in order to merge we'd have to have \$600, 50 percent white, 50 percent black, and umpires and managers will have to be of "reputable character"—whatever that means. I mean one of them big words. I didn't know what it meant. But it had to be that.

But naturally I denied it because I figure we could get more black kids to play than they could white, and, for instance, if I get a hundred black and they didn't get but 25 white, then I got 75 black kids that were not doing anything.

So they wanted 50 percent black, 50 percent white; \$600 to merge.

I mean this wasn't a request. This was a demand they had on top: "This is what we demand." And I couldn't meet their demand.

MR. SMITH. Today is there a white Little League team?

MR. THOMAS. Yes, there is.

MR. SMITH. Are there any black members on that team at all?

MR. THOMAS. None at all. Only time that black and white play together is during the school, when they have baseball after school.

MR. SMITH. What about adult civic and social groups in Cairo? What are the major groups and are they integrated?

MR. THOMAS. No, no, we have a black Cavalier Club and a black Pythian Club, and we have a white Elks and have a white VFW, Veterans of Foreign Wars, and we have a white Knights of Columbus.

You know, one time I went to the Elks Club once. I was just joking. And I went to the Elks Club to try to join and I was talking to a friend of mine. I went to the Elks Club to try to join. He was a white friend. And I asked him how about joining the club? He said: "No, no, it's for white only."

I said: "You mean"——

He said: "You know one thing"—They call me Crawdad. He said: "You know one thing, Crawdad. They even got on their license Caucasian only." I never seen this but I mean that's what they said they got on the license.

MR. SMITH. Is there a Kiwanis Club here?

MR. THOMAS. Yes, there is.

MR. SMITH. Are there any black members of that?

MR. THOMAS. No, there's not.

MR. SMITH. What about Rotary Club?

MR. THOMAS. There's one here.

MR. SMITH. Are there black members of that?

MR. THOMAS. No, there's not.

MR. SMITH. Do you have an idea if there are any black members of the Chamber of Commerce?

MR. THOMAS. I have heard there was one, a Dr. Robinson. I don't know if he's still with them or not. He once had a slight heart attack, but I understand he's back to work, but I don't really know if he's still on.

MR. SMITH. What about the American Legion?

MR. THOMAS. Oh, no, we have a black one here.

MR. SMITH. There's a black American Legion?

MR. THOMAS. Yes, we have one.

MR. SMITH. There's a separate white American Legion post?

MR. THOMAS. What you call Veterans of Foreign Wars. Imagine it is, yes.

MR. SMITH. I have no further questions.

COMMISSIONER FREEMAN. Commissioner Mitchell?

COMMISSIONER MITCHELL. No.

COMMISSIONER FREEMAN. Mr. Buggs?

MR. BUGGS. No questions.

COMMISSIONER FREEMAN. Thank you very much. You are excused. This hearing will be in recess until 4:30.

COMMISSIONER FREEMAN. The hearing is called to order.

MR. POWELL, will you call the next witnesses?

MR. POWELL. Next, Madam Chairman, are a panel of witnesses in the area of employment, Mr. Frank Hollis, Mr. James Whitfield, Mr. James Wilson.

(Whereupon, Messrs. Frank Hollis, James Whitfield, and James Wilson were sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF MESSRS. FRANK HOLLIS, JAMES WHITFIELD, AND JAMES WILSON, CAIRO, ILLINOIS

MR. POWELL. Beginning with the gentleman on my left closest to the wall, would you each please state your name, address, and occupation for the record?

MR. HOLLIS. Frank Hollis, investigator for the Lawyers' Committee for Civil Rights under Law, 206 Pyramid Courts.

MR. WHITFIELD. James Whitfield, 727 P.C., Cairo, welfare recipient.

MR. WILSON. James Wilson, 838 P.C., welfare recipient.

MR. POWELL. Mr. Whitfield, we had another witness by the name of Whitfield. Are you related to her?

MR. WHITFIELD. My mother.

MR. POWELL. You gentlemen have all had experience working at Burkart Manufacturing Company, have you not?

MR. HOLLIS. Yes.

MR. WHITFIELD. True.

MR. WILSON. Yes.

MR. POWELL. Mr. Hollis, how long ago did you last work at Burkart's?

MR. HOLLIS. Three years ago.

MR. POWELL. From your experience working at the plant and from talking with other persons who have worked there, do you know of any black persons in the higher level, salaried, managerial, and supervisory positions?

MR. HOLLIS. There are none.

MR. POWELL. Does this include foremen?

MR. HOLLIS. They have one black foreman now.

MR. POWELL. Out of about how many foremen is that?

MR. HOLLIS. Out of about maybe 75 to 100.

MR. POWELL. Mr. Hollis, even though it has been how many years did you say since you—

MR. HOLLIS. Three.

MR. POWELL. Three years since you worked at Burkart's, is there some basis either through your work with the Lawyers' Committee or otherwise that you could say that the situation which existed 3 years ago is substantially the same as exists now?

MR. HOLLIS. Yes, I have investigated individual cases that was brought to our office concerning Burkart's and their employment practices.

MR. POWELL. And you would say that the employment picture today is the same as it was when you left 3 years ago?

MR. HOLLIS. Yes.

MR. POWELL. Mr. Whitfield, would you agree with that observation?

MR. WHITFIELD. I would say yes.

MR. POWELL. Mr. Wilson, would you agree with the observation? Do you have a comment on it?

MR. WILSON. No, I don't.

MR. POWELL. Mr. Whitfield, how long has it been since you worked for Burkart's?

MR. WHITFIELD. Since this past August. During the summer. Right.

MR. POWELL. Since last August?

MR. WHITFIELD. Yes.

MR. POWELL. August of 1971?

MR. WHITFIELD. Right.

MR. POWELL. Mr. Wilson, how long has it been since you worked at Burkart's?

MR. WILSON. Four years.

MR. POWELL. Four years? Mr. Wilson, when you did work at Burkart's, how long did you work there, and in what capacity?

MR. WILSON. I worked there 3 years as a machine operator.

MR. POWELL. During that time, Mr. Wilson, were you ever given the opportunity of promotion to a managerial position?

MR. WILSON. No, I didn't.

MR. POWELL. Mr. Wilson, why did you leave the company?

MR. WILSON. I left Burkart's because of like during the 3 years that I was there I was a machine operator, and like I knew the plant pretty well, you know. So like what would happen is that they would bring in a white person to me and tell me to teach him what I know, and he would become my foreman.

So like this went on for the 3 years that I was there, like the foreman would eventually leave and they'd send me another person to teach him what I know, you know, and he would come to be my foreman.

So I went up in the personnel office and we had a discussion about it. So they told me that like they had a position for me but they felt that I wasn't quite ready for it.

So I say: "Well, like you know it's been 3 years. I don't know how long do it take, you understand, for me to be qualified for whatever position you all have for me?"

They said that: "Well, it takes time, you know."

So within that time when I just left.

MR. POWELL. You mentioned that you trained a number of people who eventually became foremen?

MR. WILSON. Right.

MR. POWELL. How many people would you say they were?

MR. WILSON. I'd say from 10 to 15.

MR. POWELL. Now, to your knowledge, were you at least as qualified in terms of your experience and training as some of the people who were eventually promoted to foreman?

MR. WILSON. I was qualified.

MR. POWELL. What about in terms of your training and experience as compared with the people who were in fact promoted to foreman?

MR. WILSON. Peoples that—

MR. POWELL. Did they have better education than you, would you say? Or did you have at least as good an education as any one or more of the people who were promoted to foreman?

MR. WILSON. I would say so.

MR. POWELL. Mr. Wilson and Mr. Whitfield, you both have had experience in attempting to secure work with the highway division and with highway contractors, have you not?

MR. WILSON. Right.

MR. WHITFIELD. Right.

MR. POWELL. Mr. Wilson, would you please tell us what happened when you attempted to apply for a job with a highway contractor recently?

MR. WILSON. I'd say about the first of September there was a bulletin out that there was work needed in Carbondale at a construction firm, and I took a carload up there with me to sign up for it, and we stopped by the highway division department in Carbondale and they directed us to the contractor.

And we filled out applications and everything, and he reassured us that he would get hired, and he said that it would be shortly before he would call us to work.

So like we haven't heard from him yet.

We also went back to the highway division in Carbondale to apply for the State job and spoke, and they said that there was no openings on the highway department but they could direct us to someone who would let us know more about it, which was down here in Cairo, the county clerk.

I then took a carload down to the county clerk's office, and we sat down and talked with him, and he told me that he wasn't—he didn't know nothing about the State highway department as far as hiring and it wasn't none of his business and for me to contact the Governor's aide official to see about that because he didn't have no authority over that. But we was told that he had authority over it.

MR. POWELL. Were you told that political considerations were involved in getting a job with the highway division?

MR. WILSON. Right. The county clerk told us that to be—in order to get a job on the State highway that is was a political—and that I

would have to contact someone in Springfield office before I could get hired.

MR. POWELL. Mr. Wilson, Mr. Whitfield, as a result of your conversation with the county clerk, did you gentlemen contact the Governor's office regarding your experiences with the highway division?

MR. WHITFIELD. At first I called the county clerk. I didn't go with Mr. Wilson to see him. I called him on the phone. And I asked him could I come up? And he said that he didn't have time right then, you know.

So I said, well, okay, then I'll just transact business over the phone.

So I asked him about the job, and he told me that they hadn't did any hiring in about 5 years, you know. And I heard that they have recently sent five people down to the highway, you know.

So I had to write a letter to one of the Governor's aides. So I drafted up a letter and I had one of the secretaries at United Front office to type it up, and I sent it to one of the Governor's aides.

All right. I didn't hear from him. So one day in the office we decided to try to call somebody up there. So Switch called—

MR. POWELL. When you say "Switch" whom do you mean? You mean Mr. Wilson?

MR. WHITFIELD. I mean Mr. Wilson. Sorry. Mr. Wilson called and contacted the deputy director of highway division, and so he gave us a number to call, one of the Governor's aides. So we called Chicago and he had just left there, you know.

So then we called Springfield. He wasn't there. So we left a number for him to call. So he called Switch back, you know, and said—or Mr. Wilson back—and stated that we would get a letter, you know, in regard to the job as soon as he get to the maintenance department to find out what jobs are available. But we haven't heard from him yet.

MR. POWELL. Mr. Wilson, more recently have you had any contact with anyone in the Governor's office?

MR. WILSON. Right. The Governor's aide, the one that I had talked to over the phone, I talked to him in the courtroom here yesterday, and I asked him about the telephone conversation, about the job, and he said that he would still contact me.

Like that's been about a month ago. He told me yesterday that he still would contact me about it.

MR. POWELL. And it's your impression that there is a likelihood that one or both of you will be offered a position with the highway division?

MR. WILSON. Well, like I said, I'm still waiting. I have already waited a month, you know. So like, you know, I'm just waiting.

MR. POWELL. Mr. Hollis, you have worked for the State highway division, have you not?

MR. HOLLIS. Yes, I have.

MR. POWELL. In what capacity?

MR. HOLLIS. Engineer's aide.

MR. POWELL. And how did you come by that job?

MR. HOLLIS. Well, there was racial tension in Cairo in 1967 and the Governor made available two jobs, and I was one of the lucky people to get one.

MR. POWELL. Mr. Hollis, how long did you remain in that position?

MR. HOLLIS. One year.

MR. POWELL. And why did you leave?

MR. HOLLIS. Well, it was a political job and the parties changed and so that meant I had to change with them.

MR. POWELL. In other words, you lost your job not by virtue of any incompetency on your part but by virtue of change in the political administration?

MR. HOLLIS. Yes.

MR. POWELL. Mr. Hollis, during your year with the division of highways did you have an opportunity to observe the part that blacks play in the various occupational positions with that division?

MR. HOLLIS. Yes. In the division of highways office in Carbon-dale there's over 150 jobs within the office itself, such as drafting, engineer's aide, landscaping, and what have you. And there are no blacks. Blacks don't even know about the jobs that are available.

The only way a black can find out is by going through county commissioners, some political head, and, you know, if you are not uptight with one of these officials, well, you can hang it up as far as getting a job.

MR. POWELL. There were very few blacks employed?

MR. HOLLIS. True.

MR. POWELL. And those that were employed were limited to the more or less menial positions?

MR. HOLLIS. Yes, like maintenance crew or what have you.

MR. POWELL. Mr. Hollis, were you aware of openings as they appeared in the division from time to time?

MR. HOLLIS. Yes. Well, I'll give you an example. They are working on Interstate 57, and they have an engineer on each section, and this engineer has an engineer aide, you know, riding and what have you. You can go out there now and you won't find one black working in that capacity.

MR. POWELL. And when such vacancies did occur, how were they filled? Were they posted publicly?

MR. HOLLIS. No.

MR. POWELL. Were they advertised in the local press?

MR. HOLLIS. No.

MR. POWELL. Were employees sought through the local State employment service office?

MR. HOLLIS. No.

MR. POWELL. How were they filled?

MR. HOLLIS. Just like it takes, you know, racial conflict or something before the blacks know about a job.

MR. WHITFIELD. I'd like to say something to that if I could.

MR. POWELL. Yes.

MR. WHITFIELD. The only way that the blacks really know about the highway department jobs that's opening are like you have to have a friend or something working out there, somebody close to you, you know, like I have a brother that work out there, and he will fill me in, you know, when there is an opening, you know. There's never an advertisement or nothing like that in the paper, you know, concerning an opening.

MR. POWELL. But other than through word of mouth is there any other way that blacks become aware of such—There's no other way that blacks become aware of such vacancies? Is that correct?

MR. WHITFIELD. No, not to my knowledge. Right.

MR. POWELL. Mr. Wilson, have you ever tried to obtain employment through the Cairo State Employment Service office?

MR. WILSON. Yes, I have.

MR. POWELL. Have such attempts been successful?

MR. WILSON. No.

MR. POWELL. Would you please describe them?

MR. WILSON. Yes. Well, like every time I go down there they give you a little card to fill out with your name, your address, and how many kids you have, and that's it. And then they ask you: "Well, come in next week and if there's anything, if there's any jobs opening, we'll let you know."

And for several times like I went for a whole month, you know, and it's just a routine thing, like nothing but to go down and check in and check out. No jobs on the bulletin board. No nothing, you know, about job situation.

MR. POWELL. Mr. Hollis or Mr. Whitfield, have you had similar experiences with the State employment service? Mr. Hollis?

MR. HOLLIS. Yes.

MR. POWELL. And would you care to describe them?

MR. HOLLIS. Well, in 1966 I got out of service, and so, you know, that means I had to look for a job. So I went through the employment service, and they just didn't have any. So after about 2 months I moved to St. Louis and got a job in McDonnell Aircraft. But as far as working here, the employment service—

MR. POWELL. What about you, Mr. Whitfield?

MR. WHITFIELD. No, I never tried the unemployment office. I have been down there with the brother here—Wilson—you know. I have seen other peoples reacting, you know. And so I never tried.

MR. POWELL. I have no further questions, Madam Chairman.

COMMISSIONER FREEMAN. Commissioner Mitchell?

COMMISSIONER MITCHELL. No questions.

COMMISSIONER FREEMAN. Mr. Buggs?

MR. BUGGS. No questions.

COMMISSIONER FREEMAN. Thank you very much. The witnesses are excused.

Mr. Powell, will you call the next witness?

MR. POWELL. Madam Chairman, the next witness is Mr. T. J. Connaughton.

(Whereupon, Mr. T. J. Connaughton was sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF MR. T. J. CONNAUGHTON, VICE PRESIDENT FOR OPERATIONS, BURKART-RANDALL MANUFACTURING COMPANY, ACCOMPANIED BY RICHARD V. DORSEY, DIRECTOR, INDUSTRIAL RELATIONS, BURKART-RANDALL MANUFACTURING COMPANY, CAIRO, ILLINOIS

COMMISSIONER FREEMAN. Mr. Powell, you may proceed.

Will any person who is accompanying you also be giving testimony?

MR. CONNAUGHTON. I don't think so. Probably not.

If I may, I'd like to read a statement.

MR. POWELL. You might have a chance to read a statement, but the format here is generally questions and answers, and let's see where we are when we finish the numerous questions we have for you, and if there is time, fine. Otherwise we'd ask you to submit it for the record. I think you will find you will have ample opportunities to say anything you want, but the structure here is questions and answers, and I think I ought to insist upon that in view of other testimony.

MR. SHULMAN. Mr. Powell, I'd like to register an objection to that, if you please.

MR. POWELL. You're appearing as counsel? Would you state your name and capacity?

MR. SHULMAN. Oh, yes. I'm sorry. My name is Stephen Shulman. I am appearing as counsel for Burkart-Randall.

MR. POWELL. And the gentleman on Mr. Connaughton's right, will he state his name and capacity?

MR. DORSEY. I'm Richard V. Dorsey. I'm Director of Industrial Relations for Burkart-Randall.

MR. POWELL. And your role is one of adviser? Is that it?

MR. DORSEY. Yes.

MR. POWELL. Why shouldn't he be sworn if he's going to—

MR. SHULMAN. He's not necessarily going to testify, Mr. Powell.

MR. POWELL. All right. Now, you have an objection, Mr. Shulman?

MR. SHULMAN. Yes, I do.

MR. POWELL. I will hear that objection.

MR. SHULMAN. Mr. Powell, we came to this hearing, you may remember, at an executive session, at which we were afforded the opportunity to suggest an objection to the Commission hearing testimony from former employees of Burkart. I'm sure you will remember that session.

We raised a number of grounds of objection. The Commission apparently saw fit not to be receptive to that objection, as is the Commission's right.

The rules of the Commission specifically require that when an appearance has been made in an executive session on that subject, the

person who has made that appearance will be given the opportunity to make a statement in the public session following the statement by those people about whom the executive session was held.

Therefore, in accordance with your own rules, we are entitled to deliver a statement, which Mr. Connaughton has taken the time to prepare and which contains much information in which the Commission will be interested.

If the Commission fails to follow its rules, I am afraid I am going to have to advise Mr. Connaughton not to testify at all.

MR. POWELL. Well, Mr. Shulman, I think you are substantially correct, but that statement need not be made before questions and answers are put.

MR. SHULMAN. We are concerned about having time. We would like to read that statement into the record. It will take a short time. I'm sure you will be interested in it. I'm sure, in fact, that you will even like it.

MR. POWELL. How many minutes?

MR. SHULMAN. But we will not go on to answer questions unless we read that first.

MR. POWELL. Okay. Consistent with our time limitations, Mr. Shulman, why not go ahead and read the statement?

MR. SHULMAN. Thank you.

MR. CONNAUGHTON. Thank you very much.

As I stated, my name is T. J. Connaughton. I am the vice president of operations for the Burkart Division of the Burkart-Randall Company.

MR. POWELL. Before you go any further, may we have a copy of that statement while he is reading it?

MR. SHULMAN. Yes, you may.

MR. POWELL. Go ahead.

MR. CONNAUGHTON. As we have stated, with me are Mr. Shulman, our counsel, and Mr. Dorsey, our director of industrial relations.

Our plant in Cairo is the largest of the five Burkart plants throughout the country. We are also the largest employer in the city of Cairo.

The plant in Cairo is important to us because of its prominence within our company. The community in and around Cairo is important to us because it affects our ability to attract and retain the skills essential to our successful operation.

The plant is engaged in the manufacture of polyurethane foam for use in the automotive and home furnishings industries. This is an extremely competitive business, and the age of the plant presents particularly challenging problems in achieving a strong competitive position. We have, therefore, been placing particular emphasis on the Cairo plant within the Burkart structure.

In the last year, for example, we have moved the Burkart operations headquarters from St. Louis to Cairo, thus enabling myself as well as my staff to concentrate on the plant's problems.

We have been, and are currently, recruiting on a national basis for experienced and qualified industrial engineers and accountants for the Cairo plant. We are also searching for an experienced top-level plant manager with a proven record of profit performance.

In both instances, the unsettled situation in Cairo has proved a distinct disadvantage to us. Existing personnel are reluctant to transfer to, and new personnel are reluctant to undertake, duties in a city torn by dissension.

I am pleased, however, to report that we have been experiencing some success in attracting the necessary people and that our performance-improvement efforts at the plant are consequently also proving successful. We are confident that a settled environment would make the task much easier. We are, therefore, pleased that the Commission is studying the situation in Cairo, and we hope that it will be able to offer helpful recommendations.

At the executive session yesterday, we objected to the Commission's having three former employees of Burkart testify in the public session today, because we felt that the way to learn about the employment situation at Burkart was to discuss the employment situation at Burkart, and not to engage in controversy over the particularities affecting isolated individuals.

In keeping with that position, we have decided not to argue about the testimony of these individuals beyond noting that one of them, Mr. Wilson, left our employ in August 1968; another, Mr. Hollis, left in July 1969; and the third, Mr. Whitfield, was in our employ for 3 months from November 1967 until February 1968 and then again for 1 month in 1971, from August 31 to October 1.

I trust it is apparent that these gentlemen are uninformed about the employment situation at Burkart.

We have a balanced work force in the Cairo plant. Any statistics I might give in this context are, of course, constantly subject to change as the workload expands and contracts and as personnel turnover occurs for other reasons as well. I, therefore, have taken the figures from the latest official EEO 1 form we filed, which was prepared as of April 1, 1971.

It shows that 32 percent of the total work force is black. I might point out that this is the lowest percentage we had in 1971, which involved a range from 32 percent to 36 percent. For most of 1971, the work force involved a black percentage of 34 percent or higher.

As of April 1, 1971, we had only three service workers, two of whom were black.

Laborers and operatives numbered 413 and 110, respectively, with the percentage of blacks being basically the same, 36 percent in both instances.

The percentage dropped off in the craftsman category, which involved only 10 people, to 10 percent. The true percentage is actually somewhat higher, for there are presently two blacks in a group of 16 who should be included in the craftsman category.

The office and clerical category shows only one black out of 18. The one has since become two, and the 18 is now 26. The resulting figure is still under 10 percent and seems low. However, these jobs carry a salary rate that is substantially lower than the wage rates for factory work.

I might also point out that two black office and clerical workers have voluntarily left our employ. Had they stayed with us, the percentage of blacks would have exceeded 15 percent, which in turn exceeds our application rate.

The statistical records on our applications for salaried jobs for the full calendar year 1970, for example, the bulk of which were for office and clerical work, show that the percentage of blacks applying was 9 percent.

We have no black technicians or professionals, but both categories together comprise a total of only 13 employees.

The officials and managers category shows a black percentage of 5 percent. This is misleading on two scores.

First, the total number is now higher than the 38 listed on the EEO 1, reflecting the influx of transferees and new industrial engineers that I mentioned at the beginning. Second, the total of two blacks does not account for three additional black employees who were offered, but rejected, foreman positions.

I must emphasize that these were three separate positions, not a series of offers for one opening, so that the number two might just as well have been five. Had these employees chosen to accept the offers, which certainly was the company's desire, the percentage of black officials and managers would have been well over 10 percent.

This matter of turning down promotions demonstrates the frailties of an exclusively statistical analysis. However, we anticipate that it will not continue. Our promotion statistics indicate that for the full calendar year 1971, blacks received over 37 percent of the total promotions, hourly and salary. As these employees continue to progress, we will doubtless find opportunities to offer more blacks foreman positions, which we hope they will accept.

We are pleased that we have been able to provide a number of employment opportunities for residents of Cairo. Of our current work force, 151 live in Cairo itself. This is almost 2.5 percent of the entire population of the city. If the proportion of the employed labor force to the population is the same in Cairo as your staff report shows for Alexander County, this means that over 8 percent of the employed residents of Cairo work at the Burkart plant. Some 42 percent of these, 64 people, are black.

An additional 548 employees live outside Cairo. Of these, 154 are black, so that the majority of employees of both races come from outside the city. They are, of course, from within the commuting area and understandably look as much to Burkart for employment as to other large employers in the area. As the Burkart work force grows,

their numbers and the numbers of Cairo resident employees will both increase.

But the future of Cairo, we believe, requires economic development on a broader scale. Burkart alone cannot possibly provide the needed growth to solve the problems of this community.

Thank you.

MR. POWELL. Thank you.

I'm not sure I can extrapolate from your statement how many black foremen you now have at Burkart.

MR. CONNAUGHTON. Right now we have two black foremen.

MR. POWELL. Of a total number of how many foremen?

MR. CONNAUGHTON. On the EEO form there are 38 officials and managers which would include foremen as well as others higher than foremen. I don't know exactly how many of that 38 are foremen.

MR. POWELL. Of that 38 managers—and what was the other category again?—professionals?—

MR. CONNAUGHTON. I think it says officials and managers on EEO 1.

MR. POWELL. Officials and managers? Approximately how many of those would be foremen? You have been at the plant—

MR. CONNAUGHTON. One minute.

The bulk of that category is always foremen, and the number now may be more than 38. I don't know.

MR. POWELL. So most of the 38 are foremen. So you're talking about 30 or more foremen? Is that it?

MR. CONNAUGHTON. Yes.

MR. POWELL. All right. And only two of that number—

MR. CONNAUGHTON. Are black.

MR. POWELL (continuing). Are black. Okay.

Now, you mentioned that there were three black employees who were offered but rejected foreman positions, but you didn't let us know whether these black employees who were offered foreman positions were from the Alexander County-Cairo area. Were they in fact from this area?

MR. CONNAUGHTON. I don't know.

MR. POWELL. Of course, what we're focusing on is employment opportunities for people who live in this area.

MR. CONNAUGHTON. You understand that the offers were made to three black employees in the plant.

MR. POWELL. Oh, they were? No, I didn't understand that.

MR. CONNAUGHTON. Yes. Now, I assume they are from the area.

MR. POWELL. I see. Fine.

What was the reason given for rejecting the promotions? Do you have any idea why they would have rejected the promotion to foreman?

MR. CONNAUGHTON. No, I don't, but usually—and I can't say in these three specific ones—but oftentimes it's a matter of the security of the seniority within the bargaining unit which you would lose if you come out of the bargaining unit.

MR. POWELL. Well, on balance, I think your statement is very commendable. I hope you continue to improve your employment picture.

Do you have any idea why there are only two black foremen out of 30 in the plant in an area where there is such a large black population?

MR. CONNAUGHTON. No. The method of selecting a foreman is done on the basis of qualifications, and those two foremen were selected and offered the job and took it. Why there are only two I really couldn't say.

MR. POWELL. Madam Chairman, I have no further questions at this time.

COMMISSIONER FREEMAN. Mr. Connaughton, Burkart Manufacturing Company has a Federal Government contract, does it not?

MR. CONNAUGHTON. We do not have any Government contracts, no.

COMMISSIONER FREEMAN. Your company does not? Does your company—You've been in Cairo for about how long? You moved from St. Louis?

MR. CONNAUGHTON. This plant has been here—has been reopened about 6 years ago. It had been closed for roughly 8 or 9 years before that. And previous to that it had been a Burkart plant for I don't know how many years before that.

COMMISSIONER FREEMAN. Does your company have any subcontracts with any company that has a Government contract?

MR. CONNAUGHTON. The Burkart Division of the Burkart-Randall Company I know does not have any contracts. The Randall operations I'm really not sure of.

COMMISSIONER FREEMAN. Are you a subsidiary of Textron?

MR. CONNAUGHTON. That's right.

COMMISSIONER FREEMAN. And is it correct that your parent company does have Government contracts?

MR. CONNAUGHTON. Yes, that is true. I mean other divisions within Textron do.

COMMISSIONER FREEMAN. Will you tell us whether this company, which is the largest employer in this area—What is the involvement, if any, with the community, with the community itself?

MR. CONNAUGHTON. For myself personally I have been responsible for this operation for about a year and I frankly—I personally have not got involved. I have been up to my neck trying to straighten some manufacturing problems out.

We as a company and our division management over the years and as far back as 1967 have made numerous attempts to try and bring some Federal Agencies or Government Agencies or people to come to grips with some of the problems. Our division management spoke to the local Chamber of Commerce here back in early 1968 and urged them to conciliate the problems that they had here which were shaping up and obviously going to get worse.

We have written letters to government agencies, State elected officials, and Federal officials. We have asked our counsel in Washington to try and get Agencies to come here.

Some of the testimony that we heard before is indicative of our own frustrations in trying to bring the proper Federal and State agencies here to solve some of these problems.

That has been our—the extent of our involvement.

COMMISSIONER FREEMAN. What has been your relationship, if any, with the city officials? You know if you have heard any of the testimony that it appears that the city officials have sort of rejected every positive program. Has your company tried to persuade them in this regard?

MR. CONNAUGHTON. Directly? Not to my knowledge. We have not, no.

Again, our involvement down here has been very much to try and get a very old facility competitive, but it has been a severe challenge to us. We have invested a lot of capital money in the last 2 years in that facility, and we have been very much involved trying to make this a competitive plant, which was our top priority as far as we were concerned.

COMMISSIONER FREEMAN. Would you have any opinion as to whether your ability to make it a competitive plant or a healthy, viable plant depends to any extent on the health and viability of the total community?

MR. CONNAUGHTON. Well, certainly it does. The incidents that I refer to of our needing higher skilled qualified people, where we have to look nationally for plant managers and industrial engineers and people like that, Cairo and the image it projects and the reputation it has, the national exposure that it has had, makes it extremely difficult to do this.

But as I have said, we have addressed ourselves to the problems of operating down here, and we have managed to have success. We are getting people. We have transferred, as I see it, our headquarters here, and we have moved a lot of people. Some have not come.

COMMISSIONER FREEMAN. What are the skills that are needed most by your company?

MR. CONNAUGHTON. Mostly in the plant—if we are talking about where we would employ the most number of people—there are not any high level skills really needed. We have certain few technical skilled areas, chemists, chemical engineers, a few industrial engineers, those kind of requirements. But by and large most of the employment in the plant requires no great skill, not highly skilled—skills that we could not teach ourselves.

COMMISSIONER FREEMAN. So that actually on the basis of whether one becomes a foreman or not—You could train him to become a foreman, could you not?

MR. CONNAUGHTON. Well, let me say this. Our experience is that when we look to our employees, our hourly employees, for foreman, which is where we always do get our foremen, we don't necessarily look for the most skilled hourly job. In other words, the best machinist could be the worst foreman.

We look for skills other than the manual skills—skills of judgment, ability to handle people, that sort of thing.

COMMISSIONER FREEMAN. What is the hourly rate for a machinist?

MR. CONNAUGHTON. \$3.50 an hour.

COMMISSIONER FREEMAN. \$3.50 an hour?

MR. CONNAUGHTON. Yes.

COMMISSIONER FREEMAN. How many machinists do you have?

MR. CONNAUGHTON. One machinist.

COMMISSIONER FREEMAN. You have only one?

MR. SHULMAN. Let me clarify something, Mrs. Freeman, that might be confusing you. You earlier heard somebody refer to—one of these former employees refer to himself as a machinist. He was talking of a machine operator. A machinist is not someone who works at a machine.

COMMISSIONER FREEMAN. How many machine operators do you have?

MR. CONNAUGHTON. I don't have those figures with me and I really—I couldn't even guess.

MR. SHULMAN. It's well over a hundred. It's a big number.

COMMISSIONER FREEMAN. What is the hourly rate of the machine operator?

MR. CONNAUGHTON. They would range from \$2.30 to \$2.62 depending on the machine.

COMMISSIONER FREEMAN. How many machine operators are black?

MR. CONNAUGHTON. I don't know.

COMMISSIONER FREEMAN. Would you consult with your—

MR. CONNAUGHTON. I don't believe we have those figures.

MR. SHULMAN. We would never have such a statistic. Machine operators belong in a larger category called operators, and that consists of—

COMMISSIONER FREEMAN. How many operators do you have?

MR. SHULMAN. That's in the statement.

MR. CONNAUGHTON. In the operators and I think it was laborers' category the percentage—

COMMISSIONER FREEMAN. What is the total number of operators that you have?

MR. CONNAUGHTON. Laborers and operators, 110. And roughly 36 percent of those were black on the last EEO 1.

MR. SHULMAN. They must be virtually all machinists then.

MR. CONNAUGHTON. Machine operators.

MR. SHULMAN. The great bulk of the operatives must be machine operators.

COMMISSIONER FREEMAN. I'm trying to find what the other skills are if you have close to 700 employees and 100 are machine operators. It is still not clear to me. There are about 400 employees that are not accounted for either in the information which was provided in terms of the breakdowns which I am looking for—Now, you see, I realize that there are groupings, but what we are trying to do is to get beneath the groupings to find out exactly what the picture is, because even though this is a fine statement I must confess that I, as one Commissioner, do not know what the facts are with respect to your employ-

ment practices in terms of these breakdowns and the opportunities for upward mobility.

Do you understand what I'm—

MR. CONNAUGHTON. Yes.

COMMISSIONER FREEMAN. So this is what I'd like to have.

MR. SHULMAN. Mrs. Freeman, since this is a question of interpreting the numbers and what they mean, maybe I could just try to say something in the interest of clarification.

COMMISSIONER FREEMAN. Well, in the interest of the record, counsel—

MR. SHULMAN. If you want it to be done, Mr. Dorsey can do it under oath if you would prefer that.

COMMISSIONER FREEMAN. That's what I'm saying. If you are going to give the information we would have to put you under oath, or whoever has the facts. I'd like to get that for the record. Mr. Dorsey—We have no objection—

MR. SHULMAN. I think probably Mr. Dorsey ought to answer this question.

COMMISSIONER FREEMAN. Mr. Dorsey, will you be sworn?

(Whereupon, Mr. Richard V. Dorsey was sworn by Commissioner Freeman.)

TESTIMONY OF MR. RICHARD V. DORSEY, DIRECTOR, INDUSTRIAL RELATIONS, BURKART-RANDALL MANUFACTURING COMPANY, CAIRO, ILLINOIS

COMMISSIONER FREEMAN. You may be seated and respond to the question.

MR. SHULMAN. May the record show that we are tendering Mr. Dorsey voluntarily, please?

COMMISSIONER FREEMAN. Thank you.

MR. DORSEY. Would you repeat the question you wanted the answer to so I can get it right?

COMMISSIONER FREEMAN. My first question was the skills or the classes of jobs in this company, and I believe Mr. Connaughton responded first by saying that there was really not very many. But what we are trying to do is to get a breakdown of the jobs.

MR. DORSEY. In the general labor force, the entry level jobs, which, we call baler, material handler, offbearers, rollers, feeders, laborers, would not require a great level of skill. These are entry level.

COMMISSIONER FREEMAN. What is the number of those?

MR. DORSEY. Roughly 50 percent or better of our employees would fall into that category, the hourly.

The discrepancy between the number of people and what our current employment is, we have had ups and down over the last year, and our employment level is higher now than it was in April 1971.

If you will excuse me a minute, I think I have some information.

COMMISSIONER FREEMAN. While you're looking, do you have your new hires during the past year?

MR. DORSEY. No, I do not have that with me.

MR. SHULMAN. You will notice that the statement says that the April 1971 figures which are the official figures that we are using also show the lowest percentage of blacks of any month in 1971.

MR. DORSEY. I don't have the sheet with me, but if you will go back to Mr. Connaughton's statement on page—

COMMISSIONER FREEMAN. May I ask you this, as of today, March 24, 1972, do you, Mr. Connaughton, as plant manager, or Mr. Dorsey—

MR. CONNAUGHTON. Excuse me. I'm not the plant manager. I mean that's one of the positions we are trying to fill.

COMMISSIONER FREEMAN. Well, you are a vice president—have information about the present employees of the company?

MR. CONNAUGHTON. You mean the statistical—

COMMISSIONER FREEMAN. The numbers, yes.

MR. CONNAUGHTON. I have not brought that, no. What I did was pull out the latest official EEO 1 we had, which was filed last April.

COMMISSIONER FREEMAN. I understand. But my question goes beyond this because the EEO 1 sort of groups classifications and jobs and it can be misleading because, for instance, a company may say very well that it has 50 percent of its employees that are black, and it may not necessarily be true in your case, but they will all be janitors.

And what we're trying to find out is the opportunities for promotion in terms of if an employee has been with you for 6 years and he started out as a bailee—whatever that category is—

MR. DORSEY. Baler.

MR. CONNAUGHTON. Yes.

COMMISSIONER FREEMAN (continuing). And he's still one—

MR. CONNAUGHTON. Yes. We only have like three janitors or service people as I said. And the promotions in all of 1971—37 percent of all the promotions were to blacks. And the promotion system within the hourly people is on a bidding basis. In other words, when a job, a higher level job, is available, it is posted and it is bid and it's on strictly a seniority basis.

COMMISSIONER FREEMAN. You have a collective bargaining agreement, do you not?

MR. CONNAUGHTON. That's right. That's all spelled out.

COMMISSIONER FREEMAN. Is there a provision in the agreement that when in a category of foreman or machine operator or baler—was is it?—

MR. DORSEY. Baler.

COMMISSIONER FREEMAN. Baler—that when one transfers from baler to a machine operator that if he had been a baler for 6 years and was at the top of the baler and he went to machine operator he would get to the bottom of the list and lose all of his seniority?

MR. CONNAUGHTON. No, no, he'd maintain his seniority.

MR. DORSEY. He carries his seniority—

COMMISSIONER FREEMAN. Would he lose it if he became a foreman?

MR. CONNAUGHTON. Yes, he would. He would come out of the bargaining unit then.

COMMISSIONER FREEMAN. So, therefore, if he had had to wait for 6 years to get an opportunity to become a foreman—

MR. CONNAUGHTON. He would not necessarily have to wait 6 years to get an opportunity to become a foreman. I mean there's no time involved in that.

COMMISSIONER FREEMAN. He might never become a foreman. We understand that. But what I mean is that in the pattern of the company, of its promotion, is the collective bargaining agreement one that could be a deterrent from an employee wanting to move from one classification to another?

MR. CONNAUGHTON. No, I don't believe so. You understand there is plantwide seniority. No matter where you would move in any department you would—There are no lines of progression. You would maintain that seniority. You couldn't lose it—unless you came out of the bargaining unit.

COMMISSIONER FREEMAN. Now, how many jobs are outside of the bargaining unit?

MR. DORSEY. That would be your office and clerical jobs and your officials, managers, technicians, professionals, others excluded under the law.

COMMISSIONER FREEMAN. A total number of what?

MR. DORSEY. Approximately 100.

MR. SHULMAN. We can construct that out of this—

MR. CONNAUGHTON. I think if we add these numbers together we could—

MR. SHULMAN. I'll just read them out of the statement, Mrs. Freeman. The office and clerical category was 18.

COMMISSIONER FREEMAN. Of which how many were black?

MR. SHULMAN. One. These are the ones that are not in the bargaining unit, the ones you were concerned about.

COMMISSIONER FREEMAN. Is it two out of 26?

MR. DORSEY. Correct.

MR. SHULMAN. I'm reading you the April 1971 figures.

COMMISSIONER FREEMAN. What we're trying to do is get what the situation is now.

MR. SHULMAN. I thought it was made clear to you, Mrs. Freeman, that we do not have with us the statistics now. I can assure you that there is no "funny business" going on about this. These are the ratios in this plant. Now, —

COMMISSIONER FREEMAN. Is two out of 26 the figure? Or is it one out of 18?

MR. CONNAUGHTON. It's one out of 18 on the last EEO 1 form filed, which was in April of 1971. And that number in that category now is two in 26.

COMMISSIONER FREEMAN. Thank you.

MR. SHULMAN. Now, the next categories are technicians and professionals that are not in the unit. They total 13. That is the April 1971 figure.

MR. CONNAUGHTON. They would not be in the bargaining unit either.

MR. SHULMAN. And the final figure outside the bargaining unit was 38 officials and managers. Everybody else is in the bargaining unit.

COMMISSIONER FREEMAN. And how many of them are black?

MR. SHULMAN. Two.

MR. CONNAUGHTON. Two.

COMMISSIONER FREEMAN. Thank you.

MR. BUGGS. Do you know how many total employees you have—the total number of employees at the plant?

MR. CONNAUGHTON. Right now?

MR. BUGGS. Yes.

MR. CONNAUGHTON. I'd say roughly 700.

MR. BUGGS. Mr. Connaughton, does your firm sell polyurethane only to plants that do not have Government contracts? Or businesses that do not have Government contracts?

MR. CONNAUGHTON. Oh, I don't know that. I mean we sell primarily to the automotive and the home furnishings industries, and mostly the automotive industry.

MR. BUGGS. But you do not know whether or not you furnish any of your product to a plant that has a Government contract?

MR. CONNAUGHTON. No, I do not. We would presume that automotive companies would have defense contracts in some—Yes.

MR. BUGGS. As I recall, the law requires that if you are a subcontractor to a prime contractor with the Federal Government you are required to file an affirmative action program—

MR. CONNAUGHTON. We have one.

MR. BUGGS (continuing). Which is called a contract compliance report rather than the EEO report. So that you do have two reports?

MR. CONNAUGHTON. That's right.

MR. BUGGS. Do you have an affirmative action program under that contract compliance report?

MR. CONNAUGHTON. Yes, we do.

MR. BUGGS. Could you tell us what it consists of? It sort of sets goals and timetables?

MR. CONNAUGHTON. Yes, that's right. We have goals and timetables.

MR. BUGGS. What are they?

MR. CONNAUGHTON. I don't have those figures with me. I mean I don't have them with me but we have a program. We have goals.

MR. BUGGS. Could you furnish that to the Commission?

MR. SHULMAN. Well, that certainly would be available to the Commission through the Office of Federal Contracts Compliance where these documents are filed.

MR. BUGGS. Yes, I know we can get them from them, also.

MR. SHULMAN. Well, please do.

MR. BUGGS. Why can't we get them from the company?

MR. SHULMAN. Because we don't have them with us.

MR. BUGGS. I don't mean now.

COMMISSIONER FREEMAN. Will you submit a copy to the Commission?

MR. SHULMAN. The answer is we are perfectly willing to make it available to the Commission. I'm not exactly sure how we feel about it with regard to the record of these proceedings. That's something we'd have to think about. We would certainly make it available to the Commission.

MR. POWELL. This is your affirmative action plan you are talking about?

MR. SHULMAN. Yes.

MR. POWELL. It wouldn't be too much good if we couldn't make it part of the record of these proceedings, would it?

MR. SHULMAN. I don't know, Mr. Powell. It seems to me we have given you a complete breakdown of what the employment is at the Burkhart plant in Cairo. I think you have all kinds of information.

MR. BUGGS. Except we want to know not only where you are but also where you are going.

MR. SHULMAN. We are going forward.

MR. BUGGS. That's what the affirmative action plan indicates, and we want to know how far and how fast.

MR. SHULMAN. We'll take it under advisement.

COMMISSIONER FREEMAN. The request is that it be submitted to the Commission for the record and that you will have a few days in which to do it, but we will be expecting this submission. This is in accordance with the rules and with the law.

(The document referred to was not received by the Commission.)

COMMISSIONER FREEMAN. Are there any further questions?

(No response.)

If not, thank you very much.

MR. SHULMAN. Before you dismiss us, Madam Chairman, I would like to take an opportunity to examine the witness, which I believe is called for in your rules.

Mr. Connaughton, do you know whether or not Burkhart hires people who come from Operation Mainstream?

MR. CONNAUGHTON. That's the Shawnee Development group? Yes, I'm sure we do.

MR. SHULMAN. In fact, wasn't James Whitfield who testified today hired at Burkhart after he came out of Operation Mainstream?

MR. CONNAUGHTON. Yes, I'm sure our records indicate that.

MR. SHULMAN. Thank you.

That concludes my questions. I would like to conclude, in the interest of the record, Chairman Freeman and Mr. Commissioner, with a protest that the Commission at no time advised Burkhart that there was going to be testimony from Mr. Hollis in the guise of an investigator for the Lawyers' Committee for Civil Rights under Law, although I do think that the figures that we have given demonstrate that any investigation he may have made was illusory.

MR. POWELL. Wait a moment. I don't think that there was any indication his testimony was in the guise of an investigator. The question was—He had two statuses, one as a former employee and he also testi-

fied from his knowledge based upon his experience. But it wasn't— There was no indication that there was an investigation of Burkhart.

MR. SHULMAN. Mr. Powell, you yourself asked him a question in which you said: "Have you as an investigator for the Lawyers Committee for Civil Rights . . ."

MR. POWELL. No, no.

MR. SHULMAN. Well, let us leave it to the transcript. It will show.

MR. POWELL. It's in the transcript. Yes. All right.

COMMISSIONER FREEMAN. You're excused.

Mr. Powell, will you call the next witness?

MR. POWELL. Madam Chairman, the next witness is the Honorable James Walder, Mayor of the city of Cairo. He will be accompanied by the Honorable Jack Bauer, chairman, county board of commissioners.

Before that, if I may, there is one other thing, before you take your seats, if you don't mind.

Madam Chairman, next we have a statement that is going to become a part of the record of this proceeding from the Honorable William C. Ives, chairman of the Illinois Fair Employment Practices Commission. And a summary of that statement will be read by Mr. John Cheeks who is the office director, Springfield, for the Fair Employment Practices Commission.

Mr. Cheeks.

You can swear him if you want to ask any questions.

(Whereupon, Mr. John G. Cheeks was sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF MR. JOHN G. CHEEKS, SPRINGFIELD OFFICE DIRECTOR, FAIR EMPLOYMENT PRACTICES COMMISSION, STATE OF ILLINOIS

MR. CHEEKS. Mrs. Chairman, members of the Commission's staff, and audience: I wish to read the summary of this statement by the chairman of the Illinois Fair Employment Practices Commission, Mr. William Ives, whom I represent here today.

Mrs. Chairman, as chairman and member of the Illinois Fair Employment Practices Commission, I am pleased to appear today before the U.S. Commission on Civil Rights, voluntarily and not pursuant to subpoena, and to present this statement on behalf of the Illinois Fair Employment Practices Commission and my fellow commissioners, James Kemp, Marvin Lieberman, Richard Cowen, and Eleanor Petersen.

The Illinois Fair Employment Practices Commission is ready and willing to assist and cooperate with the U.S. Commission in its efforts to the fullest extent possible under the Illinois Fair Employment Practices Act. We believe that the lessons already learned and those to be learned from the "Cairo experience" will be valuable to those of us who are deeply engaged in the day-to-day tasks of reducing racial misunderstanding and animosity through increased employment opportunities.

The city of Cairo and its racial problems are not unknown to the Illinois Fair Employment Practices Commission. Quite the contrary. Our commission has investigated every charge of employment discrimination in Cairo filed with it since the commission's creation 10 years ago. Most of these have been filed and investigated during the past 4 years.

Since the first charge was filed under the Illinois Fair Employment Practices Act by a resident of Cairo on August 1, 1967, a total of 84 charges have been filed with the Illinois Commission. All 84 charges alleged racial discrimination. Of those 84 charges, the commission found substantial evidence; 17 were adjusted during the commission's investigations in a manner satisfactory to the parties involved; three complaints were withdrawn by the complaining parties; three were dismissed for lack of jurisdiction; and one complainant failed to proceed.

These charges were filed against various companies and unions. Also, three charges were filed against the Cairo Board of Fire and Police Commissioners. During the last 4 years, our commissioners and staff personnel have made a total of 33 trips to Cairo involving approximately 75 days.

Our commission's experience in Cairo permits several conclusions:

(1) There is definitely employment discrimination because of race in Cairo and Alexander County.

(2) Although certain employers and unions have better records than others, the Illinois Commission has no appreciable evidence that racial discrimination in employment in the Cairo/Alexander County area is diminishing.

(3) Persons believing themselves to be victims of employment discrimination because of race are becoming less and less reluctant to file charges of racial discrimination in employment with our Commission.

(4) That an Illinois Fair Employment Practices Commission with the statutory authority to conduct investigations of employment practices and file charges and complaints on its own initiative would contribute far more to reducing employment discrimination because of race than the present commission, which has to respond on a case-by-case method.

However, for the first time, the Illinois Commission is now in a position to render meaningful assistance. Largely because of the sensitivity of Governor Ogilvie and the Illinois Legislature to the problems of racial discrimination in employment, the budget of the Illinois Commission has been increased dramatically during the past 3 years. This has permitted the Illinois Commission to hire a larger and more professional staff. It has permitted the commission to develop a contract compliance program which should be in effect in a very few months.

These budgetary increases will, at last, permit the Illinois Commission to give concrete substance to its long standing desire to contribute

far more than it has in the past to the reduction of discrimination in employment.

Thank you.

COMMISSIONER FREEMAN. Thank you, Mr. Cheeks.

MR. POWELL. Madam Chairman, the next witnesses are the Honorable James Walder, Mayor of Cairo, and the Honorable Jack Bauer, Chairman of the County Board of Commissioners.

(Whereupon, Mayor James Walder and Mr. Jack Bauer were sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF HON. JAMES WALDER, MAYOR, AND HON. JACK BAUER, CHAIRMAN, COUNTY BOARD OF COMMISSIONERS, CAIRO, ILLINOIS

COMMISSIONER FREEMAN. You may be seated. Accompanied by counsel, Mr. Holland.

MR. HOLLAND. I am counsel for Mayor Walder the record should show. I am not representing Mr. Bauer.

MR. POWELL. Beginning with Mr. Bauer—

MR. HOLLAND. And—pardon me if you would, Mr. Powell—before we get started, if we may, we would like to introduce as a part of the record for and on behalf of the witness, Walder, a statement entitled “Housing Subsidies Are a Grand Delusion” that appeared in Fortune Magazine, February 1972 issue, being the specific article that was referred to in City Councilman Allen Moss’ testimony at the time he testified.

We’d like an opportunity to submit that for the record.

COMMISSIONER FREEMAN. It will be received.

(Whereupon, the document referred to was marked Exhibit No. 17 and received in evidence.)

MR. HOLLAND. It substantiates fully his testimony.

MR. POWELL. Beginning with Mr. Bauer, would you each please state your name, address, and occupation?

MR. BAUER. My name is Jack Bauer. I live at 511 35th Street in Cairo, and I am the Chairman of the County Board of Commissioners, Alexander County.

MAYOR WALDER. My name is James B. Walder. I live at 614 27th Street in Cairo, and I am in the retail business—men’s wear.

MR. POWELL. In addition to that, you are also the Mayor of Cairo, are you not?

MAYOR WALDER. That’s right.

MR. POWELL. Mr. Bauer, how long have you served as county chairman?

MR. BAUER. Just about 3 months.

MR. POWELL. You were on the county board of commissioners before that, were you not?

MR. BAUER. Yes, I have been.

MR. POWELL. And how long have you been serving in one capacity or another on the board of commissioners?

MR. BAUER. Six years before I became chairman.

MR. POWELL. How many elected county positions are there in Alexander County, Mr. Bauer?

MR. BAUER. Elected county commissioners?

MR. POWELL. How many elected county positions? How many elected positions?

MR. BAUER. Positions?

MR. POWELL. Positions.

MR. BAUER. I believe there are 10, sir.

MR. POWELL. These include members of the board of commissioners?

MR. BAUER. I believe that's right.

MR. POWELL. Sheriff? How many judges?

MR. BAUER. There are two judges, and they are not always elected. Sometimes they are appointed by the circuit judges.

MR. POWELL. I see. It includes the treasurer, the clerk, and the State's attorney? Is that right?

MR. BAUER. It includes the circuit clerk, the county clerk, the sheriff, the treasurer, the superintendent of the public instruction, the State's attorney. I believe that might be it.

MR. POWELL. Of these how many are black?

MR. BAUER. None.

MR. POWELL. To your knowledge has there ever been a black public official elected in Alexander County?

MR. BAUER. No, not to my knowledge, no.

MR. POWELL. How many employment positions exist with the county government, Alexander County Government?

MR. BAUER. I believe there are 44 full-time possibly.

MR. POWELL. Of these, how many of these jobs are currently held by blacks?

MR. BAUER. In the entire county government there are I believe 10 altogether.

MR. POWELL. Ten?

MR. BAUER. Yes. Let me explain if you will. I think that in our original schedules we had omitted some. In the general assistance office are four black employees. There's one black employee on the county highway department. One black employee in the treasurer's office. And I believe there are three in the sheriff's office.

MR. POWELL. Three in the sheriff's office?

MR. BAUER. I believe that's right. I'm not sure about that.

MR. POWELL. Does that add up to nine?

MR. BAUER. My mathematics weren't too good.

MR. POWELL. That adds up to nine, doesn't it? You said 10, I think.

MR. BAUER. I might have. Well, nine then. Okay.

MR. POWELL. Nine. All right.

Mr. Bauer, are there any positions in the county which traditionally have been given to blacks? Traditionally?

MR. BAUER. Traditionally I would assume probably the jailer and the cook maybe would be traditionally—You are speaking of back through the years I am assuming when you say "traditionally"?

MR. POWELL. I'm speaking about what our investigation shows on the basis of our conversations with people in the county. Are there any positions which are traditionally, because of historic political considerations, given to blacks? The positions in the general assistance office that you mentioned?

MR. BAUER. You mean the—How many there are? I didn't understand your question. I'm sorry.

MR. POWELL. No, are there some positions which traditionally have been given to blacks?

MR. BAUER. Oh, yes. Yes. In the general assistance office there have been, yes.

MR. POWELL. Would you explain that?

MR. BAUER. Well, there would be the—They have worked as case workers and receptionists.

MR. POWELL. Why is this? Why are there certain positions which traditionally have been given to blacks? Does political patronage have something to do with it?

MR. BAUER. Oh, yes. Yes.

MR. POWELL. Are all such positions patronage positions? All county positions patronage positions?

MR. BAUER. For the most part they are, yes, sir.

MR. POWELL. Do black citizens play as active a role in local politics as white citizens?

MR. BAUER. Well, yes, I think they do up to a point, yes.

MR. POWELL. You think they do? And if they do, why aren't they more properly reflected in the patronage system that your county represents?

MR. BAUER. Sir, I can't speak for the other elected officials. I can in the Alexander County Government. The county board of commissioners have 13 positions that are hired, and out of those 13 positions we have five blacks in there. The other people work for the other elected officials that the county board of commissioners have no control over.

MR. POWELL. You have five out of 13?

MR. BAUER. Yes, sir.

MR. POWELL. What are those positions again?

MR. BAUER. We have four in the general assistance and one on the highway department.

MR. POWELL. I see. And there are only eight other positions that work for the county commissioners?

MR. BAUER. Yes, sir.

MR. POWELL. I see.

MR. BAUER. Let me clarify. There is a supervisor of assessments who is not an elected official and who takes a State examination, and there is the county superintendent of highways who is not an elected official. He also is hired by State examination for a term of 6 years.

MR. POWELL. Is there something the State could do by way of legislation to make sure that patronage kinds of jobs in public employment do not interfere with equal opportunity?

MR. BAUER. Well, I don't know, sir, if they could or not. I assume they could pass legislation for it.

MR. POWELL. Do you think that if the system of patronage did interfere with equal opportunity in public employment, particularly where there was no policy question involved, that there ought to be legislation in that area?

MR. BAUER. Well, I don't—I wouldn't want to answer that. I don't know, sir.

MR. POWELL. Mayor Walder, our staff received information from your office indicating that as of January 20, 1972 the city of Cairo had 64 employees, 14 of whom were black. Is this figure accurate?

MAYOR WALDER. I would say it was.

MR. POWELL. Is it accurate today?

MAYOR WALDER. It wouldn't change much from the time your men were in there.

MR. POWELL. Is it also accurate that of these 14 positions held by blacks, 11 are in the garbage collection and street maintenance field?

MAYOR WALDER. Yes, I would say that was correct.

MR. POWELL. How would you account for the fact that the city's black employees appear to be limited to these few lower level jobs?

MAYOR WALDER. I wouldn't call them lower level. Based on our average wage around here, they are good jobs. These are men who are very loyal to the city, been there many years.

However, the way I would account for that is by saying something you have already been over. The police department and the fire department constitute the majority of the other services involved, and, as you know, they are largely white.

MR. POWELL. Mayor Walder, we have heard testimony there are currently no blacks in the city fire department. Is that right?

MAYOR WALDER. That's right.

MR. POWELL. Mayor Walder, as you may know, earlier this afternoon we heard testimony from the staff members of the Shawnee Development Corporation alleging a hesitance on the part of city agencies to accept black job training program enrollees into city jobs. In particular it was alleged that your office turned down a black secretarial applicant from the Shawnee's Mainstream program, yet made a specific request for a white secretary.

Would you like to comment on this testimony?

MAYOR WALDER. Yes. That is not exactly true. When the last Mainstream program finished there was a lady who had been placed in the city office by Mainstream. At the time the new program was being set up we asked that this lady be returned to the office. She had continuity going back three or four administrations.

They said as far as they could see no people from the last program would be retained in the new program. So we hired this lady. The city did. And she is still employed by the city.

Later on we found that the previous mayor had a secretary which I did not feel I needed. And Mainstream brought a lady around to

be secretary or submitted her name. I don't think they ever brought her around. At which time we told her that we had no need for her in the city office.

That is the story.

MR. POWELL. I'm not sure I followed that. You say the person you hired, you hired because she had worked for the mayor's office before?

MAYOR WALDER. She had had continuity with two or three previous offices. She worked for Mayor Stenzel. She was the only one in the city office who did have continuity because the city clerk and the city comptroller were both hired new last May when the old or the retiring—Well, those two people retired from office. And this lady we desired to keep was elderly. That's why she was on Mainstream.

And she was competent. And we wanted her rehired on Mainstream to reduce the city's payroll. But that could not be done so we hired her without consulting Mainstream after Mainstream said she couldn't be on the program.

Then later Mainstream had a secretary which—that is, a niche for secretary—which had been previously assigned to the mayor for use at his office. This I did not need at my office, and we had a competent staff at the city hall by then, so we did not need this lady.

MR. POWELL. And that was the black lady who you rejected. Is that right?

MAYOR WALDER. I found out later—Mr. Lewis told me she was a black lady. It wouldn't have mattered what color she was because we didn't need the lady.

MR. POWELL. Mayor Walder, what plans, if any, does the city have to construct housing for low-income families in Cairo?

MAYOR WALDER. We don't have any definite plans. We have consulted with Mr. Ewing. We have consulted with the Department of Agriculture, a new program which appears to have promise. We have read the paper just turned in to you and other documents along that line in various monthly publications, daily publications.

Right now in Madam Commissioner's hometown there is a scandal revolving around some housing program.

We would like desperately to get a program in here that will work, but we don't think instant slums are the answer. We don't want to try a program that will not do the job.

We have a slum. We don't need a new slum. We feel like we need a competent, highly professional organization in here to take care of this housing thing and we simply haven't found it yet.

MR. POWELL. Mayor Walder, why was it necessary in view of the housing needs of this county to rescind the resolution which permitted the city to participate in the Federal rent supplement program?

MAYOR WALDER. At a meeting of the city council in May I believe—this is from memory—Mr. Ewing appeared with one or two men from his organization to talk about housing. At that time we asked him a series of questions just as you are asking us now. They answered

them, some of them. Some of them they said they would come back with the answers.

The city council still waits for Mr. Ewing and his group to come back with the answers.

Two months after that, the resolution which had been on the books since—and it was a simple resolution which authorized 235 and 236 and which had not been used by any housing authority at that time or to that time—was by simple vote—As it was enacted, by simple vote it was rescinded until Mr. Ewing would come back and explain to us satisfactorily and show us to our satisfaction that his program was the right program to change our housing pattern.

MR. POWELL. Why would you rescind a resolution which was a broad resolution and which could be taken advantage of by anyone? Mr. Ewing's ability or lack of ability to take advantage of the program provided for by the resolution has nothing to do with the need in the county which the resolution helps you to meet, does it?

MAYOR WALDER. Why not rescind the resolution, Mr. Powell? It was serving no purpose. And it can be put back on the city books by simple vote in 5 minutes when it is proven necessary.

MR. POWELL. Well, you have severe housing needs in the county, aggravated by the extent of poverty in the county, do you not?

MAYOR WALDER. That's right.

MR. POWELL. Well, this resolution would help alleviate it. If acted upon, if implemented, would help alleviate those needs? Would it not?

MAYOR WALDER. No, I don't completely agree with that, no. The housing—That we need housing is correct. But it doesn't have to be built under 235 and 236. There are other programs available.

I'm no housing expert. But, as I say, if it did become necessary it could be re-enacted in 5 minutes. There's no great difficulty there. As soon as we see the need and the good of it.

MR. POWELL. Mr. Bauer, the Commission learned this afternoon that of the 44 members appointed by the county board of commissioners to the county housing authority since its inception in 1938, none has been black. How would you account for that fact?

MR. BAUER. Well, I can't answer for something that has happened over a period of years. I am assuming that that's what has happened. And I'm assuming that these members have been appointed by the chairmen of the county board over the years. And I would have no way of answering it, sir.

MR. POWELL. But you have been a member of the board of commissioners for the last 7 years, have you not?

MR. BAUER. Yes, sir. That's true.

MR. POWELL. And in that period have you formed an impression as to why it is that in all the years, including the 7 which you have been on the Commission, there has been no black person appointed to an authority which has jurisdiction over an area which is very important to blacks?

MR. BAUER. No, I haven't formed any opinion. I have never consulted about it, sir.

MR. POWELL. When did the last vacancy occur on the housing authority, Mr. Bauer?

MR. BAUER. There was one—I'm assuming the vacancy occurred at the end of the year. I'm assuming it expired on the last day of December of 1971. I'm not sure.

MR. POWELL. Are you considering the appointment of a black member to this vacancy?

MR. BAUER. I am.

MR. POWELL. Have you taken any steps to insure that the county housing authority does not practice racial discrimination in its employment practices?

MR. BAUER. I don't think I have anything to do with that, sir.

MR. POWELL. That would be the executive director of the county housing authority?

MR. BAUER. I'm assuming it would.

MR. POWELL. Mayor Walder, we have also heard allegations this afternoon that currently and in the past appointments to city agencies, boards, and commissions have been almost exclusively white. We have heard, for example, that the public utility commission in existence since 1938 has never had a black member. How would you account for this?

MAYOR WALDER. I can't account for anything, of course, that happened before November of 1971, 4 months ago. But I think that what you say is basically true. I have only been mayor 4 months.

MR. POWELL. You have lived in Cairo though for a number of years, have you not?

MAYOR WALDER. Yes, sir.

MR. POWELL. Have you gained any knowledge of the kind of community that is here? Are you aware of the fact that generally speaking blacks do not participate on these public bodies?

MAYOR WALDER. Yes, I am aware of that.

MR. POWELL. Do you have an impression as a citizen of Cairo as to why that might be true?

MAYOR WALDER. Yes, there's several reasons. First, the last—the just departed mayor, Mayor Thomas, made quite an effort to find a black man who would serve on the utility commission. And of the four or five contacted he was unable to find anybody that was willing to serve because of the fear of pressure from his own community.

I would like for the Commission to realize that we have a community here not very big, and of our community we have maybe 2,200 blacks, of which, of course, there's a certain percentage of them are youngsters, a certain percentage of them are high school age, a certain percentage of them older people, and when we get into this middle generation where these people would be coming from we don't have many, because the wage scale, as we have heard all day today and yesterday, is low here. Both our better white and colored people leave here.

And as a consequence, when it comes to something like this, we have difficulty finding somebody to serve on boards of either color. And even more so because of the fact that I would say the colored man

has to work a little harder for his money, in that he is generally employed by somebody else and his time is not his own.

On these commissions very often the meetings are held at 2 in the afternoon, 4 in the afternoon, or maybe 10 at night or certainly last till 10 at night, where it might hinder a man in performing his duties the next day.

There are other reasons than color involved in this thing I believe.

MR. POWELL. Are you interested in attempting to get blacks appointed to such boards and commissions?

MAYOR WALDER. I'm not interested in appointing a black for black's sake, no sir. I have no opinions on that line at all. I think that as far as the utility commission is—and we have been talking about that—there's four men on that commission. That commission has and their predecessors have run that utility for 24 or 25 years without a rate increase, absorbing in that time a 5 percent tax increase and a rate adjustment which amounted to a reduction in the rate, so that today Cairo has the lowest utility rate in the State of Illinois other than Springfield.

MR. POWELL. Don't you think that in a community such as this which has about a 38 percent black population the blacks ought to be more accurately reflected on the public bodies and commissions?

MAYOR WALDER. If people could be found that are willing to serve on these committees, yes.

MR. POWELL. You do think that? It's your position that blacks are not on these public bodies and commissions because they are not willing to serve? Is that what you are saying?

MAYOR WALDER. That's right. Yes. That's right.

MR. POWELL. But if people would come—

MAYOR WALDER. I didn't go far enough into my limited colored pool I don't think. We have only got when we get right down to it about 15 or 20 colored men—and these committees are mainly men—that can serve on these committees, that can serve on them. And out of them we have to find somebody that is willing to serve on them. And it's difficult to find them.

It's a job to find, as I say, the Caucasian to serve on the committees. These committees are without pay. They are no fun. They are civic duty. And it's difficult to find anybody to serve on them, and I think that's a great reason why there aren't more blacks on the committees.

This goes back to the last council and, of course, has to be hearsay, but there was a—Mr. Thomas, the mayor, wanted a black man on that council, and he finally found one willing to serve, and the gentleman was never effective as a councilman because he was harassed by his own community at all times. He did, however—

MR. POWELL. You mean a city councilman?

MAYOR WALDER. Yes. Norman Seevers was his name, and he made a great effort—He was a fire commissioner. The man who sat here today and was a witness took his place on the commission. He made a great effort to recruit blacks for the fire department without any success at all.

MR. POWELL. Mr. Seevers was a black member of the city council? Is that what you're saying?

MAYOR WALDER. Yes.

MR. POWELL. Was he appointed?

MAYOR WALDER. Yes.

MR. POWELL. To fill a vacant position? Is that it?

MAYOR WALDER. Yes.

MR. POWELL. So you wouldn't agree with—We heard from Reverend Cobb and it was his statement that there was a lack of a propensity to appoint blacks to public bodies and commissions. You wouldn't agree with that? You wouldn't agree with the view that he expressed?

MAYOR WALDER. Yes, I'd have to agree with him some. I'd have to agree with him that they aren't there. You can't get away from that fact. But I think it's because we can't find blacks to serve of the caliber man who will give his time.

We have one commission down there right now appointed in the past again but they had one meeting, an organization meeting, and it was equally divided. It was a human relations commission. And that was the last time any of the blacks appeared at a meeting.

And they were higher caliber, middle class gentlemen. They just—Some of them weren't interested in coming back. Some of them felt like the black community didn't want them on the board.

MR. POWELL. You're not suggesting, are you, that whites generally are of a higher caliber from the standpoint of qualifications for these boards than blacks, are you?

MAYOR WALDER. No.

MR. POWELL. Madam Chairman, I have no further questions.

COMMISSIONER FREEMAN. Mayor Walder, you say that you would be interested in considering these appointments if you had the names of some black citizens who would—

MAYOR WALDER. Who would serve.

COMMISSIONER FREEMAN (continuing). Would volunteer?

MAYOR WALDER. That's right.

COMMISSIONER FREEMAN. Could we not suggest then to the black residents of Cairo that they submit to you a list of all of the people who will be willing to serve on these boards and then from that list you would make such appointments? Is that correct?

MAYOR WALDER. I wouldn't see where that would be out of place. Certainly if an appointment came up—and, incidentally, none have come since I have been mayor—

COMMISSIONER FREEMAN. But there is one vacancy already, isn't there? A term expired in December?

MAYOR WALDER. Where is that?

COMMISSIONER FREEMAN. For the housing authority?

MAYOR WALDER. I have nothing to do with the housing authority.

COMMISSIONER FREEMAN. Mr. Bauer can.

MAYOR WALDER. I'm Mr. Walder.

COMMISSIONER FREEMAN. Yes. Well, I don't want to leave out Mr. Bauer either on giving these names.

MAYOR WALDER. Well, yes, a list would help. However, we pretty well know people around here, and I can tell you I have already spoken to one colored gentleman and asked him would he serve if I asked him and he has indicated he will.

COMMISSIONER FREEMAN. Well, it may very well be that since you have said that it's so difficult, and especially because in your opinion people may be reluctant to come out at night, it seems that perhaps if the white members will come out at night maybe the black ones will too and we would just hope that maybe one value of this hearing is that we can let the black citizens of Cairo know that the mayor will receive the lists of those who are ready, willing, and able to serve on boards.

MAYOR WALDER. That would help all right. Of course, we would reserve the right to pick from that list and judge that list in light of what we know and things of that kind. I mean—

COMMISSIONER FREEMAN. We understand your right. Is this true of you also, Mr. Bauer?

MR. BAUER. Yes. I have stated my position previously on the vacancy that we have, yes, that I was considering appointing a black to it.

COMMISSIONER FREEMAN. As the mayor, Mr. Walder, you are the mayor of all of the people of Cairo, are you not?

MAYOR WALDER. Yes, ma'am.

COMMISSIONER FREEMAN. And, therefore, you want to respond to the needs of the black residents as well as the white?

MAYOR WALDER. That's right.

COMMISSIONER FREEMAN. Is it your opinion that the black residents believe that you feel this way?

MAYOR WALDER. I don't believe they do, no.

COMMISSIONER FREEMAN. Would you—

MAYOR WALDER. I think I'm agreeing with you, ma'am. What I mean to say is that I believe that the black residents do not think I'm their mayor.

COMMISSIONER FREEMAN. That's what I mean.

MAYOR WALDER. That's what I said. Okay.

COMMISSIONER FREEMAN. You're going to be the mayor for how much longer? What is your term?

MAYOR WALDER. With God's help it won't be as long as the term is. But it may have to be.

COMMISSIONER FREEMAN. What is the term?

MAYOR WALDER. Well, a new mayor will not be elected for 3 years.

COMMISSIONER FREEMAN. You will be the mayor for the next 3 years, won't you?

MAYOR WALDER. Well, I say, you know—Right now we're trying our best and we'll keep on doing that, but there are occasions that it has happened in the past.

COMMISSIONER FREEMAN. As the chief executive officer of this city you must have some program that you would like to see come into effect. Would you tell this Commission—

MAYOR WALDER. No, I don't think we have—

COMMISSIONER FREEMAN. You don't have any program?

MAYOR WALDER (continuing). A definite program, no, I'm afraid we don't.

COMMISSIONER FREEMAN. Do you think that Cairo can continue the way it is right now?

MAYOR WALDER. Well, yes, I guess we can. We have continued this long. I wouldn't say we have—Those who haven't liked it have gone, and they are gone. And those who have liked it have stayed. And while we are not perhaps the most prosperous community in the country, we're not I don't think the worst community in the country either. And I'm civic minded. I believe that the time will come when we all get along very well together, and I believe—I don't believe we are ever going to be Chicago, but I believe we'll show growth.

COMMISSIONER FREEMAN. What I'm trying to find out is, if Cairo is getting smaller, each year, if it loses people, if you as mayor have any—and your council—if you are concerned about this and if you—

MAYOR WALDER. Well, there are agencies—Of course, you understand this a part-time job. It's a bigger part than I thought it would be, but it's a part-time job. The Chamber of Commerce, of course, is constantly working on industrial contacts. We have various civic clubs such as the Rotary, the Kiwanis, well, any number of them that are always attempting to do something better, if it's nothing but in the way of improving a park.

And we hope, always are hoping for new industry in the town, and we would like to have industry that pays a little higher wages if we could get it. Of course, so far we haven't been able to obtain anything of that kind.

COMMISSIONER FREEMAN. Do you think it would be any better if the position of mayor was a full-time job?

MAYOR WALDER. No, I don't think there is enough here to keep them—Although Metropolis, a town not too much bigger than Cairo, has a full-time mayor. But I don't think there's enough to keep a man busy full-time either unless he would want—could go into it and get going on a good program and get it underway, which I don't know whether you can in a town this size or not.

COMMISSIONER FREEMAN. About how much of your time do you give to the city?

MAYOR WALDER. Well, just to give you an idea, I go up to the city hall every morning and answer mail, and then I go down to where I sell shirts for a living. And somebody calls me and tells me there is a dead cat in the street. And I tell them that that's not my business, but I have to talk to them for a good long time because I know them.

And then somebody calls and says that there is a tree rubbing on their garage and it's on city property, that tree is, and they'd like to have that taken care of.

And things like that go on all day. And that's why it takes more time than you would think for the city, because people have these little complaints, and they apparently think that the mayor takes care of all of them. And, of course, I know all these people by their first

names and have known them for 60 years, and I can't tell them it's somebody else's department or to bury the cat themselves. I have to be real nice about it.

Then I have to try and find somebody that will pick up the cat and cut the tree limb and things of that kind too, you see.

COMMISSIONER FREEMAN. Is that the extent of your activity?

MAYOR WALDER. Well, no, that's the harassment part of it.

Then there are various people from the State who come in. There are—The other Councilmen through the day have things they want to talk about. It's all I would say small business, but it adds up in a day's time to what is called running the town, I guess.

COMMISSIONER FREEMAN. Okay. Thank you. Commissioner Mitchell?

COMMISSIONER MITCHELL. Mayor Walder, we have heard in the past day or so repeated reference to the power structure of Cairo. Does that phrase have any meaning for you?

MAYOR WALDER. Well, if there's a power struggle in Cairo I'm going to give up and let—

COMMISSIONER MITCHELL. Not "struggle". There's not much of a struggle evidently. People keep talking about a "structure".

MAYOR WALDER. Oh. Power structure?

COMMISSIONER MITCHELL. Yes.

MAYOR WALDER. I don't know where it would be if there is a power structure in Cairo. I heard you refer to it in regard to the school—a school program—like somewhere in the power structure there is a school board. There's the city council. Of course we don't have anything to do with the city council. We don't run the utility company and pay no attention to their business at all. And very, very few of those matters we get into.

COMMISSIONER MITCHELL. So where is the power? Who makes the decisions in Cairo?

MAYOR WALDER. In Cairo? If there's any power it would be in the courthouse I'd say. Not with Jack I don't think. But with the people who have been up there.

COMMISSIONER MITCHELL. Well, how about the city council, for example? Is that where the policy decisions are made for the city of Cairo?

MAYOR WALDER. Yes.

COMMISSIONER MITCHELL. So the power structure really would be the city councilmen and the mayor or—

MAYOR WALDER. If that's the power structure; yes, sir.

COMMISSIONER MITCHELL. How influential is the mayor in that setup? Where do you stand in the power structure?

MAYOR WALDER. I'm one of five, sir. My vote counts the same as the others. Theoretically I'm not supposed to have anything to do, just coordinate the other four departments.

COMMISSIONER MITCHELL. I was interested in your comment to Mrs. Freeman. I have sat here listening just as a citizen of another community which has its troubles and comparing mentally some of ours with some of yours. You do have a lot of troubles here. You have to admit that I'm sure, whether or not you were the mayor.

You have got real fiscal problems in your school system. You have a high rate of unemployment. You have got housing that is, some of it, in terrible shape. You have got the problems of a lack of industry and shrinking population, shrinking tax base.

It would seem to me that that poses real problems for the city administration and for the power structure here, wherever it is, and that at this advanced stage there would be a program of some kind.

Is it your assumption or the city's assumption, the city council's assumption, in association with you, that these problems will just somehow fade away? Or do you expect them to get worse or better?

MAYOR WALDER. I guess there's a certain amount of that. Of course, when you're recounting our troubles you don't sound like a Chamber of Commerce meeting. It sounds a good deal like the opposite side.

We console ourselves I guess by looking at other towns that we do just as much trouble, just as much housing problem, and we do talk to them and ask them what they are doing, see, and what they can do.

But we are not in the limited time we have available for city government—We are not in a position to inaugurate and plan and carry forward a program as such of visitation of industry. We don't have the money to, things of that kind that I know could well be done and would certainly benefit. We just don't have the money to do those kind of things.

COMMISSIONER MITCHELL. So you are saying to me in effect that whatever the problems are, they are being dealt with on a contemporary basis and that you have no—As we come here looking to see what your problems may be and ways in which agencies that should or could be serving this city might be invoked, you are saying there isn't any official city plan that has been stated or put together?

MAYOR WALDER. No long-range plan. That's right.

COMMISSIONER MITCHELL. Is that correct? Well, it's an interesting way to approach these problems.

You know, I was in Washington right after the war when a fellow who sold shirts became the President of the United States. So, you see, becoming mayor may be the first step in something.

MAYOR WALDER. No, sir. This is my last stop.

COMMISSIONER MITCHELL. Well, if I'm not mistaken, he once said that too.

Mr. Mayor, there were some young people here yesterday. Some young people sat where you are sitting yesterday, and I asked them whether they were taught about their government in school. I have a strong feeling about that as an educator among others, because I think that whether they admit it or not—and today's young people are very cynical—they still look to the leaders of their country, their State, their city as a kind of model for themselves.

As a mayor you are a symbol of something. You are a symbol of the willingness of men to give authority to other men and with it their trust and their faith. That's the whole difference between this country and any other kind of government. That is, we have decided to run our own government with our own people.

So to that young lady who goes to Cairo High School and to those two young people who go to Camelot you are, whether they will admit it or not, a symbol to them of their hope and faith in a free country. That gives you a kind of responsibility you can't escape, a responsibility for leadership.

How do you see yourself in that sense? Whether or not people think you're their mayor, as you said to Mrs. Freeman, the fact is you are. You took an oath when you took the job, and you have a responsibility for leadership.

How do you see yourself exercising that?

MAYOR WALDER. Well, I over-exaggerated in my statement to Mrs. Freeman. There's a lot of colored people who do feel like I'm their mayor. In fact, I feel like the great percentage of them feel that way, especially those I know personally, and over a period of years I know a lot of them personally.

But as far as feeling that I am a symbol, I try to be decent. I try to treat everybody courteously. And nobody has ever come up to the city hall and been treated discourteously by anybody.

I realize that what you say is true about these young people, because I know some of them that used to just pass me on the street and say little or nothing, now they want to be noticed, and I try to do that because they might want to buy a shirt sometime, you know, and they'd remember I sold shirts.

But that's as far as I would go. I haven't—I think all the schools have a government class. I know right now the public school has a drive on to get money to send the kids to Springfield, starting with Springfield, and hope to go next year to Washington.

COMMISSIONER MITCHELL. Well, all I can say is that you have got more problems than most mayors I have met. The Commission in coming here recognizes, I think, in the end that this is where all government starts. This is where the people of this country really make their decisions. And we can come here and show you the Bill of Rights and urge you to give some thought to the things the government, State and Federal, have available and try to make our report back where we go, but fundamentally I'm talking now, in talking to you, to the person who, whether he likes it or not, is the power or has the power if he wants it to change this city's future and change the lives of its people and to do what all of us in this country want to do—make a better world for those who follow us.

God bless you, Mr. Mayor.

MAYOR WALDER. Thank you, sir.

COMMISSIONER FREEMAN. Thank you. The witnesses are excused.

We are about to close this session. Tomorrow morning the hearing will open at 9 o'clock instead of 9:30. That is, 9 o'clock tomorrow morning will be the closing session of this hearing, which will be convened at 9 a.m. and continue until about 12:30 p.m.

(Whereupon, at 6:18 p.m., the hearing was recessed, to be reconvened at 9 a.m., Saturday, March 25, 1972.)

UNITED STATES COMMISSION
ON CIVIL RIGHTS

SATURDAY, MARCH 25, 1972

COMMISSIONER FREEMAN. Good morning, ladies and gentlemen.

This final session of the hearing of the Civil Rights Commission is called to order.

Mr. Powell, will you call the first witness?

MR. POWELL. Madam Chairman, the next portion of the hearing will be concerned with problems of health care. It will be a series of four panels. The first witness is Mrs. Jean Vasser.

(Whereupon, Mrs. Jean Vasser was sworn by Commissioner Freeman and testified as follows:)

**TESTIMONY OF MRS. JEAN VASSER, RECEPTIONIST, ST. MARY'S
COMMUNITY CLINIC, CAIRO, ILLINOIS**

MR. POWELL. Mrs. Vasser will be questioned by Mr. Stephen Brown, Staff Attorney with the Commission.

MR. BROWN. Would you please state your name, address, and occupation for the record?

MRS. VASSER. Mrs. Jean Vasser, 519 - 19th, Cairo, receptionist, St. Mary's Community Clinic.

MR. BROWN. Mrs. Vasser, how long have you been a resident of Cairo?

MRS. VASSER. Approximately 21 years I believe.

MR. BROWN. And how long have you held your position at the clinic?

MRS. VASSER. Since January 1971.

MR. BROWN. In the course of your work at the clinic, have you become familiar with the patients at the clinic and with the medical care problems which they have?

MRS. VASSER. I have.

MR. BROWN. Could you describe some of the major problems in obtaining medical care that poor and black patients in Cairo experience?

MRS. VASSER. Pardon? Would you rephrase that?

MR. BROWN. Yes. Could you describe some of the major problems in the access to medical care which poor and black Cairo residents have?

MRS. VASSER. The major problems?

MR. BROWN. Yes. Is medical care available to poor and black Cairo residents? And where is it available?

MRS. VASSER. It is available, yes. We have the clinic. We have other physicians here in Cairo. But it's very limited.

MR. BROWN. What percentage of patients at the clinic either have never seen a doctor or haven't seen a doctor for quite a long time?

MRS. VASSER. I wouldn't know the percentage, but there are quite a few that haven't seen a doctor in quite a while. I have talked to at least three people who haven't seen a doctor in over 50 years.

MR. BROWN. And that is a common occurrence?

MRS. VASSER. To me it is.

MR. BROWN. From your discussions with patients at the clinic, why is it that they haven't seen doctors in such a long time?

MRS. VASSER. Well, some of them are still using across-the-counter medicines, and you will find that the older people are not going to come to a doctor and undress and tell all the things, you know, that you have to tell a doctor. The older folk I find—and I do say the much older ones—seem to want to keep a lot of things to themselves and they don't go.

MR. BROWN. Based upon the number of patients who are seen in the clinic, could you evaluate the need for a clinic?

MRS. VASSER. Yes. The reason I say the need for a clinic, and speaking of the clinic there, is that we have a physician and a surgeon and this is something we need here in Cairo are more specialists. And we have a physician-surgeon there and you are able to see more people.

And there should be a clinic. There should have always been a clinic in Cairo.

MR. BROWN. Do you have an idea how many patients have been seen by the clinic, say, in the last year?

MRS. VASSER. Since January of last year?

MR. BROWN. All right. Since it opened, yes.

MRS. VASSER. Yes. Yesterday when I closed my file I had 1,946 clinic patients.

MR. BROWN. And that's since January 1971?

MRS. VASSER. 1971.

MR. BROWN. When the clinic opened?

MRS. VASSER. Yes.

MR. BROWN. And some of these patients have visited the clinic more than once?

MRS. VASSER. Several times. Yes, we see on the average of 30 to 35 patients a day and turn away just as many.

MR. BROWN. So do you have an idea how many total visits have been made to the clinic?

MRS. VASSER. No, I have no idea how many. It has been totaled but I don't know the number right now.

MR. BROWN. But you've seen approximately 2,000 patients in—

MRS. VASSER. Yes.

MR. BROWN (continuing). A year and 3 months?

MRS. VASSER. Yes.

MR. BROWN. Have you noted examples where beyond the medical treatment which the clinic has afforded it has had an effect of promoting greater understanding between black and white people?

MRS. VASSER. Yes, I have. And one incident, say—it might be a little offhand—is that one time shortly after we started work I saw a group of people starting towards the door, and this man turned around and told the other lady that the place was run by incompetent blacks, and he left.

The next day I saw the man in the corridor still sick going to the emergency room. At that time we were open from 9 in the morning until 2 in the afternoon. And I asked him if he would stay in the clinic we would have a doctor there shortly. And he did.

And today I can say this man is very instrumental in our clinic. I see him every other day. He is bringing in people to our clinic and he is a much different man than what I met the first day he came in the clinic.

And that's one thing that has really stuck with me because I won't say what this man does because if I do I would pinpoint him.

MR. BROWN. What do you think would be the consequences to poor and black Cairo residents if there were no clinic, if the clinic were, say, discontinued?

MRS. VASSER. It would be very bad because in a clinic there is a doctor all the time. I have gone to doctors' offices and sat there all day and they didn't come in. And our doctors here are so overloaded and they're out day and night and then emergencies come up, and if you're sick and sitting in the office, they can be out at the hospital doing something else.

Here, a clinic, you would have a doctor there at all times during the clinic hours, and any emergency that comes in you can bring them right into the clinic and know that a doctor is there. It's better to go to a doctor and know that he is coming than to go there and sit there and not even know if he is going to make it or not.

So the clinic is a very important place in any town, and we need one here, and I think it would hurt a lot of people if we don't have a clinic. If there's no clinic here, then a lot of people are going to go uncared for. A lot are going uncared for as it is.

MR. BROWN. Does the clinic have a program to reach people who might not otherwise go in to see a doctor?

MRS. VASSER. Yes, we have a program called the outreach program. There are two aides and a nurse sometimes, and they go out into the communities that are like 30 or 40 miles from the clinic, and they set up for blood pressures and temperatures, and so forth, and make appointments for them to come in to the doctor.

We put up signs out in the county, and we have a bus that goes out to pick up the people that don't have rides to come in. And this has been very instrumental in getting people who haven't seen a doctor.

A lot of folk around here are on social security and they haven't been able to use the Medicare card going to the local physician, so they are not getting medical help that way. So they come in to the clinic and they can use the Medicare card so then we get those.

MR. BROWN. From your knowledge from talking to patients and from what you know from your personal experience, how available is dental care to poor and black residents of Cairo?

MRS. VASSER. From talking to the patients and myself I say dental care in Cairo is very poor.

MR. BROWN. Could you expound on that a little bit?

MRS. VASSER. There is only one dentist I believe here in Cairo that would take blacks, and that's the one over the drugstore. I can't think of his name now. But I have been told by others that they cannot get appointments at the other dentists in Cairo. I myself have been unable to get an appointment in Cairo.

MR. BROWN. I see. Where do you go for dental care?

MRS. VASSER. Paducah.

MR. BROWN. Thank you, Mrs. Vasser.

MRS. VASSER. As early as 2 weeks ago.

MR. BROWN. Madam Chairman, I have no further questions.

COMMISSIONER FREEMAN. Commissioner Mitchell?

COMMISSIONER MITCHELL. I have no questions.

COMMISSIONER FREEMAN. Mr. Buggs?

MR. BUGGS. No questions.

COMMISSIONER FREEMAN. Thank you, Mrs. Vasser.

Will you call the next witness?

MR. POWELL. Madam Chairman, the next is a panel of witnesses consisting of the two full-time dentists here in Cairo, Dr. Emmett Gillespie and Dr. William Kobler.

(Whereupon, Dr. Emmett Gillespie and Dr. William Kobler were sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF DR. EMMETT GILLESPIE AND DR. WILLIAM KOBLER, CAIRO, ILLINOIS

MR. POWELL. Would the other gentleman identify himself?

MR. SPOMER. My name is W. C. Spomer. I'm a practicing attorney in the city of Cairo and have been since the year 1951. I am here representing Dr. Gillespie and Dr. Kobler.

MR. POWELL. Beginning with the gentleman on my left closest to the wall, would you each please state your name, address, and occupation for the record?

DR. GILLESPIE. Emmett Gillespie, dentist, 3000 Magnolia Drive. Office address, 320 - 9th Street, Cairo, Illinois.

DR. KOBLER. William M. Kobler, 2707 Holbrook, Cairo, Illinois. My office is at 407 - 20th Street.

MR. POWELL. Dr. Gillespie and Dr. Kobler, you both practice dentistry here in Cairo on a full-time basis?

DR. GILLESPIE. Right.

DR. KOBLER. Right.

MR. POWELL. Dr. Gillespie, how many years have you been practicing dentistry in Cairo?

DR. GILLESPIE. Forty-three.

MR. POWELL. How many dentists practice full-time in Cairo, Dr. Gillespie?

DR. GILLESPIE. At the present time?

MR. POWELL. Full-time.

DR. GILLESPIE. Two.

MR. POWELL. And that would be both yourself and Dr. Kobler?

DR. GILLESPIE. Right.

MR. POWELL. Dr. Gillespie, how many patients on the average do you see per day?

DR. GILLESPIE. Twenty or so. Average of 20.

MR. POWELL. Do you sometimes see more?

DR. GILLESPIE. Sometimes.

MR. POWELL. As many as 30 a day?

DR. GILLESPIE. That would be a little high, but sometimes I have.

MR. POWELL. How many days per week do you practice?

DR. GILLESPIE. Four and a half.

MR. POWELL. Dr. Gillespie, how many black patients on the average do you see per day?

DR. GILLESPIE. I'd say 20.

MR. POWELL. How many black patients on the average do you see per day?

DR. GILLESPIE. On the average?

MR. POWELL. How many black patients do you see on an average day?

DR. GILLESPIE. Very few.

MR. POWELL. Does that mean that you see as many as four or five a week?

DR. GILLESPIE. Not that many. I'd say maybe one or two a week probably.

MR. POWELL. You see as many as one or two blacks a week?

DR. GILLESPIE. Occasionally.

MR. POWELL. Now, I'm talking about on the average. In the course of say 4 or 5 months in any average year how many blacks would you say that you see?

DR. GILLESPIE. Well, the last 3 months—may I put it that way?

MR. POWELL. Yes.

DR. GILLESPIE. Okay. About possibly four or five in the last 3 months.

MR. POWELL. Are any of these blacks that you see regular patients of yours?

DR. GILLESPIE. No.

MR. POWELL. You have no regular black patients?

DR. GILLESPIE. No.

MR. POWELL. In a community which has approximately 40 percent black population, to what do you attribute the fact that you have no regular black patients?

DR. GILLESPIE. Well——

MR. POWELL. Do you understand the question?

DR. GILLESPIE. After 43 years of practice you have your own following where you are taking care of say three generations of one family. You build up to a pretty steady practice, and it's all I can do is take care of these under the present conditions. It's all I am physically able to handle.

MR. POWELL. When a black comes to you in need of dental care and in need of prolonged dental care, what reaction do you have?

DR. GILLESPIE. I refer him to Dr. Friend.

MR. POWELL. Is Dr. Friend a dentist who practices on a full-time basis here?

DR. GILLESPIE. No.

MR. POWELL. Why would you refer him to Dr. Friend rather than treat him yourself?

DR. GILLESPIE. Well, Dr. Friend has the ability to take care of them and the time.

MR. POWELL. What is the basis upon which Dr. Friend is here? Is he here 2 or 3 days a week?

DR. GILLESPIE. I think 1 or 2.

MR. POWELL. We have heard testimony to the effect that Dr. Friend is here only half a day a week.

DR. GILLESPIE. I don't know about that.

MR. POWELL. But it is true you are one of the two dentists here on a full-time basis? Is that correct?

DR. GILLESPIE. Right.

MR. POWELL. Yet you have no black patients?

DR. GILLESPIE. Not to speak of.

MR. POWELL. Dr. Gillespie, do you periodically treat new patients?

DR. GILLESPIE. Periodically?

MR. POWELL. Do you periodically treat new patients?

DR. GILLESPIE. Occasionally.

MR. POWELL. And these become full-time patients of yours?

DR. GILLESPIE. Not necessarily.

MR. POWELL. Do they occasionally become full-time patients of yours?

DR. GILLESPIE. Not necessarily.

MR. POWELL. Do they occasionally become full-time patients of yours?

DR. GILLESPIE. Possibly.

MR. POWELL. Yet although you do occasionally take on new full-time patients, none of these people whom you take are blacks? Is that correct?

DR. GILLESPIE. That's correct.

MR. POWELL. How do you decide who to treat and who not to treat, Dr. Gillespie?

DR. GILLESPIE. Well, that's my own privilege.

MR. POWELL. Does it relate to the kind of problems these people have?

DR. GILLESPIE. Could be.

MR. POWELL. Would you welcome a black patient who had a problem in the area that you typically treat?

DR. GILLESPIE. Can you be more specific with your question?

MR. POWELL. What are the kinds of dental problems that you treat on a regular basis?

DR. GILLESPIE. Well, anything that I think I have the ability to handle.

MR. POWELL. Well, what would that be specifically?

DR. GILLESPIE. Well, operative work.

MR. POWELL. What kind of work is that?

DR. GILLESPIE. Operative work. Prosthetic work.

MR. POWELL. Now, a black patient with this kind of problem, prosthetic work, would you treat him on a regular basis?

DR. GILLESPIE. I don't say I would.

MR. POWELL. I didn't hear you.

DR. GILLESPIE. I don't say I would and I don't say I wouldn't.

MR. POWELL. Well, you're here to give us an answer one way or the other.

DR. GILLESPIE. That isn't the basis of our problem here. The problem is that we don't have sufficient dentists to handle the number of people we have in our two counties. I think that's the basic problem. The problem is in my viewpoint that I am taking care of all I can.

MR. POWELL. I see. Yet you do on occasion take on new patients having problems in areas that you treat. But of these new patients that you do take on, even assuming you can't take all of them on, none of them is black? Is that correct?

DR. GILLESPIE. Right.

MR. POWELL. Dr. Gillespie, where do black people in Cairo go for dental care?

DR. GILLESPIE. White people?

MR. POWELL. Where do black people go? I assume white people in Cairo come to you and Dr. Kobler. Is that right?

DR. GILLESPIE. Some of them go out of town too.

MR. POWELL. Where do black people in Cairo go for dental care?

DR. GILLESPIE. They go to either Dr. Friend or go to some other town.

MR. POWELL. And how far do they have to travel when they have to go to some other town?

DR. GILLESPIE. Anywhere from 12 miles to probably 30.

MR. POWELL. Is there a dentist other than you and Dr. Kobler within 12 miles? You have been here for 43 years and I suppose you know.

DR. GILLESPIE. There is one in Mounds that takes care of black people. However, he's 80-some-odd years old and he can't handle too many, but he does take care of black people.

MR. POWELL. He's virtually not available at 80 years then, wouldn't you say?

DR. GILLESPIE. Pardon?

MR. POWELL. At 80 years old he's virtually not available, wouldn't you say?

DR. GILLESPIE. Well, he's still working, still operating.

MR. POWELL. Other than that 80-year-old dentist in Mounds, where is the closest dentist other than yourself and Dr. Kobler?

DR. GILLESPIE. Charleston.

MR. POWELL. How far is that?

DR. GILLESPIE. Possibly 12 miles.

MR. POWELL. Charleston, I believe—I'm not very familiar with this territory—but I believe it's about 25 or 30 miles, isn't it?

DR. GILLESPIE. Charleston, Missouri, is not.

MR. POWELL. It's not? Fourteen miles? Do you think, Dr. Gillespie, that blacks in Cairo have access to dental care on an equal basis with whites here in Cairo?

DR. GILLESPIE. Well, I think their problems can be taken care of.

MR. POWELL. Even though on balance they have to go to some other community to receive dental care?

DR. GILLESPIE. Right. We have a lot of people go to communities the same distance for medical care, whites as well as blacks. That isn't unusual at all.

MR. POWELL. But—

DR. GILLESPIE. We don't have specialists here. We don't have no eye, nose and throat man. It isn't unusual at all that white people go to other places for medical treatment also.

MR. POWELL. With respect to specialists, our investigation would indicate that blacks and whites are in relatively the same position. Both blacks and whites typically have to go out of town for specialists in the area of medicine unless they can find that at the clinic. But blacks don't have a choice with respect to dental care, do they? They cannot retain you as their regular dentist, you or Dr. Kobler?

DR. GILLESPIE. That's right.

MR. POWELL. But whites have a choice, do they not?

DR. GILLESPIE. Some of them.

MR. POWELL. Wouldn't you say that that creates a significant degree of inequality vis-a-vis dental services between blacks and whites in access to dental services in Cairo?

DR. GILLESPIE. Repeat the question, will you, please, sir?

MR. POWELL. Wouldn't you say that the fact that blacks don't have a choice to retain you or Dr. Kobler as a regular full-time dentist whereas whites do creates a significant degree of inequality vis-a-vis access to dental care between blacks and whites?

DR. GILLESPIE. Well, with our time limitations the whites wouldn't have that privilege either. If we can't handle the whites they'd have—which sometimes happens—they have to go to other areas.

MR. POWELL. Although they do, some of them do, become new full-time patients of yours?

DR. GILLESPIE. Sometimes.

MR. POWELL. Yes. Dr. Gillespie, have you ever participated in the Medicaid program?

DR. GILLESPIE. No, sir.

MR. POWELL. Have you ever participated in the Medicaid program?

DR. GILLESPIE. No, sir.

MR. POWELL. Have you ever been able to take patients on public assistance?

DR. GILLESPIE. I haven't in the last 7 or 8 years.

MR. POWELL. But at one time you were? Is that correct?

DR. GILLESPIE. Yes.

MR. POWELL. Why are you no longer taking patients on general assistance?

DR. GILLESPIE. Because I couldn't take care of all of them. Too much of a load.

MR. POWELL. Is it true that you were asked to sign a form saying that you would not discriminate?

DR. GILLESPIE. In what?

MR. POWELL. On the basis of patients to whom you gave dental care.

DR. GILLESPIE. No, sir.

MR. POWELL. Is it true that you were asked to agree not to discriminate in giving dental care?

DR. GILLESPIE. You mean when I was working for the public aid?

MR. POWELL. When you were treating patients on general assistance.

DR. GILLESPIE. By whom? Do you mean the State—that I was told not to discriminate? I didn't sign any forms of any kind.

MR. POWELL. Were you asked by the department of public assistance or by the State office to agree not to discriminate in the giving of dental care—discriminate on the basis of race, that is?

DR. GILLESPIE. No, sir.

MR. POWELL. Dr. Gillespie, do you hold any appointive positions in any county health agency?

DR. GILLESPIE. The Tri-County Health.

MR. POWELL. What is the function of the Tri-County Health Department?

DR. GILLESPIE. Well, they have out-clinics. They have venereal clinics. They have a child, prenatal clinic. They have visiting home nursing. They also have a sanitation. That would embrace most of the fields. They do have—are affiliated with lung conditions, TB too.

MR. POWELL. And how is the Tri-County Health Department funded?

DR. GILLESPIE. Through State and local funds, county funds, taxes.

MR. POWELL. Thank you. Dr. Kobler?

DR. KOBLER. Yes?

MR. POWELL. How long have you been practicing dentistry in Cairo?

DR. KOBLER. Since 1957.

MR. POWELL. Some 15 years?

DR. KOBLER. Fourteen, 15.

MR. POWELL. How many patients on the average do you see per day?

DR. KOBLER. It varies. Probably 15 or less—or 15 and more.

MR. POWELL. How many days a week do you practice, Dr. Kobler?

DR. KOBLER. Originally I practiced 5½. Now I practice 4.

MR. POWELL. For how long have you been practicing 4 days a week?

DR. KOBLER. Since I had a heart attack 6 years ago.

MR. POWELL. So for 9 years you practiced 5½ days a week and the last 6, 4 days a week?

DR. KOBLER. Approximately.

MR. POWELL. Dr. Kobler, what percentage of your full-time patients are black?

DR. KOBLER. A very small, minute percentage.

MR. POWELL. Do you have any full-time patients who are black?

DR. KOBLER. No.

MR. POWELL. You have no full-time patients who are black?

DR. KOBLER. (No response.)

MR. POWELL. How many black patients would you say you have treated in the last 6 months?

DR. KOBLER. None.

MR. POWELL. None? Dr. Kobler, considering that the black population of Cairo is approximately 38 percent and you are one of two full-time dentists, how do you explain the fact that you have treated no black patients in the last 6 months?

DR. KOBLER. When I bought my practice in 1957 it was a well established practice. I have retained almost 50 percent or maybe 75 percent of those patients. I have established my practice on a sound business basis and I have taken mostly patients only on referrals. Consequently, I am assured of my restitution for my work and consequently I don't acquire very many new patients. Most of them, like Dr. Gillespie, are families that I have treated since I took over practice in Cairo.

MR. POWELL. You say you obtain new patients mostly on referrals, which suggests that you do obtain new patients who come in.

DR. KOBLER. I do obtain some new patients, and like I say I ask them who sent them, and that way I usually obtain a good patient.

MR. POWELL. What would you call—

DR. KOBLER. Which is sound business practice.

MR. POWELL. What is a good patient?

DR. KOBLER. One who pays.

MR. POWELL. One who pays? Do you ever take people who come in?

DR. KOBLER. I have not—Emergencies mostly. Black and white. I refuse. I refer them to either Dr. Auburn at the Cape or Dr. Curley at Paducah for oral surgery. I don't do any or very little oral surgery.

MR. POWELL. Talking now only about the kind of things that you do—And, by the way, what is that? What kind of areas of dental care do you do?

DR. KOBLER. Mostly operative and prosthetics and crown bridge.

MR. POWELL. In those areas in the last year have you taken any new white patients who have come in?

DR. KOBLER. Yes, I have taken some new white patients.

MR. POWELL. Have some of these not been on referral.

DR. KOBLER. Most of them entirely on referrals.

MR. POWELL. You say most of them?

DR. KOBLER. I say entirely.

MR. POWELL. You're under oath.

DR. KOBLER. I understand that.

MR. POWELL. Now, during the last year have there been some white patients that you have taken on as new patients who have not been on referral?

DR. KOBLER. Possibly some could have escaped. I mean I don't know for sure. I'd have to check with my office girl.

MR. POWELL. So that you do take new patients on occasion who are not on referral?

DR. KOBLER. I say I could have. I don't know. I'd have to check. But it's a standing practice for my office girl to ask who referred the patient.

MR. POWELL. But on those limited occasions where you do take patients who are not on referral, none of them is black. Is that correct?

DR. KOBLER. Would you repeat that, please?

MR. POWELL. While you do take new patients on occasion, who are not on referral, who just come in, in obtaining full-time patients, none of your full-time patients—

DR. KOBLER. That's correct.

MR. POWELL (Continuing). Whom you have obtained this way is black?

DR. KOBLER. That's correct.

MR. POWELL. Your answer is "that's correct"?

DR. KOBLER. Yes, sir.

MR. POWELL. Dr. Kobler, have you ever participated in the Medicaid program?

DR. KOBLER. No, sir.

MR. POWELL. You never have?

DR. KOBLER. No, sir.

MR. POWELL. Have you ever been eligible to treat patients on public assistance?

DR. KOBLER. Yes. Dr. Gillespie and I were both removed from the public aid rolls at the same time, and the reason was our patient load was so great that we couldn't treat all the public aid patients, and consequently the State came to us and they said: "Well, if you can't take them all, why don't take any." And so we agreed then that we wouldn't take any.

MR. POWELL. When the State asked you—When they said: "If you can't take them all" did they have reference to taking both black and white?

DR. KOBLER. Absolutely.

MR. POWELL. And you were not willing to take on black patients?

DR. KOBLER. We couldn't take black or white, all of them. It was impossible.

MR. POWELL. But you could take some white and some black, couldn't you?

DR. KOBLER. We took a few, yes.

MR. POWELL. You could take some black and some white, couldn't you?

DR. KOBLER. Yes.

MR. POWELL. So that the problem was not that you couldn't handle all the patients on general assistance? The problem was that you wouldn't take them on an equal basis? Is that correct?

DR. KOBLER. The problem was the State said if we couldn't take them all they wouldn't give us any.

MR. POWELL. You mean to say the State wanted you to treat patients beyond your capacity to treat them?

DR. KOBLER. They wanted us to treat all public aid patients, and it was. The capacity was so great we couldn't treat them all. Therefore, they removed us from their rolls.

MR. POWELL. I'm not sure I understand that, Dr. Kobler. You mean that they wanted you to treat all the patients on public assistance, all of them that there were?

DR. KOBLER. Anyone who walked into my office who was on public aid, I was obligated to treat them, and I wouldn't—I couldn't handle them all and consequently they came down here and took us off the public aid rolls. We told them that our patient load was so great we couldn't handle them all.

MR. POWELL. If we were to look at the public record regarding the disposition of your being taken off the public roll, would it show anything other than that—what you are stating now?

DR. KOBLER. As far as I know. I mean I have nothing written on it.

MR. POWELL. But people who disposed of the matter may have? Is that correct?

DR. KOBLER. The State may have some record of it. I mean I have no idea.

MR. POWELL. Dr. Kobler, have you ever refused to treat a patient because of his race?

DR. KOBLER. No.

MR. POWELL. Is there any dentist who spends some time in Cairo that treats a significant number of black patients?

DR. KOBLER. Well, Dr. Friend treats patients.

MR. POWELL. Does he treat a significant number of black patients?

DR. KOBLER. Yes.

MR. POWELL. Why does he have a significant number of black patients and neither you or Dr. Gillespie has?

DR. KOBLER. He's on the public aid list.

MR. POWELL. I see.

Madam Chairman, I have no further questions.

COMMISSIONER FREEMAN. Dr. Kobler, you were referring to sound business practices. Do you treat dentistry as a business or a profession?

DR. KOBLER. Both.

COMMISSIONER FREEMAN. Does the dentist take an oath similar to that of the physician?

DR. KOBLER. Yes, ma'am.

COMMISSIONER FREEMAN. At the time you become a dentist? The Hippocratic oath? Does the dentist take anything similar to that?

DR. KOBLER. Yes, but dentistry doesn't involve the loss of life and consequently when we have an overload of patients it's impossible—

COMMISSIONER FREEMAN. My question was did you take the Hippocratic oath?

DR. KOBLER. It's been so long I can't remember, Mrs. Freeman. I might have.

COMMISSIONER FREEMAN. Do you know what the Hippocratic oath is?

DR. KOBLER. Yes, ma'am.

COMMISSIONER FREEMAN. What does it say?

DR. KOBLER. It says that we are obligated to provide—Now, I'm not word for word. I couldn't give it. I mean I'm not sure I mean. It's an obligation we have to treat people who are in trouble as far as dentistry is concerned.

COMMISSIONER FREEMAN. You do not remember whether you took that oath or not?

DR. KOBLER. I graduated in 1955. I can't—I'm sure that I did. I mean I would imagine.

COMMISSIONER FREEMAN. Would you subscribe to that oath if you had to repeat it today?

DR. KOBLER. If I had to I would. Yes, ma'am.

COMMISSIONER FREEMAN. And that is, is it not possible that the welfare rolls were saying that if 10 patients are sent to you that you will treat them without regard to race, creed, or color and that you refused to participate in the program because you do not accept this requirement?

DR. KOBLER. Mrs. Freeman, I was the last active dentist to come into this county in 1957. There are only two active dentists, and there are approximately 22,000 people in this two-county area, excluding Dr. Turner who is in his eighties. It's an impossibility, human impossibility, for us to treat them all. In 1950 there were approximately—

COMMISSIONER FREEMAN. You did not answer the question. The question was that if 10 people came to your office—just 10—would you treat them without regard to race, creed, or color?

DR. KOBLER. If my schedule permitted that. I mean if my work schedule was such that I could take care of them, yes, ma'am.

COMMISSIONER FREEMAN. Dr. Gillespie, would you answer the question? Do you remember whether you took the Hippocratic oath?

DR. GILLESPIE. Well, Mrs. Freeman, if I did, 1929 is a long time to think back.

COMMISSIONER FREEMAN. Do you subscribe to the Hippocratic oath?

DR. GILLESPIE. I don't have any recollection of having. I may have.

COMMISSIONER FREEMAN. Do you know what the Hippocratic oath is?

DR. GILLESPIE. Yes, I understand it.

COMMISSIONER FREEMAN. Do you subscribe to it?

DR. GILLESPIE. Well, yes.

COMMISSIONER FREEMAN. If 10 persons came to your office, would you treat them without regard to race, creed, or color?

DR. GILLESPIE. You mean if 10 people would walk in the office Monday?

COMMISSIONER FREEMAN. And you had no other patients scheduled?

DR. GILLESPIE. If I could handle them. But that would be very unlikely, Mrs. Freeman, because we're booked up for months ahead of time, so that question that you ask me would have been a very improbable thing to happen. As I say, we're booked up. I cancelled seven appointments this morning.

COMMISSIONER FREEMAN. But they were all white?

DR. GILLESPIE. Oh, yes. Yes. But I think we've gone through with that.

COMMISSIONER FREEMAN. Thank you.

DR. GILLESPIE. You're welcome.

COMMISSIONER FREEMAN. Commissioner Mitchell?

COMMISSIONER MITCHELL. Dr. Gillespie or Dr. Kobler, the Commission is always interested in not just the existence of a problem or in appraising the problem but in trying to find some solution to it. You're a professional in the field of health care. I'm sure you belong to the county and State dental associations, maybe national societies. These societies often dedicate themselves—all I would say dedicate themselves—to the problems of seeing that adequate care is provided to everyone who needs it.

One of the great Christian imperatives is that no man shall suffer if we can do anything as individuals and certainly as professionals to prevent that.

Now, what we're hearing here that's most important it seems to me out of everything else is that there are only two dentists. They are overloaded. You have your own eccentricities about the choice of patients and I won't comment on that.

But have you ever engaged in conversations, discussions, done any planning, thinking about the provision of adequate dental care to the many people in this community who don't appear to have adequate dental care?

MR. SPOMER. Your Honor, may I approach the Commission and introduce in the record a letter along Mr. Mitchell's thinking from the State of Illinois Comprehensive Health Planning Agency, for the record?

And also I would like to introduce into the record a list of the Southern Illinois dental societies, different areas and counties and towns in this area?

I'd like to have that made part of this testimony.

COMMISSIONER FREEMAN. The letter will be received.

(Whereupon, the document referred to was marked Exhibit No. 18 and received in evidence.)

COMMISSIONER MITCHELL. May I just at least comment on the contents of it since it is relevant to my question?

MR. SPOMER. That's the reason I brought it up, Your Honor.

COMMISSIONER MITCHELL. It appears to be a letter from the Comprehensive State Health Planning Agency of the Office of the Governor. It's written to Dr. Gillespie in Cairo, and from the director of that service, and it says:

"As a part of our health planning activities we have collected information relating to available health manpower resources and current need. As a comprehensive health planning organization we are not only concerned about assisting communities in alleviating their immediate need, from the data and information to date it appears that Alexander and Pulaski Counties have acute need for additional physician, dentist, and professional nurse manpower. We can implement this in these two counties through assignments from the National Health Service Corporation.

"In your position as a practicing dentist, we need to know if you concur with the assessment of need, and we solicit your active participation in the project."

You have received that letter. Have you responded to it? It's dated March 15th, by the way.

DR. GILLESPIE. Yes, I have.

COMMISSIONER MITCHELL. What was your response, if you don't mind?

DR. GILLESPIE. Okayed it. Accepted it. Glad to have it.

COMMISSIONER MITCHELL. What you are saying is that there is need for additional—

DR. GILLESPIE. Right.

COMMISSIONER MITCHELL (continuing). Dental service here and that you would encourage the State to do what it can to provide it?

DR. GILLESPIE. Right.

COMMISSIONER MITCHELL. So essentially what you are saying in response to my question is that there is a professional awareness of this and that regardless of how you see your own practice and the way in which you handle your practice you would encourage the invitation into Cairo and this area of additional dental specialists who could handle the needs of the community?

DR. GILLESPIE. Right. We have been working on that for a number of years, Dr. Mitchell.

COMMISSIONER MITCHELL. Let me ask you another question. Both of you are resistant to welfare patients or to public assistance patients, and I would suspect that a heavy part of that consideration is the interminable paperwork load that is associated with that, since under other circumstances I would say that it is just as good business to take money from the State as it is from individuals.

Have you ever thought or have there ever been useful discussions held that would tend in some way to reduce this paperwork load?

You know, it's now possible to give somebody food stamps. Would something like dental stamps be a useful idea where the problems of

elaborate documentation and need on the part of a doctor to hire clerical help to handle paperwork could be reduced?

DR. GILLESPIE. You mean have I tried to participate in such—

COMMISSIONER MITCHELL. Well, have you thought about this? Is part of your resistance to public assistance the paperwork?

DR. GILLESPIE. I haven't given that much thought really. I know it's true but I haven't thought really about remedying it or what there has been.

COMMISSIONER MITCHELL. What is your expectation of the outlook for improved dental service in Cairo?

DR. GILLESPIE. Well, if you will permit me to go back a little farther—

COMMISSIONER MITCHELL. Sure.

DR. GILLESPIE. The last two dentists to die in Cairo was Dr. Moreland, and his death was—well, it was more or less sudden in a way—but previous to that Dr. Andrews retired and he tried for 2 years before his retirement to get someone to take over his office. He corresponded with the dental schools and the dental association, and I have at various times corresponded with the dental schools.

I also corresponded with Dr. Wallace who was a black dentist in Cairo for a number of years, and he made his nest egg and he moved to Chicago. And he became quite well known in Chicago through the dental associations and the political end of dentistry. And his picture appeared in our dental journal a number of times at different meetings.

I corresponded with Dr. Wallace, and I received a letter from him, and he said he regretted, but he said it was just impossible to get these young men to come down to a small community like Cairo, and I can appreciate what they do. Just like Dr. Wallace.

And that has been our pattern more or less. Our colored dentists will come in and stay for a number of years. They will make a nest egg and then they want to go to a larger community.

Now, I'll be frank with you. If my son was a dentist—he is not—I question—I'd love for him to go in practice with me, but I question whether I'd want him to come to Cairo because I was born and raised in Cairo, sir, and I should be very loyal to it because it's been good to me, but the way things are now, our school situation and all, I just wouldn't want him—and the facilities he would have otherwise—to raise his children in our community.

But what I was trying to bring out, sir, that we have made a diligent effort to try to get dentists to come to the community. We have the same problem with M.D.'s. We get them in here. The city paid for an M.D.'s tuition and all. When they pay that out they want to leave. I think we had a farm deal with Dr. Krause, wasn't it? And we had the same thing. Dr. Krause came to Cairo, and when he practiced his 5 years he was supposed to, he moved to Carbondale.

So we have so many darned angles here, sir, that I mean we try to fight them and it just looks like we're on a losing—And that's one

thing why I welcome this letter that you read there. I think it's one step.

It isn't the end of our problem by any means, but it's going to help to alleviate part of our situation.

COMMISSIONER MITCHELL. Well, we have found, interestingly enough, as we have talked to people here, that there is a resistance to outside assistance that leads to the solution of some of the more pressing problems of this community.

You're saying that at least in terms of the problems of dentistry there is no resistance and indeed there is great willingness to have that kind of assistance used? Right?

DR. GILLESPIE. Right.

COMMISSIONER MITCHELL. Is that true, Dr. Kobler?

DR. KOBLER. Your Honor, might I say we know that dental treatment is inadequate around here. It's impossible for us to meet the demands. I have talked I think four students into going to dental school. One is a graduate oral surgeon now. He is practicing at Cape Girardeau, Missouri. He located over there. I tried to get him to come to Cairo and he wouldn't do it.

And we have a boy graduating this June from the University of Illinois. He was in to see me the other day and I talked to Johnny about talking to Dr. Gillespie to see if he might want to practice with he or I, and he wouldn't come here.

I mean we can't get these young students to come back here.

COMMISSIONER MITCHELL. Is the racial problem here a part of that?

DR. GILLESPIE. I think that's a minor problem.

DR. KOBLER. I think economic and racial both. Our fees here are not what they are in the larger cities. They are not compared.

This is a depressed area. We can't get for dentistry what they get in other parts of the country—the national average.

COMMISSIONER MITCHELL. Have you been involved in any county or State professional activities that discuss the problems of adequate dentistry service in communities like this?

DR. KOBLER. I was only involved through the public health department. Dr. Gillespie and I met with Dr. Sibelius on the very letter that you have. And we wholeheartedly supported the program to set up a dental clinic at the nurses' home over at St. Mary's Hospital which has subsequently fallen through, through lack of funds I believe. And we were wholeheartedly in favor of that.

COMMISSIONER MITCHELL. You are suggesting that the best hope at the moment for racially integrated or generally available dentistry service for people who need it badly is through the clinic approach?

DR. KOBLER. Well, that would help. I mean I go to a physician out of town. I don't even go here myself. And like I say, all of my emergency treatments, if they involve surgery, I refer them to either Cape or Paducah.

COMMISSIONER MITCHELL. Thank you. I have no further questions.

COMMISSIONER FREEMAN. I also have received from counsel the Southern Illinois District Dental Society membership list which will be received into the record also.

(Whereupon, the document referred to was marked Exhibit No. 19 and received in evidence.)

COMMISSIONER FREEMAN. Mr. Buggs, do you have a question?

MR. BUGGS. Just one or two, Madam Chairman. Dr. Kobler, you indicated that you accept patients only on referral.

DR. KOBLER. I prefer to, Mr. Buggs.

MR. BUGGS. Yes. From whom do those referrals come?

DR. KOBLER. My other patients.

MR. BUGGS. Only from your other patients?

DR. KOBLER. Yes.

MR. BUGGS. You indicated that one of the criteria is whether they can pay their bills.

DR. KOBLER. Correct.

MR. BUGGS. Would you accept a patient referred to you for dental care by one of the black physicians in town?

DR. KOBLER. I have never been sent a referral from a black physician, Mr. Buggs.

MR. BUGGS. But if you were?

DR. KOBLER. If I were, I would possibly treat the patient, yes, sir.

MR. BUGGS. In Alexander County, as you may know, all of the black people here are not poor. I have some statistics here that indicate that there are at least 15 families with incomes up to \$9,000, at least 38 families with incomes up to \$10,000, and at least 41 black families with incomes over \$10,000 a year. In terms of the fact that you say your fees are not as high as in other places, they would find it possible to pay.

If one of those persons came up and presented his last income tax return to you indicating what his income was and indicated that he was willing to pay you cash without a referral, would you take him?

DR. KOBLER. Yes, sir.

MR. BUGGS. Thank you.

COMMISSIONER FREEMAN. Thank you. You may be excused.

Mr. Powell, will you call the next witness?

MR. POWELL. Madam Chairman, next we have a panel of two witnesses, Sister Joan Marie and Sister Gladys Marie.

(Whereupon, Sister Joan Marie and Sister Gladys Marie were sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF SISTER JOAN MARIE, ADMINISTRATOR, AND SISTER GLADYS MARIE, ASSOCIATE ADMINISTRATOR, ST. MARY'S HOSPITAL, CAIRO, ILLINOIS

MR. POWELL. Good morning.

Beginning with Sister Joan Marie, would you each please state your name, address, and position?

SISTER JOAN MARIE. My name is Sister Joan Marie. I am administrator of St. Mary's Hospital in Cairo.

SISTER GLADYS MARIE. I am Sister Gladys Marie. I am the associate administrator and the coordinator of the community clinic at St. Mary's Hospital.

MR. POWELL. Sister Joan Marie, how long have you held your current position at St. Mary's Hospital?

SISTER JOAN MARIE. I came 3 years ago in February.

MR. POWELL. Would you briefly describe what your responsibilities are, Sister Joan Marie?

SISTER JOAN MARIE. I am responsible for the overall management and I am responsible to the governing board for the administration of this hospital. I originally came here to close the hospital because of the insurmountable difficulties. I think the primary one was financial.

MR. POWELL. Sister Joan Marie, when you assumed your position at the hospital, was there a hospital advisory board?

SISTER JOAN MARIE. Yes, there was.

MR. POWELL. What became of that and why?

SISTER JOAN MARIE. About 2 months after I arrived we had an advisory board meeting. I prepared the agenda and discussed it with the chairman. And after the agenda had been dealt with they brought onto the floor an entirely new concept about our conduct in this community and were laying down ultimatums which they expected me to accept.

I had not been here long enough to make any judgments, and I repeatedly stated that I could not accept these judgments without, you know, having an opportunity to experience them myself and to make some of my own judgments. And this was a very unsatisfactory answer on my part as far as the advisory board was concerned.

For the following 3 months I attempted to deal with individual members and it became a hopeless situation. Their demands I could not meet. And finally I had recourse to our governing board, and the decision was made that we disband this board temporarily. And in our statement to them they were told that we were disbanding the advisory board with the intention when we felt that it was feasible of reorganizing a governing board consisting of 50 percent lay members from this community, which we still have in our long-range planning, but we have not been able to do it to date.

MR. POWELL. Did the demands made by the advisory board which existed when you came relate to treatment of patients, who would be treated at the hospital and who would not be treated? Would you be more specific in that regard?

SISTER JOAN MARIE. No, it did not deal with who would be treated and who would not be treated. Mostly it dealt with our community relations and with our involvement with two priests who were here at the time who were associated with the United Front.

MR. POWELL. What was the problem concerning the United Front?

SISTER JOAN MARIE. Well, our chaplain was a member of the United Front and was one of the leaders, and the board demanded of me that we cease this relationship and that we no longer permit members of the

United Front to come to the hospital or to be involved in any religious services and this type of thing.

MR. POWELL. But was treatment a question at all?

SISTER JOAN MARIE. No, sir. Treatment was not a question.

MR. POWELL. I see. All right.

Sister Joan Marie, how many physicians practice in Cairo?

SISTER JOAN MARIE. You mean on the hospital staff or—

MR. POWELL. No, how many physicians practice in Cairo—practice medicine in Cairo, privately?

SISTER JOAN MARIE. I think there are a total of eight.

MR. POWELL. Well, all right.

SISTER JOAN MARIE. Or nine. Perhaps nine. There are seven on our staff.

MR. POWELL. Sister Gladys Marie, do you have more detailed information on that?

SISTER GLADYS MARIE. According to the statistics that are out, there are approximately eight, but I think Sister was alluding to the fact that all of these are not full-time.

MR. POWELL. I'm talking about physicians who practice privately full-time in Cairo.

SISTER GLADYS MARIE. To my knowledge I would say there's approximately six. One did have a coronary, and he is just beginning to practice again. But I think it's six. I'm not aware or I'm not familiar with any of them that are not on our staff.

MR. POWELL. And one of those who recently had a coronary may not be practicing full-time?

SISTER GLADYS MARIE. I think this is something that we don't know yet. He did admit a patient to the hospital day before yesterday, and I talked with him, and he said he is going to take it slowly because he is not sure either.

MR. POWELL. Sister Joan Marie, has the number of physicians practicing medicine in Cairo on a full-time basis been increasing or decreasing over the last 10 or 20 years?

SISTER JOAN MARIE. It has been decreasing. I can't give the total figures over the last 10 or 20 years but since I have been here, at the present time we have four full-time and three part-time physicians on the hospital staff. Since, one has gone part-time as Sister said because of illness.

We had two physicians who came over from Missouri and I understand we had a number who have moved away, and one surgeon who died within the last 5 or 6 years I believe. But we would have the possibility of more surgeons but we have a licensure problem with the adjoining States and the two physicians who left us are from Charleston. Their primary reason for leaving was the fact that they felt that they could no longer meet the demands of the emergency room service which is extreme.

MR. POWELL. Has that been alleviated at all by the clinic to which reference was made earlier?

SISTER JOAN MARIE. That was one of our prime reasons for opening the clinic. It hasn't really alleviated it because since we opened Dr. Robinson had a heart attack and we now have four full-time physicians covering 7 days a week 24 hours a day.

MR. POWELL. How large an area does St. Mary's Hospital serve?

SISTER JOAN MARIE. Primarily a tri-county area. We had a study done by a hospital consulting firm which may be helpful. We would be glad, you know, to submit a copy of it.

MR. POWELL. Yes, we would—

SISTER JOAN MARIE. It delineates the whole area.

MR. POWELL. Do you have that with you?

SISTER JOAN MARIE. Yes, sir.

MR. POWELL. Madam Chairman, may we ask your permission to have that submitted for the record?

COMMISSIONER FREEMAN. It will be received.

(Whereupon, the document referred to was marked Exhibit No. 20 and received in evidence.)

MR. POWELL. Sister Joan Marie, are there any other hospitals in the Cairo area?

SISTER JOAN MARIE. No, sir.

MR. POWELL. Sister Joan Marie, what outpatient care was available to poor Cairo residents prior to the opening of the clinic?

SISTER JOAN MARIE. Only the care that we were able to give them in the emergency room. And the department of public health operates clinics on, you know, a scheduled basis. But as far as walk-in or care that had not been given or that needed to be given on an emergency basis, the emergency room handled it.

MR. POWELL. Before the clinic was opened do you have an opinion as to the level of medical services afforded to black residents and poor residents of the area? Was it sufficient or not sufficient?

SISTER JOAN MARIE. I feel that it was not sufficient. I think it still is not sufficient.

MR. POWELL. But before the clinic was opened would you care to comment further on the state of medical services for black and poor people in this area?

SISTER JOAN MARIE. I feel that the medical services are grossly inadequate. I believe that we are still just putting out fires. I feel that our disease prevention level is very low and was lower before we opened the clinic. I think this is a good thing, but there is a great deal more that needs to be done.

The numbers of patients that have been treated, the number of visits, the things that are happening in the clinic and the diseases that we see that are a result of a long-term neglect, I think those records, you know, are all available.

We have a professional activities study done with all the hospital records, and it's pointing up more and more—We have some diseases that probably could be completely eliminated if, you know, we can have a comprehensive program.

MR. POWELL. We have heard testimony that the outpatient clinic has been in existence since January 1971. How many patients have been seen during this time?

SISTER JOAN MARIE. I think I'd like to refer the questions regarding the clinic to Sister Gladys Marie. She is the coordinator and she came soon after we opened.

MR. POWELL. Fine. Sister Gladys Marie, would you give us that information?

SISTER GLADYS MARIE. The total 14-month period from January 4, 1971, through February 29, 1972, in the main clinic—First of all, let me mention the organization. Mrs. Vasser mentioned it earlier this morning. But we do have the main clinic at the hospital and then we have our outreach program.

So when I speak of the main clinic I mean the large area in the hospital that we are using.

The main clinic, total patients seen were 1,892. The total patient visits 5,376. So this means that each patient averaged at least three to four visits apiece.

Children under 14 years were 367.

Would you like any other breakdown on that?

MR. POWELL. Well, any significant data. You're going to submit that for the record, are you not?

SISTER GLADYS MARIE. Yes, if you like.

MR. POWELL. Is there anything else on there of particular significance that you would like to comment on?

SISTER GLADYS MARIE. Yes, I would. I would like to comment on the black/white ratio also, and also on our outreach program.

MR. POWELL. Please. Take your time.

SISTER GLADYS MARIE. The total black patients seen in the clinic was 963, and the total white patients 929. Now, these patients are those that are on public aid or for some reason don't qualify for public aid and have no other means, and then we have an OEO grant that covers their care.

In the outreach program the total patients seen, 420. Black patients, 289. White patients, 131. And the total patient visits were 1,438.

Our outreach program extends to Pyramid Courts, Elmwood Place, High Rise, and presently Unit D, Sandusky area.

The total mobile unit visits—And the mobile unit is a unit that the Governor's Office of Human Resources—We wrote a proposal, and they gave this to us in April. The total mobile unit visits were 593, and our home visiting program were 778.

MR. POWELL. You have mentioned your outreach program. Would you care to describe that for the Commissioners and how the mobile unit is used in that?

SISTER GLADYS MARIE. The outreach program at the present time consists—We send in the unit, the driver of course, a nurse, and usually one or two aides. We don't have sufficient physician coverage to go out so the things that we are primarily doing are followup care for

the patients in the clinic, prescreening we call it where the nurse does take blood pressures and talks to the patients. We make referrals.

If the patient belongs—has been going to another physician and they stop by, the nurse refers them back to their physician. If they haven't been to any and they want to come into the clinic, she helps make appointments, or if they need some assistance as far as knowing some of the other agencies that are available to them, she helps refer them to mental health, children and family services, and this type of thing.

MR. POWELL. Sister Gladys Marie, how many patients are seen in the clinic on the average per day?

SISTER GLADYS MARIE. We average I would say between 30 and 35. We could see more but that is quite a load for one physician to see. We operate on a partial walk-in and partial appointment basis, so we try to keep some room available for those who just walk in. We try to make a decision on it, and if they really are ill and need to see the doctor there is no problem at all. But otherwise we do make appointments for them within the next day or so. But we have had to turn some away because of lack of physician coverage in the clinic.

MR. POWELL. Approximately what percentage of the patients in the clinic receive some form of public assistance, Sister Gladys Marie?

SISTER GLADYS MARIE. This is an approximate figure, but I would say probably around 60, 65 percent.

MR. POWELL. And about 50 percent of the patients or a little better than that are black?

SISTER GLADYS MARIE. Yes. On that public assistance, that does include Medicare.

MR. POWELL. That does include Medicare?

SISTER GLADYS MARIE. It includes Medicare, and also on the Medicare patients, as you know, Medicare doesn't cover outpatient medicines, so if they come in and they have Medicare and they qualify for help under the OEO poverty guidelines, we do provide medicines for them.

MR. POWELL. I see. Sister Gladys Marie, would you want to comment on the adequacy of outpatient treatment prior to the opening of the clinic?

SISTER GLADYS MARIE. I have not been here as long as Sister. I have only been here about maybe a year and a half.

MR. POWELL. I see.

SISTER GLADYS MARIE. All that I know, of course, is hearsay. I think the main problem is that we lack the number of physicians that we need. I think all of our physicians are overloaded, and they all have a large practice. I think that the outpatient care needed to be improved, and I think we made a start in that area, but nowhere, as Sister mentioned, near as much as we need to do.

MR. POWELL. I take it that the presence of people with medical problems of long-standing who are coming to the clinic suggests that before the opening of the clinic medical care was severely inadequate, wouldn't you say?

SISTER GLADYS MARIE. That might be one part of it, but I think there is a real need—and this is what Sister mentioned when she said the preventive medicine—there is a real need for health education.

Some of the people who come who have never seen a doctor have not been ill before or they have not known how to go about it, and they hear about the clinic and know they can walk in and have a cup of coffee, and it's a little easier for them to come.

But I think health education is one of the greatest needs that we have.

MR. POWELL. Sister Joan Marie, from cases which have come to your attention, what is your opinion of the dental care being received by poor and black Cairo residents?

SISTER JOAN MARIE. Well, I have my information mostly from our employees and hearsay. But I know that there is no care available for them, and it's necessary for them to go to other communities to receive care.

MR. POWELL. What about black potential patients who can afford to pay dental bills? Are the services generally available to them?

SISTER JOAN MARIE. I really am not in a position to answer that question.

MR. POWELL. Would you care to comment, Sister Gladys Marie?

SISTER GLADYS MARIE. My only comment would be that many of the patients that we see in the clinic—now, this is both white and black; it's not just the black but poor white also—have not had dental care in many instances. And again it could be that they haven't known where to go or as the previous group mentioned they haven't been able to get appointments.

MR. POWELL. Sister Joan Marie, describe briefly the concept of comprehensive health planning and the effect which such a program could have on medical care in Cairo. You have alluded to that to some extent earlier.

SISTER JOAN MARIE. I come from a larger community and some of our larger hospitals in which I have seen this operate, and I realize more than ever the dire need that there is here.

We don't have anything that approaches comprehensive care. We are actually doing the best we can with what we have. We have no type of specialty service except Dr. Wong who is a surgeon. We have one other part-time—well, one other doctor who does surgery but we have none of the other specialties.

I see as our greatest need someone, well, in the field of pediatrics, ENT, neurology. We have none. And actually I realize that these physicians cannot be recruited to live in this community because I'm not sure there would be enough for them to practice here even if—you know—other things being equal.

However, on a clinic basis to have them come from other communities would be very feasible. And we would be able to take care of the total patient which is being met partially now.

MR. POWELL. Thank you. Sister Joan Marie, would you please describe how the clinic is governed under OEO guidelines?

SISTER JOAN MARIE. I'd be happy to, but I would like to have the coordinator speak to this.

Mr. POWELL. All right. Sister Gladys Marie.

SISTER GLADYS MARIE. Under the OEO guidelines, after receiving the first OEO grant, before the monies became available, we did establish an advisory board to the clinic. This advisory board is composed of representatives from the various agencies throughout the area that have some direct or indirect influence on health. It also has a consumer participation.

Under the original bylaws we had two-thirds of the types of agencies and people involved in health care and one-third consumer. The board calls for 25 members at the present time. We have some vacancies, about two or three. Eight of these members presently are consumer representatives in the areas that we serve. And the rest of them are from our area service in the various things of health or business and so forth.

Mr. POWELL. Sister Gladys Marie, do you think the advisory committee to the clinic is working well and provides effective community participation?

SISTER GLADYS MARIE. I think in the last 14 months the board has functioned well. I think we can do much better. But when a group gets together there is a process by which they learn to work together. I think the board has learned this.

We are all aware, the board and the hospital administration, that we need more community participation, and we are working toward this.

Our bylaws call not only for the consumer membership on our board but also for neighborhood health councils. This is the area that we really need to get into so there will be more consumer participation, and in the past year we haven't been able to.

However, within a couple of weeks we have a young man coming to work for the hospital who has had experience in this, in working in outreach programs with clinics, and working with consumer member-ship, and we hope to do better in this area. But we need more consumer participation.

Mr. POWELL. Madam Chairman, I have no further questions.

COMMISSIONER FREEMAN. Commissioner Mitchell?

SISTER JOAN MARIE. Just one question really. Sister Joan Commissioner MITCHELL. The problems we have seen in Cairo suggest always that there should be some kind of a plan developed to solve them. We have had some difficulty identifying planning.

The mayor in chatting yesterday with us suggested to us that he didn't have a plan for the city. Now, I think that is probably inaccurate in the sense that I'm sure he has some idea where he wants to go in some areas.

Is there a health plan, however, for this city?
SISTER JOAN MARIE. Yes, there is. We are involved in comprehensive health planning on the State level, and we have been, you know, on

task forces from Illinois Hospital Association and on S.I.U. comprehensive planning, on a planning group from the Governor's Office of Human Resources.

But in addition to that we have our own long-range plan.

COMMISSIONER MITCHELL. Who do you mean when you say "we" now?

SISTER JOAN MARIE. Well, our hospital. Sisters of Holy Cross who operate this hospital.

COMMISSIONER MITCHELL. Yes. But this not a city plan then? It's just the hospital plan?

SISTER JOAN MARIE. That's right.

COMMISSIONER MITCHELL. You say your plan would be compelling because you're the only hospital and the only organized medical setup in the city?

SISTER JOAN MARIE. That's right. For one thing, we received notice, which didn't surprise us, from the State department of public health that we have to replace 40 of our nonconforming beds—are you familiar with that term?—

COMMISSIONER MITCHELL. Yes.

SISTER JOAN MARIE.—within the next 7 years. So I have already been to Washington and we are trying—We have had a consultant architect in. We are going to have to replace beds, enlarge X-ray and laboratory services, hopefully add physical medicine because in this area the population is far above the national average in the older age group.

We have two geriatric units, and we need physical medicine badly. We need rehabilitation. I mean we need people with expertise in these areas.

Manpower, of course, is a problem. But I learned about 3 years ago that if you sit around and wait for manpower, nothing is going to happen. We are recruiting with—well, with the Church of the Brethren, for one, who is really helping us because they have a group who are flexible and who will move from one community to another to meet needs.

We have done recruitment for physicians. We have 11 well qualified Sisters here who all work in the hospital because, you know, of the lack of manpower. So we do have this kind of expertise.

COMMISSIONER MITCHELL. Where are you going to get the money to replace those inadequate beds and to improve your facilities?

SISTER JOAN MARIE. Well, that's a very good question. There are some grants. We still have a mortgage on the building that was, you know, put up last in 1952. And we have bank loans and this type of thing. Our financial picture is better, but it's far from good.

In fact, would you be interested in the last year?

COMMISSIONER MITCHELL. Well, I'd like to know what happened, yes. As a matter of fact, if you have a financial statement it would be good to have in the record.

SISTER JOAN MARIE. We do have—We have a partial one. We can give you the Ernst & Ernst report if that would be helpful.

COMMISSIONER MITCHELL. If this indicates the extent of your fiscal trends it would be helpful.

(Whereupon the document referred to was marked Exhibit No. 21 and received in evidence.)

SISTER JOAN MARIE. Well, I would have to say if we, you know, weren't a large religious community with eight other hospitals we could never have sustained ourselves in Cairo. But this past year our free service, fiscal year ending May 31, was \$8,178.

Medicare and other contracted adjustments, you know, was \$5,500.

COMMISSIONER MITCHELL. You say that is the value of it, the amount you received?

SISTER JOAN MARIE. This is what we wrote off.

COMMISSIONER MITCHELL. I see. This is your loss really?

SISTER JOAN MARIE. And the third, bad debts, \$53,000. So we had a total the past fiscal year of \$67,000.

COMMISSIONER MITCHELL. Well, business is very good in bad debts I see.

SISTER JOAN MARIE. That's right. But, you know, our situation here is that basically we could not walk away from this hospital.

COMMISSIONER MITCHELL. How much money comes into this hospital? You say you are part of a complex. How much money comes into Cairo for your hospital from outside by virtue of your association with a group of hospitals?

SISTER JOAN MARIE. I can't answer this question offhand. I can tell you, you know, the way it's handled is that you don't—We don't have depreciation on our buildings, all these things. When you get ready to replace them it's a cold cash outlay.

COMMISSIONER MITCHELL. I'm familiar with that. I run a university.

SISTER JOAN MARIE. Yes. Okay. But we have increased our payroll from \$18,000 approximately every 2 weeks to about \$28,000 every 2 weeks.

COMMISSIONER MITCHELL. Much of those funds come in from outside and they are not Federal and they are not State?

SISTER JOAN MARIE. We have an OEO grant specifically for the clinic. Now, this is operated separate from the hospital. And the hospital participates with in-kind service. And we have about three people that we pay salaries for who work in the clinic. This is kind of a mishmash I'm giving you.

COMMISSIONER MITCHELL. Is there a city health department?

SISTER JOAN MARIE. Yes, sir.

COMMISSIONER MITCHELL. Do you work with them?

SISTER JOAN MARIE. We cooperate with them and they rent a portion of our building which used to be the school of nursing. We discuss programs with them. Their director is on our clinic board.

COMMISSIONER MITCHELL. Is there a city commissioner or councilman or whatever who is assigned to health?

SISTER JOAN MARIE. There is. I have no relationship with him.

COMMISSIONER MITCHELL. Ever meet him at all?

SISTER JOAN MARIE. No, sir.

COMMISSIONER MITCHELL. So to answer my original question then, what you're saying is that this city's program for health care essentially emanates from the hospital itself and does not come from the council and you are not aware of interaction with the city in health planning?

SISTER JOAN MARIE. Well to be perfectly frank with you—

COMMISSIONER MITCHELL. You have to be. You're under oath.

SISTER JOAN MARIE. I know. I don't see anyone initiating any long-range plans. There's a great element of mistrust here which I'm sure you are aware of. I feel that people here by and large are not willing to risk—We are not willing to take a chance. We are not willing to make mistakes. We don't let ourselves do this.

And I can't live this way. We can't live this way at the hospital. We have taken chances. We have been right out on the limb. And I think this is the way we must operate, and we are going ahead with the long-range planning.

COMMISSIONER MITCHELL. By nature and training you have learned to take risks on the future of the human race, haven't you?

SISTER JOAN MARIE. That's right.

COMMISSIONER MITCHELL. Thank you.

COMMISSIONER FREEMAN. Sister Joan Marie, Sister Gladys Marie, the health needs of this community are very real. And the clinic is doing a very good job. Is it possible that perhaps from some source you might consider adding the dental clinic?

SISTER GLADYS MARIE. The public health department some time ago—and I think one of the dentists alluded to that this morning—submitted a proposal for a dental clinic. I believe to my knowledge this has not been done away with yet. I think that it was going to come and maybe somebody from the State could speak on it later a little better.

But the last understanding that I had both from the administrator of public health and someone else was that if the clinic, the dental clinic, comes, it will be under the auspices of the clinic board, so that it will be located in the nurses' home, old nurses' home, that Sister mentioned.

But it will be under the auspices of the St. Mary's Clinic Advisory Board and I don't know too much of the mechanisms of it yet. This is all that I know. But there is a possibility of this being a reality.

COMMISSIONER FREEMAN. I believe we will be hearing from some Federal officials. Maybe you can sort of catch them by the coattails as they leave.

The Sisters of Holy Cross should certainly be commended for the kind of program that you have underway. We wish you success. We wish we could say that we could offer you more than our good wishes. But it's refreshing to receive this kind of testimony.

SISTER JOAN MARIE. Could I make one correction regarding the staff earlier? When you asked us about practicing physicians, we made the statement. However, in addition to this, we do have radiologists

and pathologists, you know, which is kind of obvious, but I want to mention this.

We have a pathologist and then three radiologists who rotate from Cape Girardeau.

COMMISSIONER FREEMAN. Thank you. You may be excused.

SISTER GLADYS MARIE. Could I make just one statement?

COMMISSIONER FREEMAN. Yes.

SISTER GLADYS MARIE. You know, the last 2 days of hearings it's been such a negative thing. Not being a native of Cairo but only here a short time, I see many positive things, and I hope that the Commission finds these also.

COMMISSIONER FREEMAN. Thank you. You may be excused.

COMMISSIONER FREEMAN. Mr. Powell, will you call the next witness?

MR. POWELL. Madam Chairman, next is a panel of Federal officials who operate in the health field. Mr. Daniel Larsen, Mr. Gerald Bennett. Are you accompanied by anyone, Mr. Bennett?

MR. BENNETT. Mr. Roy Armstrong.

MR. POWELL. Mr. Roy Armstrong?

MR. BENNETT. Yes.

(Whereupon, Messrs. Daniel Larsen, Gerald Bennett, and Roy Armstrong were sworn by Commissioner Freeman and testified as follows:

TESTIMONY OF MR. DANIEL LARSEN, SUPERVISOR, STATE OF ILLINOIS, REGIONAL OFFICE, OFFICE OF ECONOMIC OPPORTUNITY; MR. GERALD BENNETT, ASSISTANT TO THE REGIONAL DIRECTOR, DEPARTMENT OF HEALTH, EDUCATION AND WELFARE; AND MR. ROY ARMSTRONG, ACTING DIRECTOR OF COMPREHENSIVE HEALTH PLANNING, REGION 5, DEPARTMENT OF HEALTH, EDUCATION AND WELFARE, CHICAGO, ILLINOIS

MR. POWELL. Beginning with the gentleman on my left closest to the wall, would you please each state your name, address, and position for the record?

MR. LARSEN. My name is Daniel Larsen, Supervisor for the State of Illinois in the Regional Office of Economic Opportunity in Chicago.

MR. BENNETT. My name is Gerald Bennett, 2666 Grosse Point Road in Evanston, Illinois. I am Assistant to the Regional Director, Department of Health, Education and Welfare in Chicago.

MR. ARMSTRONG. My name is Roy Armstrong. My home address is 311 Hawthorne Boulevard, Wheaton, Illinois. I'm currently the Acting Director of Comprehensive Health Planning for HEW for Region 5.

MR. POWELL. Thank you. Mr. Larsen, did you give us your address?

MR. LARSEN. 619 South Clinton Street, Oak Park, Illinois.

MR. POWELL. Mr. Larsen, describe briefly the health care programs which OEO now funds in Cairo, please.

MR. LARSEN. Our office funds the health clinic through the Shawnee Development Council which is the community action agency covering

among other counties Alexander County. They delegate that program to the hospital board, and the program is administered by the advisory council of the clinic.

The current grant was made last summer and extends through the end of this coming August. The amount of that grant was \$100,000.

MR. POWELL. Are there other health care programs being funded in Cairo by OEO?

MR. LARSEN. Well, our office also funds a family planning program that is also connected with the hospital.

MR. POWELL. Is that the extent of health programs?

MR. LARSEN. Yes.

MR. POWELL. Did you tell us the amount of funding the St. Mary's Community Clinic receives?

MR. LARSEN. \$100,000.

MR. POWELL. Have either you or members of your staff been to Cairo before and had occasion to become familiar with the health problems here?

MR. LARSEN. Yes, I visited Cairo.

MR. POWELL. From information available to you, how badly was such a clinic needed in Cairo, Mr. Larsen?

MR. LARSEN. Well, I think the reason it was originally funded was because our office felt that there was a desperate need for this kind of a health facility, and we continue to think that that need exists.

MR. POWELL. As a matter of fact, investigation indicates that funding was made available even before an application was made. Is that correct?

MR. LARSEN. There was an offer of money that could be made available if we received an application, yes.

MR. POWELL. Given the kind of information we usually receive about bureaucratic red tape, we are very impressed and commend you for it.

In your judgment, Mr. Larsen, how well is the clinic responding to this need for medical service?

MR. LARSEN. I think that given the resources that they have available to them we feel that they are doing an excellent job of operating the health program.

MR. POWELL. Considering the need which existed prior to 1971, why do you feel that no program was initiated prior to 1971?

MR. LARSEN. I have the impression that it has been the Sisters at the hospital that have initiated the clinic and have brought to the attention of perhaps several Federal Agencies the need for health care. My impression is that they are the ones who have really been in the lead on this thing and that perhaps without them there still would be no clinic.

MR. POWELL. How active a role did OEO play in the proposal in establishment of the clinic?

MR. LARSEN. Our office asked for the proposal. We assisted in preparing the proposal. And we did everything that we could to get it funded.

MR. POWELL. You mentioned that the program is presently being funded by OEO. What is the present status of that funding?

MR. LARSEN. The current grant runs out the end of this coming August.

MR. POWELL. And what then?

MR. LARSEN. We have no capability at this point to re-fund the clinic.

MR. POWELL. What alternatives exist for continuation of the clinic should OEO discontinue funding?

MR. LARSEN. We have been in touch with the Department of Health, Education and Welfare and are hopeful that something can be worked out through them to continue funding the clinic.

MR. POWELL. We have heard testimony concerning the need for additional dental care in Cairo. Is OEO considering funding any programs which would fulfill this need?

MR. LARSEN. Yes, we just received a proposal about 2 weeks ago for a dental clinic, and we are going to attempt to get that funded.

MR. POWELL. Have applications been received for any other OEO programs which might help fulfill the need for medical care in Cairo?

MR. LARSEN. No, not to my knowledge.

MR. POWELL. Mr. Larsen, in your opinion, how active have local health and planning agencies been in seeking out OEO health care programs?

MR. LARSEN. My impression is that they have not been particularly active.

MR. POWELL. Thank you.

MR. BENNETT, the questions I ask of you can be answered by either yourself or Mr. Armstrong.

MR. BENNETT. Thank you.

MR. POWELL. Mr. Bennett, this one you should answer. Mr. Bennett, would you please describe briefly your responsibilities at HEW and how long you have held your present position?

MR. BENNETT. All right. I have been in the Chicago regional office for just about 6 months, having previously worked in Washington. My position is Assistant to the Regional Director with particular responsibilities for the State of Illinois and the State of Minnesota.

I am a complete generalist. I am not a health expert, health professional. And my responsibilities generally have to do with putting out fires and serving as a liaison for the Regional Director with general-purpose government agencies within these two States.

MR. POWELL. Mr. Armstrong, would you again state your position and briefly describe your responsibilities and tell us how long you have been in your present position and with HEW?

MR. ARMSTRONG. I have been with HEW for approximately 6 years. The last 2½ years I have been the Acting Director of the Health Planning Program for HEW.

Prior to that I was the Associate Director of the program so the fact of the matter is that I have been with Comprehensive Health

Planning since the program first began under Public Law 89-749, some 6 years ago.

MR. POWELL. Would you briefly describe your present responsibilities?

MR. ARMSTRONG. As Director of the program I am responsible for, No. 1, supervising the staff of professional planners who work in local communities within the six States in Region 5 to develop health planning agencies. And the successful development of a health planning agency comes to pass when we receive a fundable application that allows us to make a grant to a local community to support health planning in the local community.

MR. POWELL. Would either one of you please briefly describe the major programs which HEW is now funding in Cairo? Mr. Bennett?

MR. BENNETT. All right. HEW operates primarily through State and county agencies. HEW has at least for the last fiscal year \$7,169,000 coming into Alexander County. I can't break that down for Cairo specifically, but probably one-half that or more is coming into the city of Cairo.

Now, that is broken down among social security benefits, Title I, education for the disadvantaged, the various welfare categories, and rehabilitation services.

In terms of project grants or grants which we are operating directly in the city, there's only a rather small grant in the health area which Mr. Armstrong may want to talk about.

MR. POWELL. The figure you mentioned was \$7,165,000?

MR. BENNETT. Total HEW money in Alexander County.

MR. POWELL. Do you care to comment further, Mr. Armstrong?

MR. ARMSTRONG. Only to add that most of our grant-in-aid programs are actually made available to the State of Illinois, and the State through its various operating programs allocates those on a piecemeal basis to local areas.

MR. POWELL. Among the components mentioned by Mr. Bennett was social security. What percentage of the \$7,165,000 would be social security, in your opinion, given the population and economic index? A rather significant amount of that? Would you give me a ball park figure of how much that would be social security?

MR. BENNETT. Yes. Again for Alexander County, social security in three categories here—\$2,751,000 going for old age and survivors' benefits, \$321,000 for disability insurance benefits, and \$847,000 for Medicare.

MR. POWELL. You are looking at some records, and you may want to refer to them during your testimony. If you have an extra copy, however, it would be helpful to us if you would give it to the clerk.

Madam Chairman, I would like to have those figures entered into the record.

COMMISSIONER FREEMAN. They will be received.

(Whereupon, the document referred to was marked Exhibit No. 22 and received in evidence.)

MR. BENNETT. I don't have an extra copy with me but I will produce one.

MR. POWELL. When you finish testifying, would you?

MR. BENNETT. Yes.

MR. POWELL. Thank you.

Mr. Bennett, I understand that you have recently visited Cairo. What was the purpose of your visit?

MR. BENNETT. I visited Cairo on the 24th and 25th of January. The purpose of my visit was one of a series of visits to the State capitals and major urban areas and areas with severe problems in the two States for which I have responsibility, primarily to get acquainted with some of the people in the areas and try to get acquainted with some of the problems.

MR. POWELL. Did you make a report on your visit?

MR. BENNETT. Yes. My report was in the form of a verbal report and a memorandum focusing on some of the health issues which I ran across down here.

MR. POWELL. Did you bring a copy of the written report with you?

MR. BENNETT. Yes.

MR. POWELL. Would you briefly give us the substance of your written and verbal report?

MR. BENNETT. Previous to my visit to Cairo I had received information from the Governor's Office of Human Resources regarding the dental proposal, and I transmitted that to Health Services and Mental Health Administration, and that raised my interest in coming down here and seeing what the situation was or trying to as well as I could in about a day and a half.

In Cairo I visited with a fairly wide range of people and just tried to get a pretty good idea of what the situation was.

And my feeling at the end of the day and a half was that the health area or the health area as represented by the hospital and the clinic seemed to me a pretty good place to focus any HEW assistance which might be available.

Now, as I say, I am not a health professional, and I don't make the decisions regarding allocation of health resources. So I presented the information that I found to our Regional Health Director.

Specific information which I presented was that there were three—I identified three specific issues, the first of which was the submission of a health maintenance organization application to HEW and a request from Sister Gladys Marie to determine what had happened to that application.

MR. POWELL. I see.

MR. BENNETT. I tried to determine what had happened to that and reported on that issue to the Regional Health Director.

The second question was the continuation of the clinic and the fact that OEO funding would not be available after the end of this year, this funding year, and raised that as a possible area that we might want to look at.

The third area was the dental proposal, and I mentioned that about \$50,000 seemed to be needed in order to make the dental proposal reality.

I finished by saying: "I don't know what if anything HEW can do in these areas. I don't know if we have health money for these areas. I don't know if these are good proposals. I'm raising them to the health professionals because it seems to me that if we are going to do anything in Cairo, the biracial advisory board of the clinic seems to make it a pretty good place to start."

MR. POWELL. By the way, Mr. Bennett, are you a member of the Federal Task Force that had been established for Cairo?

MR. BENNETT. Yes.

MR. POWELL. Did you make any recommendations in the report you have just summarized?

MR. BENNETT. I made the recommendation that the health professionals look at these issues.

MR. POWELL. And these issues are now under study by HEW?

MR. BENNETT. Subsequent to my transmission of this memorandum I met with our health executive staff—in fact, on the 13th of March—and we had a lively discussion of the issues at that time. And the Regional Health Director said that the various health professionals would talk it over, over the next 2 weeks, and we could get back together at that time. I haven't yet gotten back with him.

MR. POWELL. Mr. Armstrong, could you add anything to this matter?

MR. ARMSTRONG. I think we might consider the second point Mr. Bennett made, and that was the continuation—the possibility of the continuation of the clinic, let's say, with HEW funding as of August of this year.

It would be in my opinion, based on the availability of funds and the timing with the appropriation for Fiscal 1973 and the state of development of the application say for funding under section 314(e) of Public Law 89-749, that it would be unlikely that those dollar resources could be made available in time to continue the program as it now exists.

I think that is worth knowing because I think it would be unwise to create an expectation here, based on any of the comments, that HEW is now standing in the wings with available resources to subsidize the clinic because that in fact is not true.

MR. POWELL. It would be unlikely that funding would be available on August 1, 1972?

MR. ARMSTRONG. That's correct.

MR. POWELL. You mean there would be a period of time during which unless someone else entered the picture the clinic would not be funded?

MR. ARMSTRONG. No. 1, there would be great uncertainty as to whether or not it in fact would ever be funded.

No. 2,—

COMMISSIONER MITCHELL. Say that again?

MR. ARMSTRONG. There is great uncertainty as to whether or not it would ever be funded by HEW. And there are many reasons for that,

some of which I will elaborate on. I think the more important one is the general availability of this kind of project money, which is the 314(e) money under Public Law 89-749.

MR. POWELL. 314(e) money under what is that again?

MR. ARMSTRONG. Public Law 89-749. That is section 314(e) of that law, which is a special project authority that HEW has to make direct grants.

The scope of activity, the clinic itself, the group that it serves, all of these things make the clinic eligible or the clinic organization, or in fact the hospital would be the grantee, but the problem with this type of program is, No. 1, it's 6 years old—the grant-in-aid program—and you can well imagine that after a period of 6 years, with the many opportunities that exist in this country to develop these kinds of service programs with very limited funding, that there is very little surplus money, if any at all, available.

For instance, we have clinics like the one that was described here, only they are, in fact, comprehensive health clinics and not the beginning or very elementary type of thing that exists now here in Cairo.

I can think of one in point in Dayton, Ohio, where our annual funding in that clinic is \$1.3 million, or a 5-year commitment of almost \$7 million, out of an appropriation that would allow us only to fund probably 12 of these nationally.

So it would be a matter of Cairo, if you would, competing with other communities in this country with problems very similar to their own.

MR. POWELL. So in general, then, what you are saying is that there are a lot of these communities that need this money and very little money to fund these communities?

MR. ARMSTRONG. That's correct.

MR. POWELL. But isn't it true that when you fund a program one of the objectives in funding is to get them to the point where they can fund themselves? Is that correct?

MR. ARMSTRONG. That is correct.

MR. POWELL. Well, wouldn't Cairo receive a preference in that regard? They have never received any HEW funding. Wouldn't they receive a preference over and above those communities which have in fact received HEW funding?

MR. ARMSTRONG. The one thing that complicates that point of view would be the fact that when we make a commitment, unlike the commitment that was made here in Cairo, our commitments are long-range. And as a rule we fund clinics for at least 5 years because we think that it takes at least this long to develop an administrative and fiscal base in the community where you can provide continuity. So there is a difference in philosophy here.

MR. POWELL. It would be wonderful if you could fund Cairo for 5 years, but wouldn't it be better to fund Cairo for 2 or 3 years than not fund it at all in view of the limited funds?

MR. ARMSTRONG. In order to even discuss that, I would have to say to you that I can think of at least 25 similar requests, some of which

perhaps—You know, I'm not involved personally in setting the priorities on these or evaluating them. Certainly we know the need in Cairo is gross for all kinds of service.

MR. POWELL. I didn't hear the last part.

MR. ARMSTRONG. I say we know the need for service here is gross. You know. Absolute. It's unquestionable in terms of need for service. But it's also true in many other communities. So again it's a matter of availability of funds, if you would, sir.

COMMISSIONER FREEMAN. You say, sir, that you can think of 25 similar requests. Would you list them, please?

MR. ARMSTRONG. I can think of a more recent one in Detroit. I can think of one in the mid-south of Chicago, the west side of Chicago. I can think of the two neighborhood clinics in Indianapolis, Indiana. I can think of the one that was recently funded in Traverse City, Michigan, which was a dental clinic for the indigent. I can think of the expansion of the model city clinic in the metropolitan area of Detroit. I can think of the Lincoln Heights area in Cincinnati, Ohio. I can think of the—Well, there are just many of these area. You know.

COMMISSIONER FREEMAN. And it is your opinion that the ones that you have named are similar to Cairo?

MR. ARMSTRONG. They are similar in need. What do I mean by need? I mean the absence of health service for people.

Our programs are designed entirely to provide equal access to quality care for all persons. That is the thrust of our program development.

COMMISSIONER MITCHELL. But from what you say isn't the effect of that program to say if you are poor, black, sick, and have a toothache you'd better move to a big city?

MR. ARMSTRONG. No, because I would suggest to you that the inadequacies there are very similar. I can think of here, for instance, the ratio of dentists to the population is roughly one per 8,000 in Pulaski and Alexander Counties, when ideally to even provide a minimal service that ratio should probably be one to 2,000.

So immediately you would have to have an influx of approximately four times the professional capacity.

COMMISSIONER MITCHELL. But my comment is based on what I hear you say as alternatives, which are the south side of Chicago, Detroit, Dayton.

Essentially then you're saying—I'm not saying it's your opinion—but the effect of these kinds of program choices is to attract people with serious problems who don't have access to equal care to the cities, where it would seem to me it would just simply attenuate the problem. In fact, it's one of the basic ingredients of the problem.

MR. ARMSTRONG. I did mention, I believe, two rural areas. One was Red Wing, Minnesota, and the other was the Traverse City area of Michigan. They're both very rural.

COMMISSIONER MITCHELL. Do they have extreme civil rights characteristics there?

MR. ARMSTRONG. They do not, sir.

COMMISSIONER FREEMAN. What is the black population of the Minnesota rural area you are talking about?

MR. ARMSTRONG. The problems in Minnesota, ma'am, are Indians, the Indian population.

COMMISSIONER FREEMAN. What is the Indian population?

MR. ARMSTRONG. I can't give you those figures. I do not have them with me. But it's a predominantly minority group program that services the Indians.

COMMISSIONER FREEMAN. The problem also appears at this point that probably Federal resources are not zeroed in when there is need if the community happens to be small such as Cairo?

MR. ARMSTRONG. There is an absence of information that would allow that type of priority to be assigned. I think, unfortunately—and I have been in the health industry now for some 12 years and primarily in areas of project development—I would suggest that in the absence of persons like the two Sisters that testified and others that are professionally able to develop programs and use available resources, that it's really a matter of where the professional people live the projects are developed.

COMMISSIONER FREEMAN. Could we suggest that perhaps the Agency itself could reorder its priorities?

MR. ARMSTRONG. You could indeed. And they are in the process of doing that now.

MR. POWELL. Mr. Armstrong, are you familiar with the Pulaski-Alexander Development Corporation?

MR. ARMSTRONG. I am not.

MR. POWELL. That is a corporation which exists in this area which makes application for Federal funds I believe, one of which is health. That corporation is going to be making application on a five-county basis. We are going to hear testimony from representatives of them. I suggest you stay and listen to the testimony developed.

Cairo is a center here. St. Mary's services a population which extends beyond this tri-county area into Kentucky and Missouri. So the population isn't necessarily that small.

We might be able to provide you with some indications of the potential population serviced by the area.

Assuming that the population is significant and focusing on the fact that there are severe civil rights problems here, don't you think that that criteria ought to be given significant weight in determining whether you are going to fund a program where health care is a factor, where health services are needed?

MR. ARMSTRONG. In my participation which has been personally in some of the reviews that issue has been considered, not specifically related to Cairo because we do not have an application from Cairo, but from other areas when we reviewed the project. And I think as a matter of record in terms of the grants that have been funded they serve areas—primarily minority groups.

MR. POWELL. Well, here you have the problem of poverty and poor people not only not receiving equal services but not receiving adequate services. You also have the problem of at least some hint of discrimination. And would that receive significant weight when an application is received?

MR. ARMSTRONG. It would indeed.

MR. POWELL. So you are not saying that there is no chance that this clinic would be funded by HEW, are you?

MR. ARMSTRONG. I am not. I just would like to make it a point of record that I personally think that it would be very difficult to accomplish based on the availability of funds and the demand from other areas and the stage of development of these grants.

MR. POWELL. You are saying it would be difficult. Are you saying that it is unlikely that this program will be funded or are you not expressing an opinion in that regard?

MR. ARMSTRONG. I would prefer not to express an opinion because that is not my decision.

MR. POWELL. Have any applications been received for additional HEW programs such as comprehensive health planning which could lead to improvement of health care in the Cairo area?

MR. ARMSTRONG. We now have such an application.

MR. POWELL. What is the status of this application?

MR. ARMSTRONG. Cairo and specifically Alexander and Pulaski Counties are included in a 27-county grant. This grant request has been submitted by the Southern Illinois Health Services Coordinating Program which is located in Carbondale.

This group proposes that it would be funded under section 314(b) of Public Law 89-749. The grant as now submitted is developed and will be reviewed on April 14th in my office by an outside review committee.

I am very optimistic about this grant being made. And we recognize it perhaps as a major breakthrough because the essence of comprehensive health planning is a partnership in the community. It's an organization of the consumer or the citizen and the provider and government, and it's the thing that you were talking about earlier this morning.

It's the beginning of long-range planning outside the walls of an institution. And not only that, but our guidelines—And our office enforces diligently the proper development of the councils that actually administer these programs. And in our diligence there we certainly place great emphasis on having participation and membership on the board of those previously unheard or minority groups in the area, including all ranges of socioeconomic development.

So we look forward with great interest at this organization and this grant bringing the dollar resources from HEW to allow them to have professional people and planning staff available to their area so that they can take advantage in a very sophisticated way not

only of the resources of HEW but those of the State, the local community, and all other Federal Agencies.

MR. POWELL. Mr. Armstrong, based on the applications which HEW has received and programs already in existence, how would you evaluate the effectiveness of health and planning agencies in the Cairo area in seeking funds for health care programs?

MR. ARMSTRONG. I am not aware of any health planning agency in Cairo.

MR. POWELL. Tell me—one last question—if you were not to fund this outpatient clinic, could you advise us as to whether there are any other sources of funding for such a clinic that might be available?

In rejecting such an application, do you make any such recommendations?

MR. ARMSTRONG. We do. Of course, one of the considerations in reviewing ours is that the clinic or project or whatever you want to call it, actually the grantee, has an obligation and we assist professionally with the development of the fiscal base, but it's been reported here this morning that they are already taking maximum advantage of the Medicare funds and the Medicaid funds and other forms of public assistance.

Now, there wasn't any discussion this morning whether or not the clinic also had individuals that had the capacity to pay personally for this service.

We try to develop a clinic program that is no different from any other clinic program in the community. By that I mean it's available to all people. We try to avoid, if you would, sir, poverty medicine. We think quality and range of services should be equal regardless of the ability to pay, and we think that the private payee should be integrated into the clinic program.

I think I could answer your question—You asked me if there are any other resources. I'm aware of only one in Illinois. And recently it has been my understanding—and I don't know the exact title of the department—I did but I don't have it here with me—but there was a sizable grant made to a group in Springfield, Illinois, to develop an experimental medical system or clinic service there.

Now, I'm not too sure, sir, whether that is planning money or service money, but it seems to me it was in the amount of \$150,000 in State funds.

MR. POWELL. If you could provide us with that information subsequently, that would be fine.

MR. BENNETT, based upon your earlier visit to Cairo, what would you say is the extent of dental care available, presently available, to blacks in Cairo?

MR. BENNETT. I can only answer that on the basis of hearsay. My impression from talking to a fairly wide range of people is that, for whatever reason, blacks don't seem to have dental care available to them.

MR. POWELL. Thank you. I have no further questions, Madam Chairman.

COMMISSIONER FREEMAN. Mr. Buggs?

MR. BUGGS. Mr. Armstrong, is that program that you mentioned which has funded this health clinic funded up to its authorization now by the Congress?

MR. ARMSTRONG. Our programs are not, sir, no.

MR. BUGGS. They are not?

MR. ARMSTRONG. They are not.

MR. BUGGS. Well, as you know, this is the period during which appropriations and authorizations are before the Congress. Is there any intention on the part of HEW to ask the Congress to increase at least up to the authorized limit the appropriations for that program?

MR. ARMSTRONG. In Fiscal 1973 there are major increases in all categories except section (e), which is the project category, and (d) which is the Federal allotment to the States for health services, which is another form of subsidy.

MR. BUGGS. Is HEW asking for increased authorizations or appropriations in that program?

MR. ARMSTRONG. I haven't read the testimony, sir. I can't answer that.

MR. BUGGS. Are there any discretionary funds in HEW at all that could be shifted to this program?

MR. ARMSTRONG. There is one discretionary fund in the Office of Health Services and Mental Health Administration. That is a small amount of money, but it is \$25,000. It's a discretionary fund for the Regional Health Director, Dr. Ellis.

It's my understanding that when this discretionary fund is utilized then it's replaced also. I have no idea what the ceiling might be on that money or what use that money is currently being put to.

MR. BUGGS. Thank you.

COMMISSIONER FREEMAN. Thank you. The witnesses are excused. This hearing will be in recess until 11:10.

COMMISSIONER FREEMAN. The hearing is called to order.

MR. POWELL, I believe you have some documents to be introduced.

MR. POWELL. Yes. Madam Chairman, at least on one occasion there has been a general reference made by one witness regarding matters which may tend to defame or degrade a person not served with a notice as provided under our statute. I ask permission wherever such a matter exists to strike it from the record.

COMMISSIONER FREEMAN. Permission is granted.

MR. POWELL. Madam Chairman, I ask permission also to number each exhibit by number as they have been received.

COMMISSIONER FREEMAN. Permission granted.

MR. POWELL. Madam Chairman, there are a number of documents that have been submitted for the record of these proceedings. I ask per-

mission that these documents be made a part of the proceedings as appropriate.

COMMISSIONER FREEMAN. So ordered.

(These documents are available in the Commission files.)

MR. POWELL. Those are the only matters relating to the record, Madam Chairman.

COMMISSIONER FREEMAN. Thank you, Mr. Powell. You may call the next witness.

MR. POWELL. Madam Chairman, next is a panel concerning economic development in the area. The witnesses are Mr. Nolan Jones and Mr. Richard Grigsby. These witnesses will be questioned by Mr. Conrad Smith who is an Assistant General Counsel for the Commission.

(Whereupon, Mr. Nolan Jones and Mr. Richard Grigsby were sworn by Commissioner Freeman and testified as follows:)

TESTIMONY OF MR. NOLAN JONES, DIRECTOR, PULASKI-ALEXANDER COUNTY DEVELOPMENT CORPORATION, CAIRO, ILLINOIS, AND MR. RICHARD GRIGSBY, DEPUTY DIRECTOR, MOUNDS, ILLINOIS

COMMISSIONER FREEMAN. Mr. Smith, will you proceed?

MR. SMITH. For our record, would you both please state your names, addresses, and titles?

MR. JONES. My name is Nolan B. Jones. I live at 2502 Washington, Cairo, Illinois. I am executive director of the Pulaski-Alexander Development Corporation.

MR. GRIGSBY. My name is Richard B. Grigsby. I live at 327 North Elm Street, Mounds, Illinois, and I am the economic development director for Pulaski-Alexander Development Corporation.

MR. SMITH. Mr. Jones, would you describe for our Commissioners what the objectives and purposes of your organization are?

MR. JONES. I would be very happy to.

The prime objective of this organization is to improve the economy of the area. The name of the game is really jobs—to find new jobs, to increase the spendable income.

In our judgment, many of the problems which confront this area are the result of poor blacks and poor whites competing for jobs which don't exist.

MR. SMITH. Mr. Jones, how did PADCO get started and who funds PADCO?

MR. JONES. PADCO is funded by the Economic Development Administration, U.S. Department of Commerce, on a technical assistance grant. The program was started as an outgrowth of the Rural Resource Development Committee and was incorporated in 1968 as a not-for-profit corporation.

If you like, I'd be glad to tell the involvement in how this program initially started.

MR. SMITH. Certainly.

MR. JONES. April 1, 1969 my then director, Ray C. Dickerson, of the department of business and economic development, State of Illinois, assigned me the responsibility of doing an economic study of this area to see what could be done in the area of solving some of the economic problems which in turn we hoped would alleviate many of the social problems.

I spent about 2 months doing economic research on the area to give us the kind of backup information that we needed before we actually did an overview of the area itself.

One of the determinations we arrived at in our economic research was that the problems of Cairo were not just Cairo, but they were the problems of a region. A rural outmigration. The poverty of the area is as great in the two-county area as it is in the city of Cairo. The problems of race are as great in the two-county area as they are in Cairo.

My first visit to Cairo was on June 2, 1969. I met with responsible leaders in the community. I met with leaders in the black community. I met with individual people and probably conducted over 200 face-to-face interviews over a period of about 2 months with various individuals in the community.

We were trying to identify a vehicle we could use to create a program which would have some economic thrust within the area. We knew that we needed something that would address itself to the total context of problems. We knew that we had to have some kind of vehicle that could be representative and could bring into being cooperation between black and white citizens.

In the course of investigation we identified the Pulaski-Alexander Development Corporation, PADCO, which was a 12-member board of directors, rather rural-oriented, with no staff, no money.

I met individually with each board member, discussing what we would like to propose as a total-concept economic and industrial development program and that we would propose to expand the board so that we would have a biracial board.

At the time that I first contacted the board I believe there was two black and 10 white on the board.

The board agreed. We did expand the board to a 22-member board of directors, 11 black, 11 white.

We then developed an application to the Economic Development Administration proposing funding to provide a professional staff to carry on the full-time duties of economic development for the region.

On our first application proposal and presentation we were turned down because they felt that the area wasn't large enough or viable enough to carry out this kind of a program and thought that it should be carried out on a larger regional basis, the five counties.

Because of the racial tensions at that time, the three additional counties, of course, would not consider associating with Pulaski and Alexander County on an economic development program.

We resubmitted the application and strengthened it, and it was funded in May of 1970. We screened for staff and began operation as a funded operation June 1, 1970.

We call this a total-concept economic development program. We try to address ourselves to all the problems which affect the economy. The three areas that we consider our prime work areas are human resource development, economic development, planning and natural resource development. They are interrelated and interdependent of each other.

We are quite interested in the health problems of the area, for example, because they do affect economic development.

My associate, Mr. Grigsby, is chairman of Subregion 2 in the comprehensive health planning program. We both have the opportunity and pleasure of serving on the community health clinic at St. Mary's Hospital.

We try to involve ourselves in as many programs that will help the total economy of the area.

We are working with the Shawnee College and the school districts to create a regional vocational high school.

We recognize that management skills is a very important fact and that vocational skills are a very important asset that we must have if we are to attract industry into the area.

We are working with the Division of Vocational Technical Education and hopefully will be funded for a \$30,000 planning study to carry out a vocational educational planning study for the region to identify those skills which are trainable, identify those who already have skills, and to try to match these skills with the resources that we can use to attract industry into the area, and, of course, Cairo, by having a permanent full-time staff director for human resource development to provide the implementation.

We strongly favor planning, but we insist that planning be carried through with implementation. We are not in favor of plans sitting on the book and drawing dust. We want to see the results coming out of those plans.

MR. SMITH. You mentioned you started as a two-county organization. Do you have plans to expand to a five- or six-county organization?

MR. JONES. Yes. We have just recently completed the executing of resolutions with four of the counties, Alexander, Pulaski, Massac, and Union. I understand Johnson County will execute their resolution next week. At that time we will become a five-county regional planning and development district.

And we will then make a transition into a subdivision of government which will make us eligible for HUD money and HEW money which we were not eligible for in many instances as a not-for-profit corporation.

MR. SMITH. Fine. Mr. Grigsby, could you tell us some of the specific projects that you have developed since you have been economic development director at PADCO?

MR. GRIGSBY. I have a list of projects here that either PADCO was directly involved with or indirectly involved in. Some are in the process of being worked on. Some have been completed. And some are in the process of being completed.

We have hopes for an air industrial park in East Cape, Illinois. This air industrial park will be a 2,000 acre industrial site.

Are you familiar with an air industrial park?

MR. SMITH. Yes.

MR. GRIGSBY. The purpose of it really is to have an airstrip where the local companies can fly in small planes in and park them beside their plants. It will be light industry. It will be the only industrial park in the United States that will have an airstrip, water, rail, and highways.

There's an aquarium in Cairo which has four employees.

A beauty parlor in Olive Branch, one employee.

A garage in Cairo, three employees.

A garage in Mounds, three employees.

A service station in Thebes, Illinois, two employees.

A service station in Mounds, one employee.

A printing company in North Cairo—This printing company was supposedly to get to approximately 50 employees at the end of 1 year. They have been so pleased with what has happened here that they are going to expand to 50 employees right away and be up to 100 within 1 year's time.

Harvard Lumber Company in Tamms, Illinois, projected 50 jobs but due to the increase in the lumber business they are going to double their staff and have 100 employees.

We have a sheltered care home in Mounds that's under construction, projected jobs 20.

Projection of the nursing home in Mounds, 100 bed nursing home, will be 45 jobs.

A sheltered care home in East Cape has just been approved by SBA, will be 20 jobs.

We're working on a transportation system for the Pulaski, Alexander, and Union Counties. Approximately two employees.

A barber shop at Mounds, with one employee.

A barber shop in Mound City, with one employee.

Mound City Shipyard, Mound City, approximately 35 employees.

A metal stamping company. We presently are developing a market for this company. It will be in the Cairo area, will be approximately 40 jobs.

We're working with a computer company for the Cairo area. It will have 50 employees.

And a restaurant for Olive Branch.

And then we have a tire company and a paint company. Those two were failures.

Of this total we have 21 prospects, seven with minorities, two were failures, and 14 were other.

MR. SMITH. What is the total number of jobs that you have created in the area?

MR. JONES. With the additions we in our last projection—May I?

MR. GRIGSBY. Yes.

MR. JONES. I think in our last projection was 232. With the additions it will probably project out about 310.

MR. SMITH. I see. From what you have said, it appears that your program has been relatively successful. To what would you attribute the success compared to other Federal programs, federally supported programs, in this area?

MR. JONES. I think there are many areas. First of all, I think that we work in an area where we are getting excellent cooperation.

For example, I'd like to pay tribute to some agencies that have given us strong support. The Small Business Administration has been excellent in giving support to this area. In the 29 loans that we processed with them over a period of a little over 2 years now—part of the time before I was on the staff here—we have had one rejection. I think this is a good track record.

The department of business and economic development in Springfield has given us excellent support both in their Springfield office and in their Marion office, and we enjoy a good working relationship with them.

The Illinois Industrial Development Authority, which has been a funding arm, has been of assistance to us.

The Governor's Office of Human Resources has been an excellent resource to us, particularly in contact with other State or Federal agencies where we needed some help, and we needed to get a little extra contact in. They have been very, very effective.

And, of course, our own Agency, EDA, has been very cooperative in our program.

We have also been able to build up some local strength. We feel that we are getting good support from local banks now, cooperative efforts in loan programs.

We carry on a program with the banks in that now they send prospects to us to do the feasibility work for a business loan. We take some workload off of them. And I think they are generating more loans because we are doing this type of activity.

The overall picture I think is encouraging because we have so many tremendous resources to develop here. Our transportation picture is good. We are at the apex of the inland waterway system of the United States. We have four major railroads serving the area. We have interstate transportation. We feel that all the ingredients are here for success.

The primary thing now is to continue to increase the involvement of people working together. This is the theme of our program—people working together for better living.

MR. SMITH. I see. Mr. Grigsby, would you care to comment on this question?

MR. GRIGSBY. Well, I agree that I think our success has come from—I think our board structure has a lot to do with this. Our board presently does not include any local power structures; no politics are involved in our board at present. Unfortunately, they will be when we become a five-county district, but right now it is not.

We have gotten cooperation locally from a couple banks and then from basically 140-member membership.

We worked extremely hard. To give an example, in our last quarterly progress report we reported that we had participated in some 153 face-to-face meetings in 3 months. Twenty of these were with industrial prospects; 18 were with small business loan conferences, and six speeches to service clubs and civic organizations.

We usually are in the office 5 days a week from 8 o'clock to about 6 o'clock in the evening, and usually three to four nights a week we are away from home either in the office or at meetings.

So it's basically been hard work that has contributed to our success.

MR. JONES. I'd like to add too our board of directors—and Richard pointed that out—there's been a dedication and commitment of this board of directors. We have our program set up in 13 working committees, and each one of our board of directors is a chairman or a co-chairman on a working committee, and then we try to involve our 140 membership on these committees.

All committees aren't extremely active, but several of our committees are very, very active, and we are getting good input from our people and getting our people involved.

Also this is a part of developing leadership in the area. Because one of the problems of all rural depleted areas is depleted community leadership. And we feel that this is one of the ways—involving people—to rebuild leadership within the community.

MR. SMITH. Mr. Jones, what kind of recommendations would you make to Federal officials to strengthen the sort of economic developmental efforts that you are making in this area?

MR. JONES. Well, I hate to harp on the one thing, but money in one respect, in that we are tremendously understaffed with a tremendous job ahead of us on a limited budget of \$40,000 a year.

It seems to me sometimes perhaps even our priorities are just a little wrong on the use of some money.

Now, I can show briefly here, for example, the \$40,000 that was invested last year in this program would represent a savings in welfare cost of \$1 million in this area. It would represent \$57,000 in sales tax, \$37,000 in real property tax, \$140,000 in increased Federal income tax, \$35,000 in increased State income tax from the personal income developed out of the projects we have worked on.

We recognize the need for welfare in this area and health care and all the other facets of services. But somewhere, somehow we have to look at the priorities so that there will be money available to create jobs so that instead of being consumers they can be producers, to give them the dignity of earning a living.

And this is the goal of our program.

Now, we are having a little hangup at the present time, for example, in our transition, in that we are funded under technical assistance. EDA, when we become a planning and economic development district—We would come under planning money in their department.

They have no planning money. Yet they cannot use technical assistance money for economic development planning.

MR. SMITH. I see.

MR. JONES. So this thing is very nebulous on how we are going to make this transition and keep our working activity. Yet—Well, some way I think you have to bend this rule a little bit.

MR. SMITH. Are other Federal Agencies attempting to assist you in making this transition from a two-county to a five-county planning agency?

MR. JONES. The department of local government affairs, office of research and planning, which is funded through 701 HUD funding, is involved with us in this program and incidentally I forgot to give them credit for the efforts they have extended in behalf of this program, because they have done an outstanding job.

We hope to—We feel that there are certain Agencies that should be involved in the funding of this type of program because of its creative benefits—HEW, HUD, Labor, OEO, and EDA. We feel that there could be a package.

Now, it is my understanding that the Organization of Regional Councils has received a commitment out of Washington that they will fund two Agencies such as ours per region on multiple-Agency funding. We are hoping that with the help of our two Senators and our Congressmen to get some help to see if they won't give us priority consideration for multiple-agency funding to carry out a total-concept program.

MR. SMITH. Thank you.

Madam Chairman, I have no further questions.

COMMISSIONER FREEMAN. Commissioner Mitchell?

COMMISSIONER MITCHELL. No questions.

COMMISSIONER FREEMAN. Mr. Buggs?

MR. BUGGS. Just one or two.

MR. JONES, is this the only community you have looked at from an economic development point of view?

MR. JONES. In this region you mean?

MR. BUGGS. No, anywhere.

MR. JONES. I spent 9 years with the Department working in communities all over the State.

MR. BUGGS. Would you consider this community in terms of the potential for economic development good or bad?

MR. JONES. Good. Excellent.

MR. BUGGS. Are there communities worse than this that are doing a better job than this?

MR. JONES. Yes, there are.

MR. BUGGS. Thank you.

COMMISSIONER FREEMAN. Thank you. You may be excused.

MR. JONES. Thank you very much.

COMMISSIONER FREEMAN. Mr. Powell, will you call our next and final witness?

force and supplemental to District 13A which is located just outside of Cairo.

And I think the impact of the presence of the State police has been felt. I think that it has moderated the conflict—let's say the most extreme expressions of the conflict in terms of violence—and it has had an impact on public safety in the community.

MR. POWELL. Mr. Wisner, in your efforts to find solutions to Cairo's problems, have you had the necessary cooperation and assistance from local officials?

MR. WISNER. Well, there have been suggestions made that haven't always been respected. I think maybe the question might be broadened as to whether we have had the necessary cooperation from the community in general.

MR. POWELL. Yes. I was going to ask that next.

MR. WISNER. And to that I'd say that that's been uneven. There have been cases of cooperation and cases where there has not been cooperation.

MR. POWELL. But the problems lie not merely with local officials but other people in the community, in the black and white community? Would you say that?

MR. WISNER. Well, the community is locked in an intense stalemate that not only is a product of maybe more traditional historical forces of economic decline and racial polarization but a very personal feud between people who have lived in this community for the great part of their life have very different perceptions of how it ought to proceed, know each other very well, and know how to offend each other very well.

So I think things don't often get beyond the level of, on the one hand, the hurt and distrust of the black community and, on the other hand, the pride and fear of the white community. And they are at each other pretty good and know how to get at each other pretty good.

MR. POWELL. Have you received the necessary cooperation from Federal officials?

MR. WISNER. Well, this is—I have been listening to the recommendation question in a number of the sessions. I think that within the technical restrictions of the categorical programs what happens to the regional offices in the manner in which their funding is always uncertain because of budgetary changes at the Washington level—But overall the cooperation has been good.

You have to play this against a background of what we are able to stimulate in terms of community cooperation, what the guidelines are with regard to citizen participation, the funding cycles of the regional offices, and other categorical programs.

One of the most severe problems that anybody has in dealing with Federal agencies at the regional level is that they are always uncertain of their funding levels. Congress is always very late in appropriating. The continuing resolution problem is a very serious one with regard to planning programs and tapping dollars.

Some of the agencies very frequently have to go to Washington every month to find out how much money they have for the balance of the year. They can't plan effectively, and it results in a crunch at the end of the fiscal year sometimes when programs that were of substantial priority early in the year are funded or are not funded.

It's not the most premeditated process, and I think they are at a severe disadvantage.

In that context I think they have tried to help, the State and the community, in bringing programs to bear.

MR. POWELL. What are the limits of State authority in the Governor's office in dealing with the problems of local communities such as Cairo?

MR. WISNER. Well, there are problems with regard to local competence. The professionals are usually involved in professional activity and can't afford to split off a great deal of time for civic, governmental activity. Mayor Walder—

MR. POWELL. No, no. What are the limits of the State's authority and the Governor's authority in dealing with the problems?

MR. WISNER. The formal limits?

MR. POWELL. Yes. The limits—formal, practical.

MR. WISNER. Well, the Governor is limited. He has State jurisdiction. Local government has its own jurisdiction in multiple areas which has been strengthened by the more recent Constitution and the home rule provisions at least in larger communities.

There are areas where the Governor cannot intervene, does not have discretion, does not have power to direct local officials.

Without a more specific question, the general problem is that there is local government in Illinois. There is county government in Illinois.

MR. POWELL. Assuming then that it could be fairly said that there has been a total breakdown of law enforcement in Cairo, would the Governor have the authority under the State Constitution and State law to move in and see to it that law enforcement were made adequate?

MR. WISNER. The Governor, as I understand, can enforce the laws of the State and localities all over the State of Illinois. Where the problem comes in is whether there arises a question of dual jurisdiction, dual police powers in any community. And I think that is the situation in Cairo at this time.

It would be a different question if local law enforcement withdrew. But as long as they remain in the field there is a problem as to dual jurisdiction.

There is a problem the Governor also has with regard to the commitment of his own resources of State police over the large State of Illinois.

MR. POWELL. Mr. Wisner, since the testimony we have heard has been to some extent critical of State officials, to what extent do you think that criticism is warranted? There has been some testimony which to some extent has been critical of State officials. Do you think that criticism is warranted?

MR. WISNER. I think State officials are human as everybody else is human. One of the problems of Cairo is that the community doesn't allow any margin for error. Any mistake, any failing, any delay that will be attributed to the normal processes that we all have is bad faith or conspiracy on the part of the government. And I think that a lot of these questions are misunderstood.

I don't think the community fully understands the technicalities of bringing some of these programs to bear. And it surfaces in criticism.

But what we found is that everybody wants the State government to be their State government at the expense of somebody else to some degree.

We are always put on the spot, either expressed or implied, as to whose side we're on down here and frankly we're on the side of the community and everybody's side and the people's side and have not been telling everybody what they wanted to hear in the 3 years we have been down here which I think results in some criticism of the State effort.

MR. POWELL. Madam Chairman, I have no further questions.

COMMISSIONER FREEMAN. Commissioner Mitchell?

COMMISSIONER MITCHELL. Mr. Wisner, the testimony this morning included a suggestion by a Federal official that an important grant that presently makes health services possible here on a significant scale may or is likely to or could easily terminate. And in that event what would your office feel that it might do?

MR. WISNER. Well, we'd feel a substantial responsibility in that case. We have two health professionals on our staff. One of them is assigned to working on this problem with the Department of Health, Education and Welfare and the Office of Economic Opportunity.

The Springfield grant he referred to I think was made by the Institute for Social Policy which was one of the few agencies in the State that had some flexible health funding. We tapped them for approximately \$100,000 last year for health program in the city of Chicago on the south side.

We will proceed to assess what their capability is, but they are going into a legislative session in a couple of weeks with a budget and I think it depends a great deal on how the legislature treats them in terms of their aggregate budget.

But we will be the advocate of the program. And if it can't be done through Federal funding we will be the advocate of the program at the State level.

COMMISSIONER MITCHELL. Mr. Wisner, in the work you do, do you—let me put it another way. This State has boundaries, so a certain percentage of its population lives adjacent to other States where, in practical terms, certain types of interrelationships might be much more advantageous than those which have to be generated from State capitols.

Is there an interstate relationship that grows out of the Governor's office? Do the Governors of the States adjoining Illinois work together so that certain types of programs can cross State boundaries?

MR. WISNER. Well, they work—They do have common points of meeting. There's a National Governors' Conference. There's a Midwest Governors' Conference. There are projects and occasions where they will meet together.

Our agencies are aware of the personnel of the agencies of adjoining States because we have similar associations and common interests. And we attempt to proceed where we can.

Now, there are some exceptions to this. There is a continuous problem running through the interstate relationship with regard to economic development. We very jealously compete for industrial development—to the point where there is occasionally friction developed between State capitols and Governors on this point.

Illinois has multiple borders and is bordered by States that on occasion can offer certain other advantages.

We are having quite a row with the State of Missouri right now over the location of the second airport in the St. Louis Metropolitan Area, and they are resisting it being placed south of East St. Louis on the Illinois side of the river.

So that I think that the problems of the State generally do come up in common meetings. We do work with State agencies of other States. While there is comity, there also is a question of the sovereignty and integrity of the State and their own interests being preserved.

COMMISSIONER MITCHELL. One characteristic one sees is that many people come into the Cairo area from Kentucky, for example, and are employed here, and I suppose in the international world you'd set up a barrier against that so your local people would have the jobs instead of the people from out of State. Are there inequities or inequalities in State opportunities for people in these two adjoining States that would draw people into Illinois?

MR. WISNER. Well, with Missouri and Kentucky being so close to Cairo, there's a regional interstate competitive aspect to employment. We have thought about that, and it's our feeling that there is also economic development going on on the other side of these rivers, Cape Girardeau area and in the Wickliffe and general Kentucky area, and that it would not be sound policy. We couldn't assert that formally.

I mean there's no way we could assert a barrier to that formally, legally. But it would be bad policy to attempt to assert it as a practical matter and bear down on the employers because people from Illinois, from Alexander County, and other counties, might suffer with retaliation, similar prohibitions, with regard to industry on the other side.

And, very frankly, the industries in Cairo—Some have left. One major one has left. We are concerned about putting them under too much pressure that they become noncompetitive and not use that as an excuse but that be the fact of life and dry up.

An industry like Burkart's with a payroll of 150 people in Cairo would be a severe blow if they were, as an example, ever to leave this city.

So that it's a very tender situation that I don't think lends itself to governmental control. I think the prospects are for our improving our economic development program and I think that there's an agency in the field with local competence now. Our State agency is assisting.

We need to do the manpower surveys. And I'm going to look a little more closely at it and I think that we should broaden that to maybe what skills are needed in the other States across the rivers here so that we might become a more effective supplier of manpower.

COMMISSIONER MITCHELL. Suppose I lived in Paducah—and maybe I just ought to know this but I don't. Suppose I lived in Paducah and I got a job in a Cairo business, and then I got unemployed. Who would pay my unemployment insurance?

MR. WISNER. I think that would go back to the—That's a complex problem.

COMMISSIONER MITCHELL. Would the State of Illinois pay me?

MR. WISNER. There is a contribution from the employer, but I think it would go back to your State of residence. I'm not perfectly clear on that.

COMMISSIONER MITCHELL. Well, it's an interesting question.

Finally, just something you said and something I heard from Sister Gladys Marie earlier about the fact that things are often better than they seem at these hearings. I think that's true, because hearings tend not to concentrate on what is at the foot of the Christmas tree but what the problems are. We wouldn't be here if there weren't any problems, so we address ourselves to them.

But there is also a danger in saying, as I think I heard you say, that life really continues here under normal circumstances and accepting the normality of what we have heard here.

The normal circumstance here is that public housing is segregated.

The normal circumstance here is that if you're black and you have a toothache you have got a transportation problem as well as a toothache.

And the normal circumstance here is that there are severe problems of law enforcement, that the city government has no plan to deal with many of the kinds of problems that surround this community.

So if life continues under normal circumstances, that's not good. That's bad.

MR. WISNER. I didn't mean to give that impression, because I'm certainly not that tolerant of a standard or normality that would include those problems.

I think what I was saying is that there are these problems that exist, but they are not always at the fever pitch.

I think we had some students here that do go to school and some that are doing very well and moving on to higher education notwithstanding all the problems.

And I'm saying these problems do exist but within them there is some community and personal development that I think are symbolized best by these young people.

We had a similar meeting with them in February of 1971, and I think everybody was impressed by the depth of their understanding and their independence of thinking at that time.

COMMISSIONER MITCHELL. Thank you.

COMMISSIONER FREEMAN. Mr. Buggs, do you have any questions?

MR. BUGGS. No questions.

COMMISSIONER FREEMAN. Thank you. You may be excused.

MR. WISNER. Thank you.

COMMISSIONER FREEMAN. Just before we close, I have asked Mr. Buggs to read an excerpt from a communication which we have received during the time we have been here.

During these last 2½ days the Commission has received a few letters, and all of them will be made a part of the record.

(Whereupon, the documents referred to were marked Exhibit No. 23 and received in evidence.)

COMMISSIONER FREEMAN. But I have asked him to read excerpts from one of the letters because those excerpts appear to be of particular interest.

Mr. Buggs, will you read the excerpts?

MR. BUGGS. Thank you, Madam Chairman.

Halfway down this letter it begins:

"I spend a lot of time on the street and I would like to relate some of my experiences with the children of Cairo."

I might say parenthetically that this is a white person writing.

"I live on the predominantly black side of town. One day a 10-year-old boy asked: 'You move here?'"

"Yes. Is that good or bad?" she said.

"Good. We need people in Cairo."

"This was a black child.

"Days later when asked how he knew we needed people, he said he had heard it at home and in school.

"I learned upon questioning him that his mother is connected with the library in the school system.

"Another incident with two black boys about 10 and 12. I was in a supermarket in line and looked around to see if there was anything wanted before I left. I did not notice that the woman in front of me had moved forward and that a black boy had gotten between us. It was only when I heard another boy say as he was pulling him out of line: 'That lady was here first.'

"In Cairo most people seem to say hello as they pass in the streets. The black boys and girls for the most part seem warm and friendly with a kind of childish innocence as if they haven't been disillusioned yet. I won't say much about the Camelot children. I haven't had much contact with them and I am sure they will survive either here or elsewhere.

"One Sunday afternoon on the nicer side of town—nicer as far as housing goes—I met a student from Bennett School who told me he hopes to be the president of the Ford Motor Company some day. That

was a white boy. What really worries me is the poor white child who hasn't been mentioned in these hearings.

"The same day I saw the future Ford president I was walking near some projects and saw two white girls about 11 years old who were unwrapping candy bars and throwing the paper on the ground. I asked them why they were making their town ugly, and one replied: 'Because I don't like this town.'

" 'Why not?'

" 'Ain't nothing in it.'

"And they walked away.

"This is the kind of child I worry about because she doesn't have the association with Camelot children and she doesn't have association with black children either.

"White people are afraid to work with blacks for fear of retaliation from other whites. I think this is the major source of difficulty in race relations. How do I propose to overcome this difficulty? I think the best way to overcome the fear of associating with people is for authority figures to set the example. If the authority figures in the country and in the neighborhoods would set the example of associating with people of different ethnic groups, the other people in the country would have no difficulty in following.

"If the government would talk the white establishment in this town into being helpful I really think I could talk the rest of the people into cooperating. I think the black people are willing enough to cooperate—and there are some very intelligent and helpful black women in this area, business and professional types—but they need the whites to work with them.

"I would love to work with them if I thought I could do it without getting hurt by the whites. I realize I am a coward but then good guys get assassinated.

"I think that if you can get the establishment to work for you and with you, the others will follow, and especially if the newspaper will cooperate and give Mrs. No Name some publicity because she's working on the committee with Mrs. Prominent Black and Mrs. Well Known White."

COMMISSIONER FREEMAN. This public hearing of the United States Commission on Civil Rights on issues that concern Cairo, Illinois, has now come to an end. During the past 2½ days, the Commission has heard testimony touching upon a multitude of problems and the apparent lack of solutions.

In addition, the Commission has much useful data from its staff researchers, who have spent many hours in the area interviewing citizens, studying available information, and observing physical facilities.

Witnesses testifying at this hearing represented a cross-section of the Cairo community, as well as local, State, and Federal organizations and agencies.

The information gathered at this hearing will form the basic element which we will use to examine and evaluate not only the prob-

lems of Cairo, but possibly of cities throughout the Nation that are also troubled by poverty, racial strife, and by apathy or lack of imagination on the part of local officials and who in some cases thwart the efforts of State and Federal governments.

The problems of Cairo are also exacerbated by State and local governmental agencies who are reluctant to use the authority at their command to compel adherence to civil rights laws.

During these past few days, the Commission has focused on the administration of justice, education, housing, employment, health, and economic development. In all of these areas we have seen the contrast between what is and what might be.

We have seen men and women, black and white, deeply concerned with the needs of this community, facing the frustration of dealing with seemingly immobile bureaucracies on the one hand and racial prejudice and poverty, as divisive factors, on the other.

This Commission held its first hearing in Montgomery, Alabama, in 1958. Since that time the Nation has made important advances in guaranteeing equal rights for all citizens. Unfortunately, it would appear that this progress has barely begun in Cairo. The contrast between progress and reaction is stark.

The public schools in Cairo have integrated, but a new private school was created which to this day remains all-white although its officials declare that blacks are not excluded.

A nonprofit housing corporation and a government-sponsored clinic have biracial boards, yet municipal commissions and public bodies remain all-white.

The 2½ days of the hearing have revealed some disturbing facts about the area. This city has lost more than half of its people in the past few years, especially young people.

We have heard testimony from some young people in Cairo, both black and white, who appear willing to accept each other as individuals, regardless of race, and say they are attempting to break down ancient hatreds. They also indicate that they would stay here if there was opportunity and a sense of growth. Perhaps it is to them that we must look for guidance.

Many of the people that remain are enmeshed in a familiar pattern of need: need for adequate employment, need for decent nonsegregated housing, need for effective education and, above all, need for hope in a climate of pervasive despair.

At least one-third of the population in Cairo receives public assistance, an ominous commentary on this community's potential for survival. High school students leave Cairo after graduation, seeking jobs and a harmony in life that they cannot find here.

Witnesses have stated that the Cairo School System, because of its deep financial difficulties, is unable to provide an adequate education for its students. A major factor contributing to this difficulty is the creation of the Camelot private school which has had the effect of decreasing State aid to the city schools.

Moreover, State and Federal agencies, although interested and in some cases willing to provide aid, have thus far not demonstrated the capacity for implementing imaginative programs which would provide a decent educational opportunity for the children of Cairo.

In the field of law enforcement, the Commission heard sharply contrasting testimony, underscoring the degree to which there has been a lack of communication and understanding in this city. Cairo has too long been a community where guns and violence are substituted for reason and cooperation.

The police department seems to have become an instrument of control in the hands of one segment of the community, rather than an agency responsible for the maintenance of peace. Thus, the police appear to have exacerbated tensions rather than providing an atmosphere of calm which will allow Cairo to move toward solutions for some of its deeper problems.

One-half of the people in this city live in substandard housing, yet a biracial, nonprofit corporation has been thwarted in its efforts to provide low- and moderate-income housing by a city government apparently reluctant to engage in biracial efforts and accept federally supported housing projects.

Most troubling to this Subcommittee is the information we have obtained concerning public housing. Such housing comprises nearly 15 percent of the total housing stock in Cairo, and it is almost totally segregated. This is known to the responsible Federal officials to be a clear violation of their guidelines.

Additionally, the county housing authority's executive director states that he will not integrate public housing at this time because he fears the effects of racial hostility, not realizing that the segregation he enforces contributes to violence.

There is a shortage of health care programs in Cairo. The possibility that the community outpatient clinic may not be funded in the future places the black community in danger of having grossly inadequate health care.

We have also heard testimony that white dentists in Cairo will not treat black patients and that there is only one nonresident dentist who will provide dental services half a day a week to black patients.

Unemployment and underemployment for both black and white citizens of Cairo is a crucial matter. Blacks, however, have traditionally been excluded from employment in a variety of local governmental agencies. Where they are employed, they appear to be confined to the lowest job levels.

Testimony has been heard on the employment pattern of the largest private employer in Cairo, indicating that although blacks have not been denied initial employment opportunities, they generally have not been promoted into the supervisory and managerial ranks. This appears to be a communitywide pattern.

The information obtained here will be the basis, for our communications to concerned Federal and State agencies. We will ask these

agencies to take remedial actions commensurate with their full authority, and to continue to offer resources to Cairo which in the past have been refused by local officials.

As we close, I would like to restate that witnesses at Commission hearings are protected by the provisions of Title 18 of the United States Code, section 1505, which makes it a crime to threaten, intimidate, or injure witnesses on account of their attendance at Government proceedings.

We advise all persons who have testified at the hearing, particularly students and other citizens of Cairo, to notify the Commission immediately should they believe themselves to be subject to any form of harassment or intimidation because of their testimony.

I specifically wish to thank the United States Marshals, who have provided the Commission and others with excellent security throughout this hearing.

Finally, I would like to thank the people of Cairo, Alexander County, and the State of Illinois for their interest and courtesy.

Ladies and gentlemen, this public hearing of the United States Commission on Civil Rights is closed.

(Whereupon, at 12:17 p.m., the hearing was adjourned.)

Exhibit No. 1

FEDERAL REGISTER, VOL. 37, NO. 35—SATURDAY, FEBRUARY 19, 1972

COMMISSION ON CIVIL RIGHTS ILLINOIS

Notice of Hearing

Notice is hereby given, pursuant to the provisions of the Civil Rights Act of 1957, 71 Stat. 634, as amended, that a public hearing of the U.S. Commission on Civil Rights will commence on March 23, 1972, and that an executive session, if appropriate, will be convened on March 23, 1972, to be held at the U.S. District Court, U.S. Post Office and Courthouse, 1500 Washington Avenue, Cairo, IL. The purpose of the hearing is to collect information concerning legal developments constituting a denial of equal protection of the laws under the Constitution because of race, color, religion, or national origin and in the administration of justice which affect the employment opportunities, housing opportunities, educational opportunities, or economic security of persons residing in the city of Cairo, Ill., and in the State of Illinois; to appraise the laws and policies of the Federal Government with respect to denials

of equal protection of the laws under the Constitution because of race, color, religion, or national origin as these affect the employment opportunities, housing opportunities, educational opportunities, or economic security of persons in the above areas, and to disseminate information with respect to denials of equal protection of the laws, in the city of Cairo, Alexander County and the State of Illinois because of race, color, religion, or national origin in the fields of employment, housing, education, and in the administration of justice.

Dated at New York, N.Y., February 14, 1972.

THEODORE M. HESBURGH, C.S.C.,
Chairman.

[FR Doc.72-2673 Filed 2-18-72;8:51 am]

Exhibit No. 2

UNITED STATES COMMISSION ON CIVIL RIGHTS

STAFF REPORT

DEMOGRAPHIC, ECONOMIC, SOCIAL, AND POLITICAL

CHARACTERISTICS OF CAIRO AND ALEXANDER COUNTY, ILLINOIS

*Exhibit No. 2*SUMMARY

The research done by staff of the U.S. Commission on Civil Rights into demographic and other characteristics of Cairo and Alexander County indicates that the area is one of the most economically depressed in the State of Illinois. It has widespread and serious problems in the areas of education, housing, employment, poverty, and race relations.

In 1970, Alexander County had a total population of about 12,000, slightly more than half of which reside in the City of Cairo, the county seat.

Both Cairo and the county as a whole have lost almost half their population in the last 2 decades. Cairo has had a total population decline of about 48 percent since 1950; the entire county has lost nearly 40 percent of its population. Since 1960, Cairo's population has decreased by more than 3,000 persons.

The black population in Cairo numbers approximately 2,350, or 37.5 percent. Blacks constitute about 30 percent of the total county population, the majority (nearly 70 percent) residing in Cairo. The proportion of blacks to the total population has remained fairly constant over the past 2 decades.

Although poverty is a serious problem throughout the area, blacks are in a much worse situation than whites. The median county income for white families is about \$6,400; for black families, only \$2,800. Over half have incomes less than the Federal poverty level, and about one-third have incomes of less than \$2,000. About 30 percent of the county population receives some sort of public assistance. It is also estimated that over one-third of the population of Cairo receives public assistance. The proportion of blacks receiving such assistance is more than twice that of whites.

Exhibit No. 2—Continued

2

The average value for a house in Alexander County is less than \$7,000. Cairo ranks second in the State among comparable cities in its proportion of substandard housing. Housing owned and occupied by blacks has a median value of only \$5,000. There is some public housing in the county, but it is almost completely segregated. There is a great need for new housing for low- and moderate-income families, particularly for blacks.

The unemployment rate for the county is extremely high, over 9 percent. For white males it is 6.5 percent, but for black males it is more than twice that -- 16.2 percent. Jobs are scarce, and competition is strong. The city and county governments employ few blacks, almost none in higher echelon jobs. Local boards and commissions have almost exclusively white memberships. The majority of black males are employed in blue-collar jobs (over 60 percent), compared to 45 percent of white males. More than twice as many white men hold managerial jobs than do black men.

The prospects for economic development depend on the attraction of new commerce and industry from other areas, as well as the expansion of existing business and industry. Some efforts are beginning to be made by a regional development corporation largely funded by the Federal government.

Underlying all of Cairo's problems are extensive discrimination and constant racial tension. The white and black communities, increasingly polarized over the past 5 years, usually do not work together to solve problems. Black demands for equality of opportunity have been met with intense opposition and occasional violence from the white power structure. The result has been increased militancy on both sides.

Exhibit No. 2—Continued

3

INTRODUCTION

Alexander County is one of the smallest of the 100 counties in Illinois, with a land area of approximately 224 square miles. It is the most southern county in the State, bordered on the west and south by the Mississippi River, and on the east by the Ohio and Cache Rivers. A rural county, it is primarily farmland (over 60 percent). There are three municipalities, but more than half the county population lives in its largest city, Cairo.

Also the county seat, Cairo is located on a narrow peninsula where the Mississippi and Ohio Rivers converge at the southern tip of Alexander County. Its land is protected by a multi-million dollar levee system. Missouri and Kentucky are across the rivers.

POPULATION

Cairo. The 1970 Census shows the total population of Cairo to be 6,277.^{1/} The city has lost nearly half of its 1950 population of 12,123, a total decline of 48 percent over the last 20 years.^{2/} Between 1950 and 1960, the population dropped to 9,348, a loss of 22.9 percent.^{3/} During the 1960's, the overall population loss accelerated, with a further decline of 32.9 percent.

The black population of Cairo in 1970 was 2,351, 37.5 percent of the total.^{4/} During the 1950's it declined 19.9 percent from a figure of 4,383.^{5/}

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- 1/ U.S. Census of Population: 1970. Vol. I, Characteristics of the Population. Part 15, Illinois. Table 31.
 2/ U.S. Census of Population: 1950. Vol. II, Characteristics of the Population. Part 13, Illinois. Table 34.
 3/ U.S. Census of Population: 1960. Vol. I, Characteristics of the Population. Part 15, Illinois. Table 22.
 4/ Supra note 1.
 5/ Supra note 2.

Exhibit No. 2—Continued

4

Since 1960, the loss has been even greater, declining 33 percent from 3,511.^{6/} The black population has remained a fairly constant proportion of the total population, however, due to a similar decline in the white population. In 1950, the black population constituted 36.2 percent of the total and 37.6 percent in 1960. During the 1950's, the white population declined by 24.6 percent. During the 1960's, it dropped 32.9 percent. (See Table I).

Alexander County. The total population of the county in 1970 was 12,015, over half of which was concentrated in the City of Cairo (52.2 percent).^{7/} There has been a 39.5 percent population loss for the whole county since 1950, slightly less than that of Cairo. The county population dropped during the 1950's by 20.9 percent, from 20,316 to 16,061. From 1960 to 1970, it declined 25.2 percent.^{8/}

In 1970, the black population in the county was 3,375, 28.1 percent of the total.^{9/} The majority of the black population (69.7 percent) resides in Cairo. The decline of the black population in Alexander County as a whole between 1950 and 1970 has been greater than in the white population. The former dropped 17.5 percent during the 1950's, and 36.3 percent between 1960 and 1970.^{10/} The white population declined by 22.6 percent between 1950 and 1960, and by only 20 percent between 1960 and 1970. (See Table II).

^{6/} Supra note 3.

^{7/} Supra note 1, Table 34.

^{8/} Supra note 2, Table 42 and Supra note 3, Table 28.

^{9/} Supra note 1, Table 34.

^{10/} Supra note 2, Table 42 and Supra note 3, Table 28.

Exhibit No. 2—Continued

5

INCOME LEVELS

The median income for families in Alexander County in 1969 was \$5,471,^{11/} compared with \$3,146 in 1959.^{12/} 970 families, or 31.2 percent of all families in the county, have incomes of less than \$3,000.^{13/} This proportion declined from 47.9 percent in 1960.^{14/}

The comparative differences in median income between black families and white families in Alexander County are substantial. In 1969, white families had a median income of \$6,428; for black families it was \$2,809, only 43.6 percent of the white average.^{15/} Since 1959, the median income for black families had grown by nearly \$1,200, but it is only a slightly larger proportion of white median income (in 1959, it was 42.5 percent).^{16/}

In 1959, more than three out of four minority families had incomes of less than \$3,000, and more than 60 percent had incomes of less than \$2,000. This was more than twice the proportion of white families who had incomes of less than \$3,000 (36.3 percent). Fewer than one-fourth of the white families had incomes of less than \$2,000.^{17/} (See Table III).

By 1969, the percentage of black families with incomes of less than \$3,000 had dropped to just over 50 percent. The percentage of those with incomes of less than \$2,000 had fallen approximately one-third. The percentage

^{11/} U.S. Census of Population: 1970. Vol. I. General Social and Economic Characteristics. Part 15, Illinois. Table 124. (Statistics given were obtained in advance of publication of this source.)

^{12/} U.S. Census of Population: 1960. *Supra* note 3, Table 86.

^{13/} *Supra* note 11.

^{14/} *Supra* note 3.

^{15/} *Supra* note 11, Tables 124 and 128.

^{16/} *Supra* note 3, Table 88.

^{17/} *Supra* note 3, Tables 86 and 88.

Exhibit No. 2—Continued

6

of white families in the county with incomes less than \$3,000 was just under one-fourth, and below \$2,000 was approximately 15 percent.^{18/}

For families in Cairo, the median incomes in 1969 was about 16 percent higher than for families in the county as a whole who averaged \$6,512. Approximately 27.4 percent of the families in Cairo, however, had incomes of less than \$3,000. 30.1 percent had incomes below the Federal poverty level.^{19/} Research done by a local organization showed that, among cities in the State with populations of 5,000 to 10,000, Cairo ranks first in the number of families whose incomes are less than the national minimum subsistence level.^{20/}

^{18/} *Supra* note 11, Tables 124 and 128.

^{19/} *Supra* note 11, Table 42.

^{20/} Research done by staff members of the Shawnee Development Corporation, Karnak, Illinois.

Exhibit No. 2—Continued

7

WELFARE

As of February 1972, 3,315 individuals in Alexander County, nearly 30 percent of the total population, were receiving some form of public assistance.^{21/}

TABLE A
^{22/}

Public Assistance Recipients in Alexander County, by Race:*

<u>Category</u>	<u>White</u>	<u>Nonwhite</u>
Old Age Assistance	87	142
Aid to the Blind	2	15
Disability	86	148
Aid for Dependent Children	430	1,446
Medical Assistance (totals)	<u>286</u>	<u>292</u>
<u>Totals</u>	<u>891</u>	<u>2,043</u>

General Assistance (not broken down by race): 381

*Nonwhite proportion of recipients for each category is from June 1970, updated to February 1972, and translated into figures.

According to 1970 Census data, in 1969 322 families, 10.3 percent of all families in the county, received at least part of their income from public assistance. The average amount received by each family was \$1,266 per year. In 1969, 210 black families, 29 percent of the total in the county, received some or all of their income from public assistance.^{23/} Research done by a local

^{21/} Telephone interview: Mr. Keil, State of Illinois, Department of Public Assistance, Division of Resources and Statistics. March 16, 1972.

^{22/} Id.

^{23/} Supra note 11, Tables 124 and 128.

Exhibit No. 2—Continued

8

organization showed that Alexander County is second among Illinois counties in the percentage of its population receiving some form of public assistance.^{24/}

It is estimated that approximately 66 percent of public assistance recipients in the county live within the city limits of Cairo. This would indicate that nearly 2,200 individuals, or over one-third of Cairo's population, receive public assistance.^{25/}

^{24/} *Supra* note 20.

^{25/} Telephone interview: Mr. Tommy Smith, Alexander County Public Aid Office. March 1972.

Exhibit No. 2—Continued

9

GOVERNMENT

Cairo. The City of Cairo is governed by a mayor and four commissioners who compose the city council. All are elected at large for 4-year terms. Each commissioner has particular functions: accounts and finances includes the comptroller's office and the city clerk; public health and safety controls the fire department; the police department is a part of public property; and streets and improvements covers such offices as city engineer, city superintendent, garbage, and streets.

The city government had 64 employees as of January 1972, 14 of whom were black. There were seven female employees, all white. With the exception of one black employee, administrative assistant to the chief of police, the remaining black city employees had lower echelon jobs, primarily in the areas of garbage collection and street maintenance. There were no other blacks in the police department, nor were there any black firemen.^{26/}

Alexander County. The government of Alexander County is located in Cairo, the county seat. There are three members of the county board of supervisors, elected at large for 3-year terms. Other elected offices include those of treasurer, county and circuit clerk, sheriff, State's attorney, school superintendent, and circuit judge. There has never been a black official elected for Alexander County.

The county government employs 44 persons, seven of whom are black. These include three in the sheriff's office: a deputy, a jailer, and a cook; two in the department of general assistance; and one each in the treasurer's office and the highway department.

^{26/} City of Cairo: Employee Census, January 20, 1972.

^{27/} Staff interview with J. Reid Abercrombie, Alexander County Clerk, January 1972.

Exhibit No. 2—Continued

10

EDUCATION

The Cairo school district, encompassing the City of Cairo and the two smaller towns of Cache and Miller City, serves most of Alexander County. (Alexander County contains one other small school district.) The school board has five members elected at large. At the present time, one of these members is black. There is, additionally, a county school superintendent who is also elected at large.

There are four schools in the system, serving kindergarten through grades 3, grades 4 through 6, grades 7 through 9, and grades 10 through 12. The two elementary schools were constructed in 1966 when the Federal Government found Cairo's schools in violation of Title VI of the 1964 Civil Rights Act. The resulting desegregation plan called for the closing of one high school and six elementary schools, and the construction of two new schools, consolidating the students and eliminating substandard structures (one of the former schools was built in 1867, another in 1888).^{28/}

The total enrollment for the 1971-1972 school year is 1,335 students,^{29/} a loss of 36 percent over the past 5 years. This decline has, in part, been due to the loss of population in Cairo and the surrounding area. St Joseph's Catholic School, a private school, has 170 students. Approximately 50 students are transported to private schools in Kentucky.^{31/} In addition, an all-white private school, Camelot, was created in 1969. This school had an original enrollment

^{28/} Internal Memorandum, Department of Housing and Urban Development, "Background for Discussion of Cairo, Illinois", (undated), p. 3.

^{29/} Telephone interview with Mr. Gene Lemay, Illinois Department of Public Instruction, March 15, 1972.

^{30/} *Supra* note 28, Table, p. 3.

^{31/} Cairo Project Title VI-A, ESEA, prepared by Cairo School District, (undated), p. 1.

Exhibit No. 2—Continued

11

of approximately 300 students, and a current enrollment estimated at 255.^{32/} Although Camelot was established as a segregated school, in 1970 it was granted tax-exempt status by the Internal Revenue Service.

The public school system now has 70.9 percent minority enrollment, predominantly black. The faculty, including certified and uncertified personnel, is composed of 75 whites, 58 blacks, and one Oriental.^{33/}

The problems of the schools in Cairo, however, are also related to social and economic influences within the district. Textbooks are often out of date. There is a lack of "multi-ethnic" materials that are essential in a predominantly black district such as Cairo. In addition, the yield of local taxes from the current tax base, together with State equalization aid, is inadequate to finance an improved education program. The community has not voted any tax rate increases for the school system in over 9 years.^{34/} The district does receive Federal funds from the Department of Health, Education, and Welfare under Title I of the 1965 Elementary and Secondary Education Act (ESEA). For the 1971 fiscal year, it received \$309,914 in aid for educationally deprived children.^{35/}

Educational attainment for the population of Alexander County is low, particularly for blacks. The median number of school years completed by all males in 1970 was 9; by females, 9.4 years. Black males had completed an average of only 6.7 years, and black females, 7.9 years.^{36/}

^{32/} Id. and Supra note 28.

^{33/} Supra note 29.

^{34/} Supra note 31.

^{35/} Office of Economic Opportunity: Federal Outlays in Illinois, Fiscal Year 1971. County Summaries by Federal Agency Operations -- Alexander County, p. 2.

^{36/} Supra note 1, Tables 120 and 125.

Exhibit No. 2—Continued

12

HOUSING

Housing Activity. The total number of housing units in Alexander County in 1970 was 4,874, of which 2,750 (56 percent) were located in the City of Cairo. There were 4,348 occupied units in the county, 89 percent of the total; 2,436 of these (56 percent) were in Cairo.^{37/}

Between 1950 and 1970, the county lost 1,840 dwelling units, 80 percent of which were in Cairo.^{38/} Over the past decade, however, only 11 private single-family units have been constructed in the city,^{39/} and 130 units of public housing, primarily for the elderly.^{40/} In 1971, a housing development corporation created by a black organization, the United Front of Cairo, and initially funded by the Department of Housing and Urban Development, planned construction of over 80 subsidized single-family homes. In April 1971, however, the city council voted against selling 84 city-owned vacant lots to the HDC and stopped the plans.^{41/} In addition, the Illinois Housing Development Authority has earmarked \$290,000 for Cairo to assist construction of subsidized low- and moderate-income rental housing. Nothing has been finalized, however, because of local controversy over development of an acceptable sponsor corporation.

In 1970, 49.7 percent of the total units in use in Cairo were occupied by owners.^{43/} This is proportionately low compared to the State owner-occupancy rate of 59.4 percent. Also, owner-occupied units outside Standard

^{37/} U.S. Census of Housing: 1970. HC(1)-A 15, General Housing Characteristics, Illinois. Tables 23 and 29.

^{38/} U.S. Census of Housing: 1950. Vol. I, General Characteristics, Part 3, Idaho-Massachusetts. Tables 17 and 26.

^{39/} Internal Memorandum, United Cairo Community Non-Profit Housing Corporation, February 3, 1972, p. 2.

^{40/} Low-Rent Project Directory, June 30, 1971. Department of Housing and Urban Development, Housing Production and Mortgage Credit-FHA. Unedited computer printouts.

^{41/} Supra note 39.

^{42/} Supra note 28, p. 9.

^{43/} Supra note 37, Table 23.

Exhibit No. 2—Continued

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Metropolitan Statistical Areas (SMSA's) in Illinois comprise 71.9 percent of all occupied units, with the proportion in Illinois rural areas an even higher 75.5 percent.^{44/} For Alexander County, the percentage of owner-occupied units is somewhat higher, 60.6 percent.^{45/} Owner-occupancy has grown in Cairo since 1950 from 38.1 percent, and since 1960 from 46.1 percent. The actual number of units which are owner-occupied has, however, fallen by over 20 percent in the past 20 years, from 1,537 to 1,211 units. There has been an even larger decrease in the number of rental units since 1950, from 2,500 such units to 1,225 in 1970, a loss of more than 50 percent.^{46/} (See Tables IV and V).

The median value of owner-occupied units in Cairo in 1970 was \$6,600, compared to \$5,600 in 1960. In Alexander County, the median value is only \$6,000.^{47/} These values are low compared to similar areas in the State. They are also far lower than the median value of owner-occupied housing for Illinois as a whole (\$19,800), and for owner-occupied housing that is located outside SMSA's (\$11,800).^{48/}

In addition, Cairo has a large number of housing units which are in poor condition. According to research done in Cairo recently, the city ranks second out of all comparable cities in Illinois in the percentage of sub-standard housing.^{49/} A detailed physical survey undertaken in 1969 showed that over 1,600 residential units were either deteriorating or dilapidated.^{50/} The 1970 Census stated that 353 units lacked some or all plumbing.^{51/} Since 1966,

^{44/} Supra note 37, Table 2.

^{45/} Supra note 37, Table 29.

^{46/} Supra note 38, Table 17. Also U.S. Census of Housing: 1960. Final Report HC (1)-15, States and Small Areas, Illinois. Table 25.

^{47/} Supra note 37 and Supra note 46.

^{48/} Supra note 37, Table 4.

^{49/} Supra note 20.

^{50/} Supra note 39.

^{51/} Supra note 37, Table 23.

Exhibit No. 2—Continued

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a "blight committee", established by the city council and the Cairo Chamber of Commerce, has been responsible for tearing-down more than 350 dilapidated units.^{52/} Census data for 1970 for Alexander County indicates that 1,026 units, or over 20 percent of the county total, lack some or all plumbing.^{53/}

Minority Housing. In 1970, 844 housing units in Cairo were occupied by minority households* (34.6 percent of all occupied units). In Alexander County, 1,172 units, or 26.9 percent, were occupied by minorities. Owner-occupancy among minority households is far lower than among white households. Only 31.5 percent of minority households in Cairo own the units which they occupy, compared to 59.3 percent for whites.^{54/}

The quality of housing units occupied by blacks is lower than that for housing in general in Cairo. The median value for units owned and occupied by blacks was less than \$5,000 in 1970, compared to a median value of \$6,600 for all owner-occupied housing in Cairo.^{55/} The same is true for Alexander County.^{56/} In addition, blacks occupy about 70 percent of the 353 housing units in Cairo which lack some or all plumbing.^{57/}

Public Housing. The Alexander County Housing Authority plans, constructs, and operates low-rent public housing in the county. There are eight county public housing projects, all of which are located in Cairo. These contain 526 units, 482 of which were occupied in June 1971, including two large regular projects and six projects for the elderly. The projects make up 12.1 percent

* Blacks account for over 90 percent of minorities, or nonwhites, in both Cairo and Alexander County.

^{52/} Supra note 39.

^{53/} Supra note 37, Table 29.

^{54/} Supra note 37.

^{55/} Supra note 37, Table 26.

^{56/} Supra note 37, Table 30.

^{57/} Supra note 37, Table 26.

Exhibit No. 2—Continued

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of all occupied units in Alexander County, and provide housing for 4.4 percent of its population. Except for one integrated project for the elderly, the Riverview built in 1968, all public housing in Cairo is operated on a segregated basis.^{58/}

TABLE BType and Racial Composition of Public Housing in Alexander County

<u>NAME</u>	<u>REGULAR OR ELDERLY FAMILY</u>	<u>TOTAL UNITS*</u>	<u>RACE OF OCCUPANTS</u>	
			<u>WHITE</u>	<u>BLACK</u>
Elmwood Place	Regular	159	159	0
Pyramid Court	Regular	237	0	237
Greaney Gardens	Elderly	10	10	0
Moreland Manor	Elderly	7	7	0
Johnson Terrace	Elderly	17	17	0
Butler Homes	Elderly	16	0	14
The Riverview	Elderly	70	57	11
Sunset Terrace	Elderly	10	8	0

Source: Low-Rent Project Directory, June 30, 1971. Department of Housing and Urban Development, Housing Production and Mortgage Credit-FHA. Unedited computer print-outs.

*Discrepancy in total figures indicates unoccupied units.

^{58/} Supra note 40.

Exhibit No. 2—Continued

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FEDERAL FUNDING

Alexander County received \$22,640,801 in Federal funds during 1971. Nearly half of these funds, \$10,754,710, came from the Department of Transportation for Highway Planning and Construction. Other Agencies with large outlays in the county are the Department of Health, Education, and Welfare (HEW), the Department of Defense (DOD), and the Department of Agriculture.

As an economically depressed area, in 1971 the county received approximately \$170,000 from the Department of Agriculture in milk and food service programs for children and in food stamps. HEW funded over \$4.2 million in programs for the aging, including welfare and Social Security. Additionally, it spent \$1 million for other welfare programs, over \$1 million for various health programs, and approximately \$300,000 in aid for educationally deprived children.^{59/} (See Table B).

The Office of Economic Opportunity (OEO) also funds programs operating in Alexander County, one of five counties covered by the Shawnee Development Corporation in Karnak, Illinois. This corporation has a neighborhood center in each county, operating programs which include "Manpower", "Headstart", growth development programs, and emergency food and medical services. The funding for the entire five-county program is estimated to be \$190,000 per year, with approximately \$38,000 going to Alexander County. In addition, a health and family services program at St. Mary Hospital in Cairo receives approximately \$115,000 per year from OEO.^{60/}

^{59/} Supra note 35.

^{60/} Telephone interview: Mr. Daniel Larson, Office of Economic Opportunity, Field Office, Chicago, Illinois. March 16, 1972.

Exhibit No. 2—Continued

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TABLE CFederal Outlays by Agency in Alexander County, Illinois: Fiscal Year 1971

<u>Agency</u>	<u>Agency Total-Federal Funds</u>
Department of Agriculture	\$ 1,017,867
Influence of Federal Activities*	(3,090,150)
Department of Commerce	21,541
Department of Defense	1,231,000
Department of Health, Education and Welfare	7,169,825
Department of Housing and Urban Development	
Influence of Federal Activities*	(20,000)
Department of Labor	148,088
Post Office Department	563,141
Department of Transportation	10,829,440
Treasury Department	692,308
Civil Service Commission	107,825
General Services Administration	6,430
Railroad Retirement Board	499,224
Selective Service System	7,711
Small Business Administration	
Influence of Federal Activities	(592,430)
Tennessee Valley Authority	2,739
Veterans Administration	343,662
Total County	\$ 22,640,801

*Consists primarily of direct food distribution programs and insurance for mortgage or property improvement loans.

Source:

Office of Economic Opportunity -- Federal Outlays in Illinois:

Fiscal year 1971. County Summaries by Federal Agency Operations:

Alexander County, at 2.

Exhibit No. 2—Continued

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EMPLOYMENT

The Labor Force. The 1970 Census reported that there were 3,800 persons employed in Alexander County. 657 of these, or 17.3 percent, were black. The total number of persons unemployed in the county was 344, or 8.3 percent of the civilian labor force. The proportion of whites who were unemployed was 6.5 percent, while black unemployment was more than twice that, 16.2 percent.^{61/} According to the bureau of employment security in Cairo, at the end of 1970 the overall unemployment rate for a two-county area (Alexander and Pulaski) was as high as 10.1 percent. By December 1971 it had dropped to 9.4 percent, still higher than the census figure.^{62/}

Occupation. While 35.5 percent of the white male labor force hold white-collar jobs, only 10.5 percent of the black men do. In white-collar occupations, more than twice as many white men as black hold jobs as managers or officials. Over 60 percent of black men, however, hold blue-collar jobs, compared to about 45 percent of white men. Over 20 percent of black men are laborers, compared to a white figure of 7 percent. Also, about 30 percent of the black men and nearly 50 percent of the black women are service workers, while fewer than 20 percent of white men and about one-third of white women are.^{63/}

Industry. The number of persons employed in various industries in Alexander County has fallen by one-quarter since 1960, from almost 4,800 persons to 3,800. According to 1970 Census figures, most industries were employing fewer individuals, including agriculture, forestry and fisheries, public utilities, retail and wholesale trades, small businesses, and personal services.

^{61/} Supra note 11, Tables 121 and 126.

^{62/} Cairo Evening Citizen, "Unemployment Rate Decreases". March 2, 1972, p. 1.

^{63/} Supra note 11, Tables 122 and 127.

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Manufacturing and construction employment also declined, but not as greatly.^{64/}
There are 35 to 40 non-retail employers in Cairo. In 1963 there were 36 whole-
sale retail establishments.^{65/}

Blacks are employed in higher percentages than whites in manufacturing,
personal and related services. Whites, however, are employed more in retail
and wholesale trades.^{66/}

^{64/} Supra note 11, Table 123.

^{65/} Supra note 28.

^{66/} Supra note 11, Table 127.

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ECONOMIC DEVELOPMENT

Although the City of Cairo is the principal population center in the most southern region of Illinois, and despite its advantageous commercial and industrial location, it has been faced with steady economic decline over the past 2 decades. Loss of jobs and a lack of new job opportunities have resulted in population loss and a high proportion of low-income families. The Department of Labor, Manpower Administration, classifies Cairo as an area of "persistent" unemployment.67/

In 1969, the Illinois Department of Business and Economic Development undertook a comprehensive economic and human resource study of the two southern Illinois counties, Alexander and Pulaski. It sought to determine criteria and a program to provide impetus and direction which could affect economic growth, decrease unemployment and underemployment, and relieve the racial tensions that confront the area. The findings of the study resulted in an application to the Economic Development Administration, U.S. Department of Commerce, for a technical assistance grant to fund a professional staff responsible for providing direction in the development of an economic and industrial program for the area.68/

The organization created to carry out this program was the Pulaski-Alexander Development Corporation (PADCO). Specifically, its goals are "to attract new industry, develop home-grown industry, assist in the development of commercial and minority enterprise, and assist in the expansion and growth

67/ U.S. Department of Labor -- Manpower Administration: Area Trends in Employment and Unemployment. January 1972, p. 9.

68/ PADCO -- Profiles in Progress: Total Concept Economic and Industrial Development Action Program. Final Report: June 1, 1970 to June 1, 1971. (October 4, 1971), p. 1.

Exhibit No. 2—Continued

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of all small business concerns." In addition, it assists in manpower vocational education program development. It had a biracial board of 22 members, and a total membership of 140 persons as of October 1971.^{69/}

The staff of PADCO began full-time work early in 1970. Between then and June 1971 some 25 new industrial projects were considered and approached, and 14 more were "active prospects". The Illinois State Department of Business and Economic Development worked with PADCO primarily in referring possible industrial prospects to the organization. As of June 1971, nine of the 25 prospects had been funded or were awaiting fund approval from the Small Business Administration.^{70/} PADCO projects that 232 jobs will initially result from these prospects, along with a total capital investment of over \$3 million. Within 3 years it projects nearly 600 additional jobs.^{71/} In addition, PADCO has been assisting in the development of local minority industry and small business in general, as well as tourism.^{72/}

^{69/} *Id.*, p. 3.

^{70/} *Id.*, pp. 29-42.

^{71/} *Id.*, Exhibit A-4, p. 78.

^{72/} *Id.*, pp. 42-59.

Exhibit No. 2—Continued

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APPENDIX A

TABLE I	White and Negro Populations in Cairo, Illinois: 1950, 1960 and 1970.
TABLE II	White and Negro Populations of Alexander County: 1950, 1960 and 1970.
TABLE III	Family Income by Race, Alexander County: 1959 and 1969.
TABLE IV	Tenure of Occupied Housing Units by Race: Cairo: 1950, 1960 and 1970.
TABLE V	Tenure of Occupied Housing Units by Race: Alexander County: 1950, 1960 and 1970.
TABLE VI	Employment, by Color and Sex: Alexander County: 1960 and 1970.
TABLE VII	Occupational Grouping of Employed, by Color and Sex, Alexander County: 1960 and 1970.
TABLE VIII	Industry of Employed, by Color and Sex, Alexander County: 1960 and 1970.

TABLE I . White and Negro Populations in Cairo, Illinois: 1950, 1960 and 1970

RACE	1950		1960		1970	
	Number	% of Total	Number	% of Total	Number	% of Total
White	7,722	63.7	5,821	62.3	3,905	62.2
Negro	4,383	36.2	3,511	37.6	2,351	37.5
Other Races	18	0.2	16	0.2	21	0.3
Totals*	12,123	100.1	9,348	100.1	6,277	100.0
Percent Change:	1950-60		1960-70			
White	-24.6		-32.9			
Negro	-19.9		-33.0			
Other Races	-11.1		+31.3			
Total	-22.9		-32.9			

*Due to rounding, the sum of percentages may not be 100.00

Sources:

U.S. Census of Population: 1950. Vol. II, Characteristics of the Population.
Part 13, Illinois. Tables 34 and 47.
U.S. Census of Population: 1960. Vol. I, Characteristics of the Population.
Part 15, Illinois. Table 22.
U.S. Census of Population: 1970. Vol. I, Characteristics of the Population.
Part 15, Illinois. Table 31.

TABLE II. White and Negro Populations of Alexander County: 1950, 1960 and 1970

RACE	1950		1960		1970	
	Number	% of Total	Number	% of Total	Number	% of Total
White	13,875	68.3	10,745	66.9	8,596	71.5
Negro	6,420	31.6	5,298	33.0	3,375	28.1
Other Races	21	0.1	18	0.1	44	0.4
Totals	20,316	100.0	16,061	100.0	12,015	100.0
Percent Change:	1950-60		1960-70			
White	-22.6		-20.0			
Negro	-17.5		-36.3			
Other Races	-14.3		+144.4			
Total	-20.9		-25.2			

Sources:

- U.S. Census of Population: 1950. Vol. II, Characteristics of the Population.
Part 13, Illinois. Table 42.
- U.S. Census of Population: 1960. Vol. I, Characteristics of the Population.
Part 15, Illinois. Table 28.
- U.S. Census of Population: 1970. Vol. I, Characteristics of the Population.
Part 15, Illinois. Table 34.

Exhibit No. 2—Continued

TABLE III. Family Income by Race, Alexander County: 1959 and 1969

Family Income Level	POPULATION GROUP					
	White ¹		Nonwhite ²		Total	
	Number of Families	% of All Levels	Number of Families	% of All Levels	Number of Families	% of All Levels
1959:						
Under \$1,000	273	9.2	317	26.7	590	14.2
\$1,000-1,999	398	13.4	429	36.2	827	19.9
\$2,000-2,999	408	13.7	165	13.9	573	13.8
\$3,000-3,999	474	16.0	134	11.3	608	14.6
\$4,000-4,999	284	9.6	59	5.0	343	8.3
\$5,000-5,999	350	11.8	38	3.2	388	9.3
\$6,000-6,999	185	6.2	12	1.0	197	4.7
\$7,000-7,999	165	5.6	8	0.7	173	4.2
\$8,000-8,999	127	4.3	12	1.0	139	3.3
\$9,000-9,999	74	2.5	9	0.8	83	2.0
\$10,000 & over	233	7.8	3	0.3	236	5.7
All Levels	2,971	100.1	1,186	100.1	4,157	100.0
Median Family Income	3,858	NA	1,643	NA	3,146	NA
1969:						
Under \$1,000	187	7.8	67	9.5	254	8.2
\$1,000-1,999	175	7.3	174	24.6	349	11.2
\$2,000-2,999	218	9.1	139	19.7	357	11.5
\$3,000-3,999	150	6.2	83	11.7	233	7.5
\$4,000-4,999	190	7.9	60	8.5	250	8.0
\$5,000-5,999	216	9.0	22	3.1	238	7.7
\$6,000-6,999	153	6.4	36	5.1	189	6.1
\$7,000-7,999	130	5.4	32	4.5	162	5.2
\$8,000-8,999	133	5.5	15	2.1	148	4.8
\$9,000-9,999	155	6.5	38	5.4	193	6.2
\$10,000 & over	696	29.0	41	5.8	737	23.7
All Levels	2,403	100.1	707	100.0	3,110	100.1
Median Family Income	6,428	NA	2,809	NA	5,471	NA

Footnotes:

NA Not applicable

¹ Figures given for 1969 are representative of the remainder of total families minus Negro families instead of total families minus nonwhite families. Data for 1969 for nonwhite families is not available from U.S. Bureau of the Census.

² Figures given for 1969 are applicable to Negro families only.

Sources:

U.S. Census of Population: 1960. Vol. I, Characteristics of the Population.

Part 15, Illinois. Tables 86 and 88.

U.S. Census of Population: 1970. Vol. I, Characteristics of the Population.

Part 15, Illinois. Tables 124 and 128. (Statistics given were obtained in advance of the publication of this source.)

Exhibit No. 2—Continued

TABLE IV. Tenure of Occupied Housing Units by Race of Head of Household:

Tenure and Color of Head of Household	Cairo, Illinois: 1950, 1960 and 1970								
	1950			1960			1970		
	Total	% of Total Occupied	% of Owner-Occupied and of Renter-Occupied	Total	% of Total Occupied	% of Owner-Occupied and of Renter-Occupied	Total	% of Total Occupied	% of Owner-Occupied and of Renter-Occupied
All Housing Units	4,227	NA	NA	3,575	NA	NA	2,750	NA	NA
Total Vacant (Year-round)	178	NA	NA	311	NA	NA	311	NA	NA
Total Occupied Units	4,037	100.0	NA	3,264	100.0	NA	2,436	100.0	NA
Owner-Occupied	1,537	38.1	100.0	1,504	46.1	100.0	1,211	49.7	100.0
White	1,199	29.7	78.0	1,193	36.6	79.3	945	38.8	78.0
Nonwhite	338	8.4	22.0	311	9.5	20.7	266	10.9	22.0
Renter-Occupied	2,500	61.9	100.0	1,760	53.9	100.0	1,225	50.3	100.0
White	1,328	32.9	53.1	845	25.9	48.0	647	26.6	52.8
Nonwhite	1,172	28.9	46.9	915	28.0	52.0	578	23.7	47.2
<u>Percent Change:</u>									
		1950-1960		1960-1970		1950-1970			
All Housing Units		-15.4		-23.1		-34.9			
Total Vacant		+74.7		----		+74.7			
Total Occupied Units		-19.1		-25.4		-39.7			
Owner-Occupied		- 2.1		-19.5		-21.2			
White		- 0.5		-20.8		-21.2			
Nonwhite		- 8.0		-14.5		-21.3			
Renter-Occupied		-29.6		-30.4		-51.0			
White		-36.4		-23.4		-51.3			
Nonwhite		-21.9		-36.8		-50.7			

Footnotes:

NA Not applicable

---- Represents zero

Sources:

U.S. Census of Housing: 1950. Vol. I, General Characteristics. Part 3: Idaho-Massachusetts. Table 17.U.S. Census of Housing: 1960. Vol. I, States and Small Areas. Illinois. Final Report HC(1)-15. Table 25.U.S. Census of Housing: 1970. General Housing Characteristics. Final Report HC(1)-A15 (Illinois). Table 23.

Exhibit No. 2—Continued

TABLE V. Tenure of Occupied Housing Units by Race of Head of Household:

Tenure and Color of Head of Household	Alexander County, Illinois: 1950, 1960 and 1970								
	1950			1960			1970		
	Total	% of Total Occupied	% of Owner-Occupied and of Renter-Occupied	Total	% of Total Occupied	% of Owner-Occupied and of Renter-Occupied	Total	% of Total Occupied	% of Owner-Occupied and of Renter-Occupied
All Housing Units	6,714	NA	NA	5,884	NA	NA	4,874	NA	NA
Total Vacant (Year-round)	366	NA	NA	547	NA	NA	(²)	NA	NA
Total Occupied	6,322	100.0	NA	5,337	100.0	NA	4,348	100.0	NA
Owner-Occupied	2,973	47.0	100.0	2,875	53.9	100.0	2,635	60.6	100.0
White	2,264	35.8	76.2	2,260	42.3	78.6	2,154	49.5	81.7
Nonwhite	709	11.2	23.8	615	11.5	21.4	481	11.1	18.3
Renter-Occupied	3,349	53.0	100.0	2,462	46.1	100.0	1,713	39.4	100.0
White	2,009	31.8	60.0	1,340	25.1	54.4	1,022	23.5	54.4
Nonwhite	1,340	21.2	40.0	1,122	21.0	45.6	691	15.9	45.6
Percent Change:	1950-1960			1960-1970					
All Housing Units	-12.4			-17.2					
Total Vacant	+49.5			(2)					
Total Occupied									
Units	-15.6			-18.5					
Owner-Occupied	- 3.3			- 8.3					
White	- 0.2			- 4.7					
Nonwhite	-13.3			-21.8					
Renter-Occupied	-26.5			-30.4					
White	-33.3			-23.7					
Nonwhite	-16.3			-38.4					

Footnotes:

NA Not applicable

¹ In addition to these 366 Vacant (Year-round) units, there were 26 non-resident units, which were part of the "All Housing Units" figure 6,714

(2) Not available

Sources:

U.S. Census of Housing: 1950. Vol. I, General Characteristics. Part 3, Idaho-Massachusetts. Table 26.

U.S. Census of Housing: 1960. Vol. I, States and Small Areas. Illinois. Table 28.

U.S. Census of Housing: 1970. General Housing Characteristics. Final Report HC(1)-A15 (Illinois). Tables 29 and 30. (Those figures given for the total number of white and nonwhite owner-occupied and white and nonwhite renter-occupied units for 1970 were obtained during telephone conversation with Miss Joyce Aso of the Housing Division, U.S. Bureau of the Census, on March 15, 1972. These figures were taken from HC(V-1)-15, Advance Report for Illinois, U.S. Census of Housing: 1970.

Exhibit No. 2—Continued

TABLE VI. Employment, by Color and Sex, Alexander County, Illinois
1960 and 1970

	1960				1970			
	Totals ¹		Percent of Civilian Labor Force		Totals ²		Percent of Civilian Labor Force ³	
	White	Nonwhite	White	Nonwhite	White ⁴	Negro ⁴	White ⁴	Negro
<u>Employed</u>	<u>3,701</u>	<u>1,193</u>	91.9	82.5	<u>3,143</u>	<u>657</u>	93.5	83.8
Male	2,460	690	90.3	80.2	1,895	343	93.4	81.1
Female	1,241	503	95.1	85.8	1,248	314	93.8	87.0
<u>Unemployed</u>	<u>328</u>	<u>253</u>	8.1	17.5	<u>217</u>	<u>127</u>	6.5	16.2
Male	264	170	9.7	19.8	134	80	6.6	18.9
Female	64	83	4.9	14.2	83	47	6.2	13.0
<u>Civilian Labor Force</u>	<u>4,029</u>	<u>1,446</u>	<u>100.0</u>	<u>100.0</u>	<u>3,360</u>	<u>784</u>	<u>100.0</u>	<u>100.0</u>
Male	2,724	860	67.6	59.5	2,029	423	60.4	54.0
Female	1,305	586	32.4	40.5	1,331	361	39.6	46.0

Footnotes:

- ¹ Aged 14 years and over.
- ² Aged 16 years and over.
- ³ Data is given for Negroes instead of for nonwhites because figures for nonwhites are not available.
- ⁴ Representative of remainder of total employees minus Negro. See note 3 above.

Sources:

- U.S. Census of Population: 1960. Vol. I, Characteristics of the Population. Part 15, Illinois. Tables 83 and 87.
- U.S. Census of Population: 1970. Vol. I, Characteristics of the Population. Part 15, Illinois. Tables 121 and 126. (Statistics given were obtained in advance of the publication of this source.)

Exhibit No. 2—Continued

TABLE VII.. Occupational Grouping of Employed, by Sex and Color, Alexander County: 1960¹ and 1970²

Occupational Grouping and Year	White ³				Nonwhite ⁴			
	Male		Female		Male		Female	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
1960 ¹								
<u>White-collar</u>	1,008	41.9	658	54.0	54	8.5	96	20.0
Professional, Technical, and Kindred	139	5.8	178	14.6	37	5.8	58	12.1
Managers, Officials, and Proprietors, Except Farm	450	18.7	71	5.8	10	1.6	11	2.3
Clerical and Kindred	224	9.3	264	21.7	3	0.5	12	2.5
Sales	195	8.1	145	11.9	4	0.6	15	3.1
<u>Blue-collar</u>	956	39.8	157	12.8	360	56.3	36	7.5
Craftsmen, Foremen, and Kindred	405	16.9	16	1.3	55	8.6	--	--
Operatives and Kindred	407	16.9	137	11.2	138	21.6	28	5.8
Nonfarm Laborers	144	6.0	4	0.3	167	26.1	8	1.7
<u>Service Workers</u>	144	6.0	392	32.2	139	21.8	341	70.9
Private Household	--	--	74	6.1	8	1.3	182	37.8
Other Service Workers	144	6.0	318	26.1	131	20.5	159	33.1
<u>Farm Workers</u>	295	12.3	12	1.0	86	13.5	8	1.7
Totals	2,403	100.0	1,219	100.0	639	100.1	481	100.1

TABLE VII continued on next page.

Exhibit No. 2—Continued

TABLE VII., continued.

1970 ²								
<u>White-collar</u>	<u>673</u>	<u>35.5</u>	<u>610</u>	<u>48.9</u>	<u>36</u>	<u>10.5</u>	<u>111</u>	<u>35.4</u>
Professional, Technical, and Kindred	140	7.4	149	11.9	16	4.7	53	16.9
Managers, Officials, and Proprietors, Except Farm	271	14.3	74	5.9	20	5.8	2	0.6
Clerical and Kindred	110	5.8	329	26.4	--	--	50	15.9
<u>Sales</u>	<u>152</u>	<u>8.0</u>	<u>58</u>	<u>4.6</u>	<u>--</u>	<u>--</u>	<u>6</u>	<u>1.9</u>
<u>Blue-collar</u>	<u>861</u>	<u>45.4</u>	<u>210</u>	<u>16.8</u>	<u>211</u>	<u>61.5</u>	<u>48</u>	<u>15.3</u>
Craftsmen, Foremen, and Kindred	318	16.8	17	1.4	44	12.8	4	1.3
Operatives and Kindred	416	22.0	173	13.9	95	27.7	44	14.0
<u>Nonfarm Laborers</u>	<u>127</u>	<u>6.7</u>	<u>20</u>	<u>1.6</u>	<u>72</u>	<u>21.0</u>	<u>--</u>	<u>--</u>
<u>Service Workers</u>	<u>361</u>	<u>19.1</u>	<u>422</u>	<u>33.8</u>	<u>96</u>	<u>28.0</u>	<u>155</u>	<u>49.4</u>
Private Household Other Service	--	--	29	2.3	5	1.5	47	15.0
<u>Workers</u>	<u>192</u>	<u>10.1</u>	<u>393</u>	<u>31.5</u>	<u>73</u>	<u>21.3</u>	<u>108</u>	<u>34.4</u>
<u>Farm Workers</u>	<u>169</u>	<u>8.9</u>	<u>6</u>	<u>0.5</u>	<u>18</u>	<u>5.2</u>	<u>--</u>	<u>--</u>
Totals	1,895	100.0	1,248	100.0	343	100.0	314	100.0

Footnotes:

Percentages may not sum to 100.0 due to rounding.

-- Represents zero

- 1 Data given is applicable to employees aged 14 years and over.
- 2 Data given is applicable to employees aged 16 years and over.
- 3 Since data for 1970 is not available for nonwhite employees, 1970 figures given for white employees are necessarily representative of the remainder of all employees minus Negro employees, instead of all employees minus nonwhite employees.
- 4 Figures given for 1970 are representative of Negro employees only.

Sources:

U.S. Census of Population: 1960. Vol. I, Characteristics of the Population. Part 15, Illinois. Tables 84 and 88.
U.S. Census of Population: 1970. Vol. I, Characteristics of the Population. Part 15, Illinois. Tables 122 and 127. (Statistics given were obtained in advance of publication of this source.)

Exhibit No. 2—Continued

TABLE VIII. Industry of Employed, by Color, for Alexander County:
1960¹ and 1970²

Industry	1960 ¹		Nonwhite		1970 ²		Negro ⁴	
	White Number	% of Total	Number	% of Total	White ³ Number	% of Total	Number	% of Total
Agriculture, Forestry, and Fisheries	322	8.9	106	9.4	195	6.2	18	2.7
Mining	15	0.4	--	--	26	0.8	5	0.8
Construction	179	4.9	44	3.9	182	5.8	34	5.2
Manufacturing	395	10.9	134	11.9	466	14.8	139	21.2
Transportation, Communications, and Other Public Utilities	480	13.2	100	8.9	385	12.2	33	5.0
Wholesale and Retail Trade	1,134	31.2	225	20.0	826	26.3	81	12.3
Finance, Insurance, and Real Estate	95	2.6	20	1.8	82	2.6	16	2.4
Business and Repair Services	93	2.6	--	--	54	1.7	14	2.1
Personal Services	268	7.4	271	24.1	156	5.0	82	12.5
Entertainment and Recreation Services	37	1.0	8	0.7	21	0.7	--	--
Professional and Related Services	422	11.6	185	16.5	530	16.9	155	23.6
Public Administration	194	5.3	31	2.8	220	7.0	80	12.2
Totals	3,634	100.0	1,124	100.0	3,143	100.0	657	100.0

Footnotes:

-- Represents zero

- 1 Data given for employees aged 14 years and over.
- 2 Data given for employees aged 16 years and over.
- 3 Figures given are applicable to the remainder of all employees minus Negro, instead of all employees minus nonwhites. See note 4.
- 4 Since data for nonwhite employees are not available from U.S. Bureau of the Census, figures are given for Negroes instead.

Sources:

U.S. Census of Population: 1960. Vol. I, Characteristics of the Population. Part 15, Illinois. Tables 85 and 88.

U.S. Census of Population: 1970. Vol. I, Characteristics of the Population. Part 15, Illinois. Tables 123 and 127. (Tables were obtained from U.S. Bureau of the Census in advance of the publication of this source.)

Exhibit No. 3

WILLIAM P. EAGAN, JR.
COMMISSIONER
ACCOUNTS & FINANCES
NORMAN D. BEAVERS
COMMISSIONER
PUBLIC HEALTH & SAFETY
ROBERT L. WILLIAMS
COMMISSIONER
STREETS & PUBLIC IMPROVEMENTS
CARL HEISENHEIMER
COMMISSIONER
PUBLIC PROPERTY

CITY OF CAIRO

A. B. (PETE) THOMAS, MAYOR

WILLIAM F. MEEHAN
COMMISSIONER
MARGARET A. SHOEMAKER
COMPTROLLER & TREASURER
C. F. WALKER
CITY CLERK

CAIRO, ILLINOIS

January 6, 1970

Mr. Lewis F. Nicolini
Chairman, Regional Council and
Regional Manpower Administrator
U. S. Department of Labor
Manpower Administration
219 South Dearborn Street
Chicago, Illinois 60604

RE: City of Cairo, Illinois
Proposed Social and Economic
Rehabilitation Program

Dear Mr. Nicolini:

On behalf of the citizens of the City of Cairo, I would like to express our sincere appreciation to the Regional Council for the time given me and my staff at the meeting on December 10. This meeting was very informative for us and we are quite hopeful that it will be the initial basis for establishing some constructive programs for our City. We are also hopeful that our discussion with the Regional Council has made clear the fact that the situation in Cairo is highly unstable at the present time. Positive action must be taken in the near future, not only to regain stability, but to begin the difficult task of eliminating the many causes of our problems. Too often in the past, promises of progress with no subsequent action have raised false hopes and have generated a great deal of mistrust in many segments of the community. We do not want to repeat this mistake. We firmly believe that some of our programs must be initiated by April 1970, if the City is to avert a renewal of last summer's crisis, perhaps on an even larger scale.

As I indicated in our meeting, my staff and I have been studying the complex problems of Cairo since I took office in August. We have now reached a position of being able to define, in broad terms, the problems facing the City and also the general characteristics of some of the programs necessary for solving them. At the conclusion of our meeting in Chicago, you requested that we identify in writing the major programs we propose and, also, to provide you with some of the background of our previous study. A copy of the proposal is enclosed and we would appreciate seeing that this proposal is distributed to

Exhibit No. 3—Continued

Mr. Lewis F. Nicolini

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January 6, 1970

the following people:

James Brawley, Regional Director, Department of Health, Education and Welfare
 Francis D. Fisher, Regional Administrator, Department of Housing and Urban Development
 Alan Healy, Regional Director, Office of Economic Opportunity
 Robert A. Dwyer, Regional Director, Small Business Administration

As you are well aware, the major problem facing Cairo is one of (economic) and has evolved over a period of many years. A substantial amount of our work force is unemployed (about 10%) at the present time. Many of those workers who are fortunate enough to be employed possess such low skill levels that they earn the minimum wage and, with frequent layoffs, earn less in annual income than that necessary for a decent standard of living. Housing in the City is greatly deteriorated. (Blight is present in staggering proportions. The level of social stress, a direct outgrowth of the above problems, threatens to create anarchy.)

Our approach to solving these problems is based on several assumptions which we believe ought to be brought to your attention at the outset:

1. Successful solution to the problems of Cairo requires an integrated program progressing on several dimensions simultaneously. In particular, we need to simultaneously pursue programs of economic development, labor force rehabilitation, urban renewal, blight removal, housing, and human relations. In our opinion, a piecemeal approach, consisting of one or two non-coordinated programs, is doomed to failure and might even be regarded as "tokenism" and increase the level of social stress.
2. The primary responsibility for initiating and designing specific programs should rest with local groups, composed of representatives from all segments of our citizenry. We believe that externally designed programs or programs designed on a broader regional basis will not be sufficient to deal adequately with the unique problems facing Cairo. We are, however, prepared and quite willing to coordinate our programs with other regional programs that might be interrelated with ours and with various governmental programs now in existence.
3. Time is extremely important. (We must act quickly, though with sound and adequate planning, if the recent disturbances are not to be renewed.) Positive, rapid, and visible action that shows the beginning of a new era of economic progress can be used as an effective strategy for regaining social stability. Such social stability will create a favorable environment for our long-range programs. We firmly believe that at least some of our programs must be initiated no later than April, 1970. Failure to act by this time will prove disastrous.
4. The City of Cairo, due to its recent social disturbances and extremely low-skilled work force, is not able to attract outside industry as a method of economic progress, at least not

Exhibit No. 3—Continued

Mr. Lewis F. Nicolini

3

January 6, 1970

initially. Further, even if industry could be attracted, this in itself would not contribute to the solution of our problems. Any new industry would probably pay the minimum wage; this would not remove its employees from the poverty class. Such employees would probably remain, by choice, on the welfare rolls.

5. A feasible set of programs must have the capability of being self-sustaining (not requiring external help) within a period of approximately five years. We need and want external help, the type of help that will allow permanent solutions to our problems. We do not want help that places the City of Cairo in a permanent dependency relationship with the government.

As you will see, the enclosed program is outlined in very broad terms. This is as you requested. We are quite anxious to hear your reactions to our programs and needs. In particular, we are asking for the help of the Regional Council in identifying specific government programs that will be suitable for our use and also to aid in the preparation of specific proposals. We are requesting that you contact us at your earliest convenience. My staff and I will be willing to return to Chicago if you feel this is necessary. As an alternative, I would like to extend an invitation to the Regional Council to visit the City of Cairo.

Thank you.

Respectfully,

A. B. Thinn
Mayor

Enclosure

ABT:ers

cc: Dan J. Laughhunn

Exhibit No. 3—Continued

**A PROPOSED SOCIAL AND ECONOMIC REHABILITATION PROGRAM
FOR THE
CITY OF CAIRO, ILLINOIS**

1. COMMUNITY NEEDS

Present problems which exist within the City of Cairo, Illinois can be attributed to one major factor: poverty. Extensive poverty has led to the discontent of the people of the city and has created the unstable conditions which presently exist.

The City of Cairo, attuned to all voices within our community and cognizant of the unmet needs which led to our present crisis, proposes to make full use of all available resources and through a broad-based, well implemented plan, attack the causes.

To solve the problem of poverty we must first stabilize the present situation. This must be done through an immediate program of social and economic change. Once the situation is stabilized, the city can enter into a much longer range program, which over a period of years, can resolve the present poverty conditions.

To adequately resolve the problems of the magnitude facing the City of Cairo, a full-scale war on poverty must be implemented. This war on poverty is designed to attack the primary problems: Housing, Education, and Social Welfare.

A coordinated effort of local, state and federal resources, being about a major breakthrough toward social and economic stability in our small city, which has been labeled a microcosm of those problems existing across the country today. A breakthrough, if successfully achieved, will be the foundation threatening our nation's streets, and will be a model for other troubled communities to follow.

Exhibit No. 3—Continued

-2-

II. ECONOMIC REHABILITATION

Lacking the ability to attract outside industry at the present time, we propose to establish a local corporation to serve as the foundation of our economic development. This corporation, to be under the direct control of a local citizens committee, would primarily hire hard-core unemployed and unskilled laborers. Initially, this corporation would be housed in an available vacant building in order to minimize the cost of startup. A major source of funds needed for equipment (to be obtained from salvage liquidation of major corporations) and working capital would be sought through a loan from the Small Business Administration.

Preliminary discussions with several business firms have indicated that the proposed corporation could successfully serve them as a producer of industrial parts and supplies.

At the onset, we plan to begin manufacturing simple machine parts and wooden pallets in order to utilize the low-skill levels of this work force. To provide the hard-core unemployed with an incentive to voluntarily remove themselves from welfare rolls, the starting wage would be a \$2.00 per hour minimum. Approximately 40-50 workers would be employed during the first year. On the Job Training sub-contract is available locally for training.

By design, ownership of the corporation will ultimately revert to the employees through the following stock mechanism. Shares of stock will be distributed to employees based on length of service and merit so that, within a period of approximately five years, the complete ownership would be transferred to them.

Further, in order to upgrade the skills of the work force to allow the corporation to expand into new enterprises and products,

Exhibit No. 3—Continued

-3-

we plan to submit a more detailed manpower training grant. This grant will allow us to train professional managers, sales personnel, and skilled laborers, as well as to rehabilitate a large segment of the work force.

In our long range planning, we will also request that training programs in existence in Cairo be consistent with the proposed curriculum, combining planning with Manpower Development Training, Operation Mainstream, Out of School Neighborhood Youth Corps or other. This will insure a more comprehensive career development program for the low income residents of our community.

As another long range project, we plan to develop an industrial park area for use in attracting outside industry and development of more locally owned corporations. Attempts to attract outside industry will be delayed until we have upgraded our work force and improved local living conditions.

Preliminary work on the area for this proposed industrial park is being done by clearing a severely blighted area near an existing factory in Cairo. Our objective in the area of economic development is to provide 1200 new jobs in the City of Cairo by 1975.

III. SOCIAL REHABILITATION

A. HOUSING. Within the City limits of Cairo there are approximately 3,600 housing units. Approximately 42% of these are either deteriorated or delapidated. This statistic indicates that a large number of families are living in sub-standard housing.

In the past, under the jurisdiction of the Alexandria Social Housing Authority, an extensive public housing program has been implemented to help resolve this problem. The city presently has 1,000 public housing units, of which 400 approximately are tenement units. The use of public housing has improved, to some extent, upon the

Exhibit No. 3—Continued

-4-

conditions in the city. However, it has slowly created a new site of blighted area through the concentration of poverty families in a confined geographical area. Many of these units can be considered below standard according to current housing standards. Also, the existence of public housing has placed an extensive burden on the tax base of the city by taking a large number of housing units off the tax rolls. Therefore, it is felt that there is no need for additional housing of this nature.

To solve the existing housing problem, we propose to establish a not-for-profit organization to serve as the legal entity for the development of the proposed housing program. Under this not-for-profit organization, consisting of citizens of the City of Cairo, we would enter into a housing program with the assistance of the Federal government to develop approximately 600 to 800 single and two-family housing units. The single dwelling unit would be developed for private ownership by low income families. The two-family dwelling types would be developed for rental units to low income families. These housing units would be scattered throughout the community so as not to concentrate or label a large number of low income families into any one particular area.

As the housing units are developed, we propose to move the families which presently live in our city's dilapidated housing into the new dwellings. After the large number of families now living in dilapidated housing can move into their new homes, many of the deteriorated structures can be torn down and the land made available for reuse, possibly as sites for new housing or as potential industrial sites.

In long term planning, we propose to provide enough additional housing to phase out some of the present sub-standard public housing

Exhibit No. 3—Continued

-5-

units, and secure federal funding to modernize those units which stand in need of redecoration to improve living conditions.

In conjunction with the proposed new housing program, we plan to enter into a program of encouraging private owners to rehabilitate many of their deteriorated properties within the community. Low income residents owning blighted property will be encouraged to apply to government sources, such as FHA, for loans to make improvements. However, we feel that this program cannot be successful unless we make a well concerted effort to remove the extensive amount of blighted property which presently exists.

B. LACK OF EDUCATION. Another basic cause of our poverty is the lack of education for our people. We propose to assist in the development of an integrated educational program which would benefit those in need of education from all age groups, pre-school, in-school, and post high school.

On the pre-school level, our plan is to expand, enrich, and bolster Home Local Head Start programming. Through this program, a desire and respect for education can be instilled into our children, giving them the opportunity to be physically exposed to a new and exciting world of people, situations, places, things, basic learning tools, medical care, and the kind of nourishment completely foreign to their current environment.

On the in-school level, we propose a two-phase program: for school attending students and dropouts. The in-school program will be directed at the economically deprived students who are potential dropouts, and encompass the current Neighborhood Youth Corps, Division of Vocational Rehabilitation programming, Cooperative Work Training, and other school-related programs with supportive services and cultural enrichment from local and other sources to provide counseling, recreation, and career planning to all low income youth of our area.

Exhibit No. 3—Continued

-6-

Our plan for high school dropouts will couple a work experience base with supportive services, such as counseling and skill or vocational training courses. It is our hope that we can attract some of our area's current dropouts back into school or manpower training programs to better their education and improve their level of abilities for future employment. Remedial education courses will be offered those drop-outs and deal with basic areas of education - geared to their needs and primarily with reading, writing, math and communication skills.

At the adult level, existing manpower training programs are attracting many young and old adults who desire to change from unskilled to skilled laborers. Our plan for education can be implemented in conjunction with some of those projects. Basic educational classes will be made available within our community for those who desire to raise their educational level, and vocational training courses will be sought and established in those areas of skill training which will be marketable skills, not only in our area but in any locality to which our people might later move.

If our people are to increase their educational level, we must provide the opportunity for them to further their education.

C. SOCIAL WELFARE. Tied very closely with the housing and educational needs of our community are the provisions for the social services and activities sorely needed to assist our deprived people in improving their daily life - including recreation, health and living standards, and social interchanges.

We propose to establish a local non-profit corporation composed of citizens of our community, a cross section of residents, to govern and establish policy for a multi-purpose facility which would house

Exhibit No. 3—Continued

-7-

many of the needed services of our people. We propose, through Federal funding, to establish this as a center for progress, growth and pride toward a unified community.

This facility would include the Head Start program, previously mentioned, and a day-care center for low income working mothers or those furthering their education. It would also house advisors on nutrition, homemaker skills, parenthood planning, personal hygiene, and counseling service by professionals for personal problems. Public and clinical services would encompass local and ORO health programs, bringing mobile assistance to the aged poor and the confined, transportation to nearby medical centers, or proper attention for medical emergencies when they arise.

The facility would include meeting rooms for all community groups to meet, work, conduct activities, and enjoy recreation together.

We further propose that in long range planning, decentralized services should be made available at this center for distantly located state and Federal service agencies to visit on a regularly scheduled basis, bring their much needed benefits to the needy and neglected in our city.

Such a center of community activity would be the hub of our new integrated growth, understanding, and subsequent civic pride.

Federal and state assistance must be secured to meet these first steps toward progressive action by our community. Giant strides must be made toward stabilization of our economy, our relationships, and our future through the implementation of these proposals.

All available local resources within the City of Chicago will be brought to bear toward the successful enactment of these proposals, and with the aid of the resources of the State of Illinois and the federal government, these we propose to do.

Exhibit No. 3—Continued

-8-

A. IMMEDIATE NEEDS

1. Recertification of the Workable Program.
2. Funds to initiate the local corporations and committees.
3. Funds to construct a community facilities building to house our Head Start program, child care center, family planning service, planned recreation activities, and others.
4. Funds to develop an extensive education and social services program.
5. Funds for initial blight removal (approximately 10 blocks).
6. Redirection of existing manpower program to be compatible with proposed local corporation and local industry.
7. Funds to initiate construction of 600-800 private ownership homes and rental housing.
8. Funds to establish relevant community organizations and to recruit necessary personnel, such as, a rehabilitation program director and staff.

B. LONG TERM NEEDS

1. Funds to renovate existing public housing units, such as, Pyramid Courts.
2. Funds to consolidate city government facilities into a single dwelling.
3. Funds to complete all blight removal (approximately 30 city blocks).
4. Home loans to renovate approximately 400 deteriorated homes.
5. Funds to create an industrial park.
6. Funds to renovate and concentrate the central business district.
7. Funds to initiate a construction program for private ownership housing (25 homes in the first year).

Exhibit No. 3—ContinuedDEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGION V433 WEST VAN BUREN STREET, ROOM 712
CHICAGO, ILLINOIS 60607OFFICE OF
THE REGIONAL DIRECTOR

March 20, 1970

Honorable A. B. Thomas
Mayor of Cairo
City Hall,
Cairo, Illinois 62914

Dear Mayor Thomas:

The Federal Regional Council and other Federal agencies (see Enclosure I) have made a careful review of their own programs and policies to determine what Federal programs might be made available to help alleviate economic and social problems in Cairo and how the agencies might best provide their assistance. This effort began in November, before your visit to Chicago on December 10, 1969. In the course of our review, the agencies have examined their own programs, the needs of Cairo, and the program possibilities outlined in your letter of January 6; they have also considered the impediments to successful delivery of programs posed by the current tensions and communication problems in Cairo. At the meeting on March 6, the agencies were impressed by your desire to create a better future for Cairo and by the concern of the United Front that new programs in Cairo must be geared to the expressed needs of the entire community.

The enclosure to this letter (see Enclosure II) indicates specific programs the Federal agencies see as promising help to Cairo; some would be new to the area and some would be expansions of existing programs. Enclosure II indicates the nature of the suggested programs, the outlook for funding, suggestions of priorities, and the steps necessary before applications can be processed.

The major barrier to further Federal assistance to Cairo is the continued polarization and lack of viable communications between groups which are concerned about Cairo's future. We must state quite candidly that most of the assistance described in Enclosure II cannot be provided unless the community takes steps to establish mechanisms for discussing problems, reaching decisions about needed actions and the order of priority, and initiating steps to carry out actions agreed upon. Many Federal programs explicitly require such community action in the development of applications.

Exhibit No. 3—Continued

Honorable A. B. Thomas

March 20, 1970

- 2 -

Specifically, we urge that a task force be formed as soon as possible to deal with Cairo's problems on a community-wide basis. The size of the task force, its composition, and the means by which members are selected must be carefully worked out in a manner agreeable to concerned civic and citizens' organizations before any members are selected. If all major interest groups in Cairo can agree on the creation and composition of the task force, a good start will have been made toward genuine community-wide support and credibility.

Functions of the task force would include:

Reviewing Cairo's needs and setting priorities, in order to develop a local work program with definite goals;

Gathering necessary detailed information and doing basic planning for programs selected from the enclosure; and

Reviewing or making recommendations on applications for Federal or State assistance prepared by other local organizations.

Staff support for the task force may be supplied through State and Federal programs (the Shawnee Development Council and the Delta Regional Plan Commission are two possible sources of support), and immediate technical assistance and advice could be provided through the State Planning Office and the Federal agencies' regional offices. Southern Illinois University may be another excellent source for technical assistance.

While it would be naive to expect the task force to achieve unanimity on all issues, it would provide much needed opportunities for airing differences and attempting to resolve them. We believe the creation and successful continuation of such a group would be more important to Cairo's future than any Federal assistance which might be provided. We would be willing to help arrange for arbitration services to assist in resolving any impasses which might arise.

We have established procedures to assure prompt review by Federal agencies of proposals relating to Cairo and for providing assistance in preparation of applications and resolving questions about Federal programs. These procedures involve interagency coordination so that Federal responses to Cairo's needs are consistent.

Representatives of the State of Illinois have participated fully in the Federal interagency work relative to Cairo. The state is now working on identification of programs which might be initiated, expanded or improved in the Cairo area. When that review has been completed, a supplement to the enclosed material will be provided.

Exhibit No. 3—Continued

Honorable A. B. Thomas

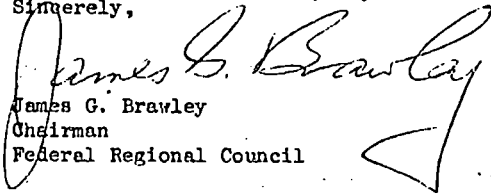
March 20, 1970

- 3 -

Please be assured that the Regional Council and the other agencies working with it are both concerned about the problems of Cairo and trying to be helpful in dealing with these problems. A copy of this letter is being transmitted to Governor Ogilvie, Cairo United Front, Alexander County Chamber of Commerce, Shawnee Development Council, PADO, Bi-County Business and Professional Men's Association, Senators Percy and Smith, and Congressman Gray. A news release will be made to the media regarding its contents.

The Regional Council will be interested in your reactions and suggestions.

Sincerely,


James G. Brawley
Chairman
Federal Regional Council

2 Enclosures

Exhibit No. 3—Continued

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
360 NORTH MICHIGAN AVENUE, CHICAGO, ILLINOIS 60601

May 5, 1970

REGION IV

IN REPLY REFER TO:

Honorable A. B. Thomas
Mayor of Cairo
Cairo, Illinois 62914

Dear Mayor Thomas:

The Regional Council has received your letters of April 7 and 22 and appreciates the concerns you have expressed. We extend our sincere apology for the delayed delivery to you of our letter of March 20. This was evidently caused by the postal strike, as the letter to you and all copies of it were mailed at the same time just before the strike began in Chicago.

The Council shares with you a deep concern over the economic and social welfare of Cairo and is hopeful that financial and technical assistance through federal programs may be used to help develop new economic, employment, housing, educational, and recreational opportunities for all the people of Cairo. The funding of PADCO as a bi-county program, which we strongly supported, is regarded as one step in this direction.

Apparently, our letter of March 20 did not clearly convey our intentions relative to additional assistance federal agencies might provide to Cairo. We had hoped that the city working with interested groups and individuals in the community, could draw together a broadly based citizens group which would undertake to evaluate needs, set priorities, and identify the most beneficial federal programs. (Actually, many of the programs we proposed require such participation, either by statute or guideline). We also had hoped that the composition of such a group could be worked out through consultations between the city and major community organizations so that the group, when convened, would be representative of all the people in Cairo and, hopefully, would be able to mobilize community support for needed actions.

Exhibit No. 3—Continued

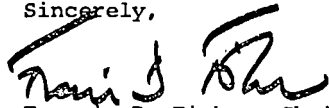
- 2 -

The Regional Council and the interagency working group, which examined the City of Cairo's economic development proposal, agreed with you that it reflected a positive approach to some of the city's needs. Consequently, we included in our March 20 letter, the basic concepts you had suggested. We did urge, however, that the economic development efforts of Cairo be carried on in concert with PADCO and that these efforts be planned with the participation of a local citizens task force. We continue to believe that these two modifications would greatly strengthen Cairo's economic development program.

Our action in establishing a Federal Task Force on assistance to Cairo was taken in order to help assure the most effective possible response to Cairo's needs by the various federal agencies. This federal mechanism is referred to in the following statement in our letter of March 20: "We have established procedures to assure prompt review by federal agencies of proposals relating to Cairo and for providing assistance in preparation of applications and resolving questions about federal programs." Certainly we had no intention of forming a team to initiate programs in Cairo, but rather to respond promptly and effectively to needs identified by the community. Our working group has been formed to assist, not to direct. We would hope that this would still be possible.

The Regional Council chairmanship rotates every three months; therefore, the new chairman, Mr. Francis D. Fisher of HUD, will be calling you within the next few days. It continues to be our hope that the Federal Government can work with Cairo to improve the social and economic conditions in the community.

Sincerely,



Francis D. Fisher, Chairman,
Chicago Regional Council

Exhibit No. 3—Continued

8 SEP 1970

Honorable A. B. Thomas
Mayor of Cairo
Cairo, Illinois

Dear Mayor Thomas:

Five months have passed since the Regional Council corresponded with you expressing our concern about future Federal funding for programs in Cairo. In that correspondence, we indicated that we were prepared to give favored treatment to requests for Federally funded programs in your community.

If you will recall, this favored treatment would be possible if affirmative action were taken by your community establishing a broadly representative local task force to address the severe social and economic problems that afflict Cairo.

At this writing, five months later, the Regional Council has neither received a positive response to our offer nor have we seen evidence of the formation of the aforementioned local task force. The Regional Council also established an interagency task force and offered its services for whatever assistance you might request. We have, however, received no requests for assistance from the interagency task force, and it appears that the severity of the problems in Cairo has continued, if not increased.

The Regional Council wishes once again to extend its original offers; however, since a substantial number of Federal programs in the Cairo area are being considered for refunding, we feel that you should know that we will have to make decisions regarding these programs around September 21, 1970.

We hope that we may receive some positive response from you before then. An alternative that we feel is not as desirable will be to dispatch a task force review team to Cairo to meet with public officials and representative groups in the community to assist us in making these difficult funding decisions.

Sincerely,

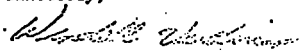

Wendell Verduin, Chairman
Chicago Regional Council

Exhibit No. 3—Continued

WILLIAM F. EGAN, JR.
 ATTORNEY GENERAL
 ACCOUNTS & FINANCES
 NORMAN R. SEEVERS
 COMMISSIONER
 PUBLIC HEALTH & SAFETY
 ROBERT L. WILLIAMS
 COMMISSIONER
 STREETS & PUBLIC IMPROVEMENTS
 CARL MEISENHEIMER
 COMMISSIONER
 PUBLIC PROPERTY

CITY OF CAIRO

A. B. PETER THOMAS, MAYOR
 CAIRO, ILLINOIS 62914

WILLIAM F. MEZMAN
 CORPORATION CO. INC.
 MARGARET R. ENDEMAKER
 COMMERCIAL & TRADING CO.
 C. F. WALKER
 CITY CLERK

January 20, 1971

Mr. Harvey Loverbaum
 Office of Economic Opportunity
 623 South Wabash Avenue
 Chicago, Illinois 60605

Dear Mr. Loverbaum:

I think it was indeed very good that your schedule permitted your being in Cairo today. I greatly enjoyed conferring with you and Mr. Mitchell and Miss Heron about our local problems. I appreciate your views; though we do not always agree I think our conferences are always beneficial.

I am sorry about the mix-up regarding the Citizens Advisory Committee and I am pleased to enclose a copy of this committee. As I pointed out, Mr. Kirby, the funeral director, is no longer in our city and he will ultimately be replaced. If a group like this can be used for our Task Force, this would indeed expedite the development of programs in the area. You may rest assured that this office--and I trust the entire community--will continue to give you the support necessary to implement the necessary government programs for the community.

Respectfully,



A. B. Thomas, Mayor

ABT:kkw

Enclosure

*Exhibit No. 3—Continued*OFFICE OF ECONOMIC
OPPORTUNITYEXECUTIVE OFFICE OF THE PRESIDENT
Region V
623 South Wabash Avenue
Chicago, Illinois 60605

January 28, 1971

*Lorberbaum*Honorable A. B. Thomas
Mayor of City of Cairo
Cairo, Illinois 62914

Dear Mayor Thomas:

We are writing to express our appreciation for your cordial reception during our visit to Cairo on January 20, 1971. Our team felt that the discussion was very productive and that we were able to clarify a number of items of mutual interest.

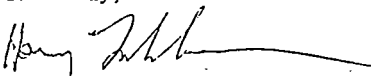
We appreciate your submitting so promptly the list of your Citizens Advisory Committee. As we indicated, we will be pleased to meet with them and offer our assistance in implementing the Regional Council's request for the establishment of a broad-based Cairo Task Force.

While the Citizens Advisory Committee can serve as an ad-hoc committee (temporary local task force), we believe that the local task force suggested by the Council should be either elected or selected from and by groups representing a broad spectrum of local interest.

We appreciate your taking time from what we are certain is a very busy schedule to share your thinking with us.

We look forward to your response and our subsequent visit to Cairo.

Sincerely,

Harvey Lorberbaum
Federal Inter-Agency Task Forcecc: Regional Council
Paul J. Wisner

*Exhibit No. 3—Continued***OFFICE OF ECONOMIC
OPPORTUNITY**

EXECUTIVE OFFICE OF THE PRESIDENT
Region V
623 South Wabash Avenue
Chicago, Illinois 60605

Date: June 17, 1971
Reply to Harvey Lorberbaum, Chairman, Cairo Task Force
Attn. of:

Subject: Resolution for Dissolution of the Cairo Task Force

To: William B. Lewis
Regional Manpower Administrator
Department of Labor

At its meeting of June 8, 1971, the Cairo Task Force passed the following resolution:

"It is recommended to the Federal Regional Council that the Cairo Task Force be dissolved."

The resolution is based upon the following factors:

1. The Task Force has achieved one of its purposes and has demonstrated a unified Federal entity to the Cairo community.
2. The Task Force with the participation of the Governor's Office of Human Resources and representatives of Congressman Gray, Senator Percy and Senator Stevenson has made every reasonable effort to encourage the formation of a local Cairo Task Force and it appears that additional or continued effort in that direction would be counter-productive.
3. Both of the major conflicting groups in Cairo seem now to have Regional or National interests to which solution to Cairo's problem are secondary, if not detrimental. Offers of federal assistance at the local level cannot deal with these broader interests and are only frustrated by them.



Exhibit No. 3—Continued

-2-

4. Recent elections in Cairo do not demonstrate a moderating trend.

5. The Regional Council's commitment to broad-based citizen's support and participation need not be adversely affected by the dissolution of the Task Force. If the Regional Council is of the opinion that ongoing program review is necessary it may wish to consider a three or four person team or a working subcommittee of the Regional Council as a possibility.

Exhibit No. 3—Continued

REGIONAL COUNCIL
CHICAGO, ILLINOIS

August 16, 1971

REGIONAL ADMINISTRATOR
MANPOWER ADMINISTRATION
DEPARTMENT OF LABOR
215 SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60604
353-4256

REGIONAL DIRECTOR
DEPARTMENT OF HEALTH
EDUCATION & WELFARE
433 WEST VAN BUREN STREET
ROOM 712
CHICAGO, ILLINOIS 60605
353-5181

REGIONAL DIRECTOR
OFFICE OF ECONOMIC OPPORTUNITY
REGION Y - ROOM 800
823 SOUTH WABASH AVENUE
CHICAGO, ILLINOIS 60605
353-5562

REGIONAL ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
18109 DIXIE HIGHWAY
HOMERWOOD, ILLINOIS 60430
791-6300

REGIONAL ADMINISTRATOR
DEPARTMENT OF HOUSING
& URBAN DEVELOPMENT
365 NORTH MICHIGAN AVENUE
ROOM 1500
CHICAGO, ILLINOIS 60601
353-5680

Mr. Harvey Lorberbaum
Chairman
Cairo Task Force
Office of Economic Opportunity
623 South Wabash Avenue
Chicago, Illinois 60605

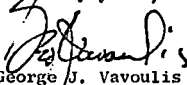
Dear Mr. Lorberbaum:

At its July 14 meeting, the Chicago Regional Council considered the recommendation of the Cairo Task Force that it be dissolved, as well as the request of the Governor's Office of Human Resources that the Task Force be continued on a more limited basis. It was our conclusion that a systemized means of communication among Federal agencies, the State and the Senators' and Congressmen's offices had sufficient merit to justify continuation of the Task Force. Since the scope of Task Force activity and potential productivity has decreased over the past year and a half, quarterly informational meetings should be sufficient unless a particular department requests special advice on pending programs. The Council remains committed to its policy of broad based citizen involvement in any Federal programs considered for Cairo.

We have appreciated the deep commitment of all who have served on the Cairo Task Force and believe that these efforts have had an impact.

If there are any questions on this revised mandate, I will be glad, as Chairman of the Regional Council, to discuss them with you.

Sincerely yours,


George J. Vavoulis
Chairman
Chicago Regional Council

*Exhibit No. 4**

A Survey of the Police Department of Cairo,
Illinois by the International Association
of Chiefs of Police

*This Exhibit is on file at the Commission.

Exhibit No. 5

**DEPARTMENT OF POLICE
CAIRO, KENTUCKY**

APRIL 12, 1961

Place of Arrest: CAIRO, ILL.

Name MUSKEL, ROBERT Address 617, 22nd STREET, CAIRO, ILL.

Aliases BO

Color CAIRO Age 19 Height: 71 1/2 Weight 132

Hair BLACK Eyes BROWN Build 120 Complexion 120

Born (Date) 12-28-41 Place REDFLY, TENN.

Arresting Officers BASS, ROBERT

Case No. of Case Date of Case

Criminal File Number 2721

Statement of Facts

THE ABOVE MENTIONED SUBJECT WAS ARRESTED FOR QUESTIONING REGARDING THE B & S OF THE J.W. FLINIS DEPT. STORE AT MOUNDS, ILLINOIS. THE CLOTHING FROM THIS B & S WAS RECOVERED. AFTER QUESTIONING HE ADMITTED TO THIS ROBBERY AND ALSO THE B & S OF THE BLUE CNO PRICE STORE IN CAIRO AND THE WESTERN AUTO STORE IN MOUNDS CITY, ILL.

REFERENCE: NOTE ENCLOSED COMPLAINT REPORT

ASSOCIATES: CLAUDE DONNELL THOMAS, CPD # 3120

JAMES WILLIAMS, JR., CPD # 3122

JAMES WILLIAMS, SR. WAS ARRESTED FOR POSSESSION OF THE STOLEN GOODS GIVEN IN THE ABOVE MENTIONED B & S.

Present Disposition HELD CITY JAIL Fingerprint Sent STATE & F.B.I.

Report made by Officer W.E. R. LEWELL

Final Disposition by Court SENTENCED TO FROM 2 TO 5 YRS. BY JUDICIAL COUNTY AUTHORITIES

Type of Court SENT TO LEHARD STATE PEN.

Exhibit No. 5—Continued

CRIMINAL HISTORY

Date	Charge	Arrested By	Disposition
1-29-60	Tobby Lacey (Shoplifting) Charges	Dismissed 1-29-60 by P.M.	
4-12-61	Burg. & Larc.	Griffith-Pass-Abell	Sent. to 2 to 5 yrs. Menard
6/27/70	30-6	Burke T#943	Dismissed at request of City Attorney

Exhibit No. 5—Continued

FEDERAL BUREAU OF INVESTIGATION, UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D. C.

CURRENT ARREST OR RECEIPT

DATE ARRESTED OR RECEIVED	CHARGE OR OFFENSE (If code citation is used it should be accompanied by charge)	DISPOSITION OR SENTENCE (Include ONLY FINAL dispositions)
4-12-61	B & L	2 to 5 yrs
If COLLECT wire reply or COLLECT telephone reply is desired, indicate here <input type="checkbox"/> Wire reply <input type="checkbox"/> Telephone reply _____ Telephone number		FOR INSTITUTIONS USE ONLY Sentence expires
		INSTRUCTIONS 1. TYPE OR PRINT all information. 2. Note amputations in proper finger squares. 3. REPLY WILL QUOTE ONLY NUMBER APPEARING IN THE BLOCK MARKED "CONTRIBUTOR'S NO." 4. Indicate any additional copies for other agencies in space below—include their complete mailing address. SEND COPY TO:

Exhibit No. 5—Continued

LEAVE THIS SPACE BLANK		FBI No.		Deberry Russell LAST NAME FIRST NAME		MIDDLE NAME		HAIR 72 158	
SIGNATURE OF PERSON FINGERPRINTED <i>Russell Deberry</i>				CONTRIBUTOR AND ADDRESS CHIEF POLICE DEPARTMENT CAIRO, ILL.		ALIBES Br.		EYES 12-29-43 Black Brown	
RESIDENCE OF PERSON FINGERPRINTED 617-21 Stl Cairo Ill.				CONTRIBUTOR'S NO. 3/21		LEAVE THIS SPACE BLANK			
OCCUPATION Student		SCARS AND MARKS Small scar left side of forehead		AMPUTATION None		PLACE OF BIRTH Piedmont Tenn /		CITIZENSHIP Yes	
SIGNATURE OF OFFICIAL TAKING FINGERPRINTS <i>Paul W. D.</i>		DATE 4-19-61		<input type="checkbox"/> CHECK IF NO RECORD IS DESIRED		REF.			
1. RIGHT THUMB		2. RIGHT INDEX		3. RIGHT MIDDLE		4. RIGHT RING		5. RIGHT LITTLE	
6. LEFT THUMB		7. LEFT INDEX		8. LEFT MIDDLE		9. LEFT RING		10. LEFT LITTLE	
LEFT FOUR FINGERS TAKEN SIMULTANEOUSLY				LEFT THUMB		RIGHT THUMB		RIGHT FOUR FINGERS TAKEN SIMULTANEOUSLY	

Exhibit No. 6

		September 16, 1971 to 6 Inc. March 15, 1972			
Race	Paid	H & S	Race	Paid	H & S
M	\$ 15	1	N	Dropped	
M	35	1	M	Pending	
M	15		M	Pending	
M	30		M	Dismissed	
M	25		M	Pending	
M	25		M	Pending	
M	15		M	Pending	
M	15		M	Pending	
M	15		M	Pending	
M	21		M	Pending	
M	16		M	Pending	
M	15		M	\$25	
M	16		M	Pending	
M	25		M	Dismissed	
M	29		M	15	
M	14		M	25	
M	15		M	15	
M	Dismissed		M	25	
M	25	3	M	23	
M	30		M	25	
M	Dismissed		M	County	
M	15		M	15	
M	17		M	50	
M	16		M	64	
M	15		M	50	
M	15		M	20	
M	114		M	20	
M	114		M	35	
M	15		M	25	
M	Dismissed		M		
M	15	1	M	39	
M	15		M	Pending	
M	15	33	M	15	
M	Pending	6	M	Rel. to Parents	
M		33	M	25	
M	50		M	15	
M	50		M	Pending	
M	Dismissed		M	25	
M	15		M	24	
M	22		M	15	
M	35		M	Pending	
M	15		M	16	
M	35		M	40	
M	10	3	M	24	
M	10	10	M	39	
M	20		M	Pul. Co.	
M	15		M	Pul. Co.	
M	Dismissed		M	Pul. Co.	
M	29		M	114	
M	25		M	35	
M	25		M	Dismissed	
M	Dismissed		M	14	

Exhibit No. 6—Continued

<u>Race</u>	<u>Paid</u>	<u>W & S</u>	<u>Race</u>	<u>Paid</u>	<u>W & S</u>
W	Pending		W	25	
W	Pending		W	Dismissed	
W	40		N	Dismissed	
W	40		W	Dismissed	
W	19	5	W	10	1
W	35		W	Dismissed	
W	15		W	Pending	
N	20		W	Dismissed	
N	Dismissed		W	25	
N	20		W	15	
W	24		N	25	
W		8	W	25	
W		3	N		1
W		2	N		10
W		5	W	15	
W	Pending		N	15	
W	15		W	15	
N	15		W	15	
W	Pending		W	25	
N	25		W	25	
N		3	W	17	
N		3	W	15	
W	15		W	35	
W	25		W	25	
N	Juv.		W	16	
N	Juv.		W		5
W	15		W	19	
W	25		N		1
W	9	4	N	25	
W		3	W	Not Guilty	
W	25	6	W	17	
W			W	Dismissed	
W	25		W	Dismissed	
W	74		W	Not Guilty	
W	Dismissed		W	Not Guilty	
W	74		N	15	
W	Dismissed		N		3
N		23	N	Juv.	
N		7	W	Co.	
N	Not Guilty		W	19	
N	15		N	25	
N		4	N	25	
W	25		W		5
W	Pending		W	17	
W	Pending		W	20	
W	15		W	25	
W	19	2	W	50	
W	25		W	25	
N	25		W	60 Prob.	
W	25		W	50	
W	Dismissed		W	50	
W	35		W	25	
W	Dismissed		N	Dismissed	
N	Dismissed		W		1
W		5	W	15	
W		10	N	20	
W	Dismissed		W	Pending	
N	Dismissed		N	Pending	
W		10	W	25	
N	25		W	25	
W	25		W	15	

Exhibit No. 6—Continued

<u>Race</u>	<u>Paid</u>	<u>W & S</u>	<u>Race</u>	<u>Paid</u>	<u>W & S</u>
W	25		W		6
W		6	W	15	
W	25		N	15	
W		1	N	15	
N	25		W	20	
W	25		N	Army - Stayed	
W	Dismissed		N	Dismissed	
N	25		N	20	
W	99	3	N	Anna	
W	15		W	15	
W	29		W	Anna	
W	Marshal		W		6
W	Marshal		W	15	
W	Marshal		W	25	
N	30		N	15	
N	15		W	15	
W	17		W	15	
W	17		W	15	
W	17		N	Mental	
W	17		N	24	
W	18		W	Dismissed	
N	25		W	15	
W	17		W	141	
W	15		W	Juv.	
W	17		W		5
W	25		W		5
W	25		W	114	
W	25		W	14	
W	Pending		W	15	
W		5	N	25	
N	Abated		W	25	
W	29		W	175	
N	45		W	15	
N	30		N	25	2
W	15		W		5
N	15		W	25	
W	15		N	Pending	
W	25		N	25	
W		5	W	15	
W	Pending		W	19	
W	Pending		N	20	
W	25		N	15	
W	Rest. & Rel.		W	Dismissed	
W	Rest. & Rel.		N	114	
W	Rest. & Rel.		W	15	
W	Rest. & Rel.		W	Dismissed	
N	15		W	Dismissed	
W	15		W	Dismissed	
W	15		W	Dismissed	
N	Dismissed		W	Dismissed	
N	Pending		W	Pending	
W		6	N	15	
W		8	N	Dismissed	
W		6	W	Stayed	
W	15		W	25	
W	Dismissed		N	Pending	
W	15		W		5
W	18		W	Pending	
W	18		W	Pending	
W	Dismissed		W	15	
W	15		W	15	
W	Dismissed		W	15	

Exhibit No. 6—Continued

<u>Race</u>	<u>Paid</u>	<u>W & S</u>	<u>Race</u>	<u>Paid</u>	<u>W & S</u>
N	15		W	20	
W	25		N	Pending	
W	25		N	Pending	
W	15		W	15	
W	Dismissed		W		3
W	15		W		3
W	25		W	15	
W	25		W		6
N	Dismissed		W		10
W	25		W		8
N	39		W	25	
N	Dismissed		N	15	
N		3	W	25	
N	20		N	Pending	
W	15		W	Dismissed	
N	15		W	25	
N	90	6	W	20	
N		4	W	20	
N		10	N	17	
N		10	W	Dismissed	
N	15		W	25	
W	25		W	22	
W	114		W	15	
W	AWOL		N	Pending	
W	15		N	Pending	
N	Pending		W	15	
W	25		N	25	
N	25		W	Dismissed	
W		1	N	15	
N	15		W	Pending	
W	15		W	14	10
W	25		W	12	10
W	Dismissed		N	15	
W	17		W	25	
W	Dismissed		W	Dismissed	
W	17		W	20	
W	59	1	N	Pending	
W	59	1	W		1
W	109	1	W	25	
W	37		N	25	
W	109	1	W	15	
W	37		W	114	
W	37		W		6
W	14	1	W	25	
W	37		N		5
W	14	1	N	141	
N	16		W	25	
W	Dismissed		W	25	
W		4	W	15	
W	15		N		1
W	17		W	Parole-Mich	
W		4	W	25	
W	25		W	25	
W	25		W	25	
W	27		W	15	
W	25		N	15	
W	25		N	15	
W	20		W	25	
W	Pending		W	15	
W	10		W	Dismissed	
W	Dismissed		N	15	

Exhibit No. 6—Continued

<u>Race</u>	<u>Paid</u>	<u>W & S</u>	<u>Race</u>	<u>Paid</u>	<u>W & S</u>
W		1	W	6 mo. Vandalia	
W	25		N	Juv.	
W	County		W		6
W	Ful. Co.		W	20	
W	Ful. Co.		W	County	
N		4	W	Dismissed	
W	25		W	Dismissed	
W	Dismissed		W	Dismissed	
W	Pending		N	15	
W	Pending		W	Pending	
W	25		N	15	
W	35		N	35	
N	35		W		3
W	45		W	15	
W	Dismissed		W	15	
N	Dismissed		W	Ky. Auth.	
W	114		N	Pending	
N	County		W	25	
W	Pending		W	Rel.-Invest.	
W	20		W	Pending	
N	Marshal		W	20	
N	15		N	15	
W	Pending		W	County	
W	9	4	W	20	
W	25		W	Pending	
N	20		N	Pending	
W	15		N	Pending	
W	Pending		N	15	
W	County		W		4
W	Dismissed		W	114	
W	35		W	Pending	
W	20		N	17	1
W	114		W	County	
W	Dismissed		N	County	
W	Pending		W	Rel.-Invest.	
W	20		W	15	
N	20		W	Dismissed	
N	15		N		4
W	20		W	Dismisses	
W		4	N	Dismissed	
W	25		W	24	
W	15		N	114	
N	15		N	Pending	
W	35 + 6 mo.prob.		W	114	
W	35 + 6 mo.prob.		W	County	
W	15		W	Juv.	
W	Dismissed		W	Pending	
W	114		W	Pending	
W	57	1	W	35	
W	Dismissed		W	35	
W	34	1	W	Pending	
W	Pending		W	19	1
W	15		W	Pending	
W		1	N	16	
W		4	N	19	1
W	Pending		W	Rel. to Appear	
W	Pending		W	15	
W	25		W	Dismissed	
W	17		W	15	
W		4	W	20	
N	Pending		W	15	
W	Anna		W	30 prob.	

Exhibit No. 6—Continued

<u>Race</u>	<u>Paid</u>	<u>W & S</u>	<u>Race</u>	<u>Paid</u>	<u>W & S</u>
N	15		N	16	
W	15		W	Dismissed	
W	Pending		N	22	
N	19		W	20	
W	Mil. Auth.		W	15	
W	Mil. Auth.		W	Pending	
W	Rel. to Parents		W	Pending	
W		1	W	Pending	
W		1	W	Pending	
W		1	W	Pending	
W	Rel.-Invest.		W	25	
W		4	W	County	
W		1	N	Dismissed	
W		1	W	20	
W	15		W	Pending	
W	35		W	15	
W	15	1	W	15	
W	17		N	Pending	
W	Dismissed		W	Pending	
W	15		W	114	
W	Mil. Auth.		N	Pending	
W	15		N	Pending	
W	5		N		4
W	County		N	Pending	
W	Dismissed		N	Pending	
W	15		N	Dismissed	
W	15		W	15	
N	Pending		W	15	
N	Pending		W	Pending	
W	Dismissed		W	Parents	
N	County		W	Parents	
W	15		W	15	
N	15		N	Pending	
W	17		W	15	
W	112	1	W	15	
W	122	1	W	Pending	
N	15		W	30	
W	17		N	Dismissed	
W	66		W	Pending	
W	Dismissed		W	Pending	
W	27	2	W	Pending	
W	7	2	W	Pending	
W	19	2	W	37	
W	Dismissed		W	109	1
W	Pending		W		1
W	Pending		N	15	
W	Pending		W	Dismissed	
W	19		W	20	
W	Pending		W	Pending	
W	15		N		4
W	Pending		W		4
W	15		W	15	
N	Pending		W	15	
W	Pending		W	15	
W	15		W	15	
W	15		W	15	
W	15		N	Pending	
W	30 Prob.		N	9	2
N	15		W	Pending	
W	Pending		W	50	
W	15		W	50	
W	Dismissed		W	Pending	

Exhibit No. 6—Continued

<u>Race</u>	<u>Paid</u>	<u>W & S</u>	<u>Race</u>	<u>Paid</u>	<u>W & S</u>
W	Pending		N	24	3
W	Pending		N	5	2
W	Pending		N	Dismissed	
W	Pending		W		1
N	15		N	Pending	
N	30 Prob.		N	Pending	
W	Pending		N	Pending	
N	15		W	Pending	
N	15		N	Pending	
W	10	6	W		5
W	15		W	24	
W	15		W	Pending	
W	Pending		W	Pending	
W	114		W	29	
N	15		W	Pending	
N	Pending		W	Dismissed	
W	Dismissed		W	Pending	
W	Pending		W	Pending	
W	15		N	Pending	
W	15		W	25	2
N	21		W	Dismissed	
N	15		W	Pending	
N	Dismissed		W	Pending	
N	County		W	Pending	
N	15		W	Pending	
N	Pending		W	15	
N	15		W	Pending	
N	Pending		W	Pending	
N	15		W	Pending	
N	15		W	Pending	
W	Pending		W	Pending	
W	Dismissed		W	Pending	
W	Dismissed		W	Pending	
W	175		W	Pending	
W	Dismissed		W	Pending	
W	30				
W	Pending				
W	Pending				
W	Pending				
W	35				
W	114	1			
W					
N	Pending	4			
W					
W	15				
W	Pending				
W	Dismissed				
W	Dismissed				
W	Dismissed				
W	Dismissed				
W	35				
W	Dismissed				
W	91				
W	35				
W	35				
W	15				
W	3 prob.				
W	Dismissed				
W	241				
W	35				
W	Pending				
W	Pending				

Exhibit No. 7

HIGH 618 734-0915
ELEMENTARY 618 734-0914

HARLAN M. MIZE, HEADMASTER

Camelot

Parochial  School

421 30TH. STREET

Carro. Illinois 62914

March 30, 1972

To Whom It May Concern:

Camelot Parochial School has a total of 190 students paying full tuition of \$340.00 per year, or \$34.00 per month per student for ten (10) months.

We have a total of 20 students on partial scholarships.

one family, one student paying \$20.00 per month
one family, one student paying \$20.00 per month
one family, one student paying \$14.00 per month
one family, two students paying \$250.00 per year
one family five students, paying \$70.00 per month
one family one student, paying \$10.00 per month
one family, two students paying \$58.00 per month
one family, two students paying \$65.00 per month
one family, one student, paying \$14.00 per month
one family, four students, paying \$50.00 per month

Respectfully,



Jack Greaney
Headmaster

JG/nt

"to pass is not our goal, but to excel!"

Testimony given by

Dr. Grace Duff, Superintendent
Alexander County Educational Service Region
Cairo, Illinois

to the

U. S. Commission on Civil Rights, U. S. District Court
U. S. Post Office and Courthouse
1500 Washington Avenue
Cairo, Illinois

March 23, 1972

Exhibit No. 8—Continued

I wish to preface my remarks by saying that in recent years, the composition of the Cairo Board of Education has changed rather rapidly--most of the present members are either in their first term of membership or they are completing their first term of membership.

This rapid turnover works against sound planning, direction and long range goals--in school finance as well as in educational programs. Thus, the Boards of Education in recent years have not mandated curriculum changes based on student characteristics and needs, followed by the establishment of priorities for curriculum changes, and a process of elimination of courses of lesser priority. Multi-ethnic materials had to be mandated by local citizens petition and public hearing--yet a large percentage of the student body has been and is currently black.

The Board of Education has not employed or designated any employee as business manager who would work their money claims to the fullest extent allowed under the law, initiate new money claims, such as Impaction Aid, and who could give direction to staying within the adopted budget. Given proper supervision, when emergencies arose, then something else had to go, or additional resources found, in order to stay in line with revenues. With administrative changes, which will be discussed later, this important function of business management (approximately - 1 + million dollars) has been seemingly everybody's business. Our office met with a committee of the Board in the Spring of 1969 and advised them to hire, or pull from among their employees,

Exhibit No. 8--Continued

2

a qualified business manager because of the severity of the financial condition of the schools. This was not done, and to this date, the business affairs are handled by several administrative staff members and thus, lacks adequate overall coordination.

Except as provided by the daily newspaper for coverage of board meetings, no planned program of telling the public about the schools-- their strengths as well as their weaknesses-- has been in existence-- our office in a meeting with the president of the board and its attorney in the spring of 1968 (~~Mr. Flanary's administration (1967-68) as president~~) advised the district to initiate such a program since it was evident that a tax raise was then needed. --Newspaper reporting is good, but after all, newspapers sell newspapers, and not necessarily, the public schools. No organized program of public relations that depicts the schools financial base is yet in effect today, --other than newspaper coverage of board meetings.

Our office has repeatedly requested the board to give the people a chance to vote for or against a tax raise. The comment was always "the people won't vote for more taxes"--our comment, "but the people should be given a chance to vote their expression--if they don't vote an increase, then they are telling you as board members that they expect you to live within what they are providing you, and if necessary, you will have to cut programs."

This past December, 1971 the board gave the people their first chance to vote for an educational tax increase in ten (10) years and

Exhibit No. 8—Continued

3

three (3) months--the last vote and increase in tax being in September, 1961.

During the consolidation of Cairo and Sumner High Schools in 1967-68, student unrest was prominent. At the close of the 1967-68 school year the Cairo Schools lost their Superintendent (of 6 years), Assistant Superintendent, High School Principal, and Junior High School Principal.

Thus, began the rapid turnover of administrative staff. The new superintendent of 1968-69 employed approximately \$120,000.00 of additional staff by November, 1968 over and beyond budgeted staff allocations by use of blank contracts--contracts signed by the board with the employee and salary lines vacant. The Secretary of the Board brought this to our attention and we asked for an administrative review by the State Office of Public Instruction. I personally went to Springfield and requested this review. For reasons unknown to us, OSPI did not come in with assistance until some 46 letters (according to Mr. Robert Grant) from concerned parents in Cairo were received by Mr. Robert Grant, Assistant Superintendent in charge of Recognition. On March 5, 1969, OSPI staff did come to Cairo for an administrative review. Documentations of this review with recommendations are attached hereto as well as additional evidence depicting the Cairo Schools' financial plight.

*Exhibit No. 8—Continued**

* Attachments A-T to Exhibit No. 8, statement of Dr. Grace Duff, are on file at the Commission.

Exhibit No. 9

February 16, 1972

Dr. Michael J. Bakalis
Superintendent of Public Instruction
302 State Office Building
Springfield, Illinois 62706

Dear Superintendent Bakalis:

Cairo School District Number One overdraw in general State Aid payments in the excess of \$243,000 during the 1969-1980 School Year. One-third of this overpayment was withheld from the State Aid distribution to the district during the 1970-1971 School Year, as you are well aware.

January 14, 1972 our Superintendent wrote to you in reference to a request that was made by the Cairo Board of Education, that the 1971-1972 overpayment adjustment in the amount of \$81,741.81 be withheld in 1973-1974 in lieu of the present year. Your letter, dated January 27, indicated this had been approved in your office and the check has been received and deposited to Cairo School District Number One.

The Cairo Board of Education is now requesting a two year delay on repayment to the State the remaining two-thirds (\$163,483.62), for the following reasons:

Recent mandated salary increases passed by the legislature has cost the Cairo district an additional \$40,000 with no additional revenue. In addition to this expense, is the mandated purchase of textbooks, as well as the increased cost of supplies and maintenance.

Even taking the \$81,741.81 deposit into consideration, this district will have a deficit of approximately \$30,000 in unpaid bills June 30, 1972. The maximum of \$190,000 in Anticipation Warrants issued on the 1972-1973 tax levy, and \$25,000 borrowed from the Building Fund. Making a total deficit at the end of the current school year approximately \$245,000.

The Board of Education foresees no way of repaying the \$163,483.62 during the 1972-1973 or 1973-1974 School Years. It is their hope that during the two year period that the legislature will realize the importance of adequate financial assistance for districts such as ours.

We would appreciate your immediate consideration of this request, as it is of utmost importance to the students attending the Cairo Public Schools.

Sincerely,

Robert Brinkmeyer, President
Cairo Board of Education

c.c. Senator Adlai Stevenson III
Senator Charles H. Percy
Rep. Kenneth Gray
Rep. Clyde L. Choate
Sen. John Gilbert
Governor Ogilvie

Marion Rose (Mrs.), Secretary
Cairo Board of Education

Exhibit No. 9—Continued

March 17, 1971

The Honorable Richard Ogilvie
 Illinois State Capitol Building
 Springfield, Illinois

Dear Governor Ogilvie:

Cairo School District Number One, Alexander County, Illinois will need \$120,000.00 to operate the remainder of the 1970-71 school year (June 30, 1971). Even though we plan to make a \$200,000.00 cut back in the 1971-72 budget, this district must have an additional \$492,000.00 in order to finish the 1971-72 school year

SUMMARY: Allocation to district for 71-72
 used to meet the 70-71 expenses.....\$ 210,000.00
 Needed to operate remainder of 70-71..... 120,000.00
 Over State of Illinois in State Aid..... 162,200.00
 \$ 492,000.00

ENROLLMENT:	Year	September	January
	1968	1909	1855
	1969	1469	1385
	1970	1351	1320

The following are some of the reasons why this school district has accumulated this amount of debt:

Cairo School District Number One integrated in September 1967 - in order to keep racial harmony in the system, there was not a sufficient reduction in staff. The following year the situation continued to be tense therefore, there was no further action taken to reduce staff (1968-69).

Along with other problems, in September 1969 a local private school was formed which took approximately 300 students from the Cairo Public Schools at a cost of \$243,000.00 in State Aid for the school year 1969-70. Cairo School District Number One had at this time staffed, and had contracts for, personnel to accommodate the 300 transferred students.

Annual receipts on book rental fees has dropped \$10,749.16 since the 1967-68 school year, due to the Free Book Rental Law - Indigent Children.

Enclosed for your immediate consideration and action are copies of recommendations made by the Administrators of Cairo School District Number One, Cairo, Illinois and approved by the Cairo Board of Education in their regular meeting March 15, 1971. Also enclosed is a summary showing exactly what the financial situation is in Cairo School District Number One, Cairo, Illinois.

Hoping you will use your influence and prestige to relieve our financial situation.

Very truly yours,

Gene A. Mason
 Acting Superintendent of Schools

CAM:ej

E.C. The Honorable: Charles Percy	John Gilbert	Adlai Stevenson
Kenneth J. Gray	C. L. McCormick	Gale Williams
Clyde L. Choate	M. J. Bakalis	

Exhibit No. 9—Continued

Reduction in State Aid and Local Assessment

Old tax assessment $20,200,000.00 \times 1.65 = 33,330,000.00$ New tax assessment $17,300,000.00 \times 1.65 = 28,545,000.00$ Less in Local Taxes $48,000.00$ State Aid to high school students $\$ 650.00$ No. of high school students less this year $\times 30$

 $\$ 19,500.00$ State Aid to elementary students $\$ 520.00$ No. of elementary students less this year $\times 60$

 $\$ 31,200.00$ $\$ 19,500.00$ $\$ 31,200.00$

 $\$ 50,700.00$ Less in State Aid 1971-72 school year $50,700 \div 12 = 4,200$ less per month in State Aid 1971-72 school yearState Aid 1970-71 school year $\$ 31,800.00$ per monthLess Amount 1971-72 school year $4,200.00$ per month

State Aid 71-72 school year $\$ 29,600.00$ per month

* It could not less than this. . .

Exhibit No. 9—Continued

Anticipation Warrants used through February 1971

\$ 110,000.00

Anticipation Warrants that must be used in March 1971

30,000.00

Total \$ 140,000.00

\$ 110,000.00 is the limit that this district can use this school year. (1970-71)

* This means that this district only has \$10,000.00 in Anticipation Warrants left.

March Payroll 1971 -	Anticipation Warrants	\$ 30,000.00
	State Aid	33,882.68
	C.P.U.	500.00
	Loan from Building Fund	12,347.00
	Balance Educational Fund	10,215.05
		<u>\$ 86,945.73</u>

* Payroll and other bills normally run about \$90,000.00 a month. I recommend holding utility bills, which amount to about \$1,000.00. I also recommend holding all other bills that we can, so that the teacher orders can be held to a minimum in the month of April.

April Payroll 1971 -	One Anticipation Warrant	\$ 10,000.00
	State Aid	33,882.68
	Cairo Public Utilities	500.00
	Amount to be paid back from school lunch	12,000.00
	Teacher orders	30,000.00
		<u>\$ 86,382.68</u>

* Note we will need about \$5,000.00 less in May and June because custodians and maintenance payroll will be paid from the Building Fund.

May Payroll 1971 -	State Aid	\$ 33,882.68
	Cairo Public Utilities	500.00
	Teacher orders	45,000.00
		<u>\$ 79,382.68</u>

June Payroll 1971 -	State Aid	\$ 33,882.68
	Cairo Public Utilities	500.00
	Teacher orders	45,000.00
		<u>\$ 79,382.68</u>

* By June 30, 1971 we could need \$120,000.00 in teacher orders.

Exhibit No. 9—Continued

How can this district operate into the 1971-72 school year?

If the bank will take our teacher orders in the amount of \$120,000.00.

This district must wait until July 1, 1971 before it can start anticipating against the 1971-72 budget. This district must first borrow enough against the 1971-72 budget to pay off the teacher orders 12 warrants \$120,000.00 + interest.

After this is paid off this district will have about \$85,000.00 in Anticipation Payer left.

1971-72 school year

\$ 95,000 00	In Anticipation Warrants	\$ 29,500 00	State Aid
860,000 00	State Aid	500 00	Cairo Public Utilities
\$ 955,000 00	Money for year	\$ 30,000 00	State Aid
		x 12 months	
		60000	
		30000	
		\$360,000 00	

* Keep in mind that this \$ 360,000.00 comes in payments (monthly) of \$30,000.00

Month of July 1971

\$ 30,000 00	Stat. Aid and Cairo Public Utilities
40,000 00	In Anticipation Warrants
\$ 70,000 00	To meet payroll and other expenses.

* This is cutting \$ 30,000.00 per month off of the 1970-71 budget which is almost impossible.

Month of August 1971

\$ 30,000 00	State Aid and Cairo Public Utilities
45,000 00	In Anticipation Warrants
\$ 75,000 00	

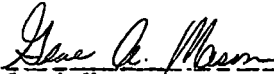
By August this district has used all the money for the 1971-72 school year.

Exhibit No. 9—Continued

RECOMMENDATIONS

The Cairo Board of Education approved these recommendations made by the Acting Superintendent of Schools on March 15, 1971.

- I. I recommend that the Board of Education take action to collect all back taxes to be done in a resolution by the Cairo Board of Education to the County Commissioners.
- II. I recommend that we explore the possibility of collecting tuition on all students attending school in this district, who have not established legal residence in this district. Each Building Principal should find out how many students in their building who are not legal residents of Cairo School District Number One.
- III. I recommend that the Board of Education ask the Board Attorney to draw up the papers necessary to sell the Sumner High School Building.
- IV. I recommend that the Board of Education instruct the Board Attorney to gather the necessary information so that this Board may ask the people of this district for an additional Educational Tax Rate.
- V. I checked into the possibility of this Board creating a Working Cash Fund, but after some investigation I don't think that it would be worthwhile.



Gene A. Mason
Acting Superintendent of Schools

Exhibit No. 10

NAACP SPECIAL CONTRIBUTION FUND

1790 BROADWAY / NEW YORK, N.Y. 10019 / 245-2100

BOARD OF TRUSTEES:

Kivie Kaplan
Chairman
Bishop Stephen G. Spottswood
Vice-Chairman
Alfred Baxor Lewis
Treasurer
William O'Leary
Assistant Treasurer
Roy Wilkins
Secretary
John A. Morsell
Assistant Secretary
Nathaniel R. Jones
General Counsel.

Please direct reply to:
Preston Ewing, Jr.
Regional Education Office
53 W. Jackson Boulevard
Room 663
Chicago, Illinois 60604
(312) 922-0145

May 28, 1971

THE ONLY TAX EXEMPT METHOD
FOR SUPPORT OF NAACP
COMMUNITY PROGRAMS IS:
THE COURTS, SCHOOLS, VOTING
EDUCATION, HOUSING AND YOUTH
TRAINING SERVICES AND YOUTH
ACTIVITIES

MEMBERS

Dr. Ralph J. Bunche
Mrs. Daisy Bates
Theodore M. Berry
Dr. Leonard L. Burns
Dr. W. Montague Cobb
John R. Coleman
Hubert T. Delany
Earl B. Dickerson
Dr. George D. Flemming
Dr. Sueli Gallagher
Rev. Theodora Gibson
Rev. J. Raymond Henderson
Judge Joseph P. Kennedy
Rondaft C. Morgan, Sr.
Walter Reuther
Jackie Robinson
David F. Swaine
Robert Taylor, Jr.
James Turner

Commissioner
Internal Revenue Service
1111 Constitution Avenue
Washington, D.C. 20224

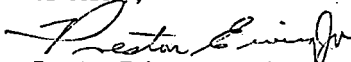
Dear Mr. Commissioner:

We have reason to believe that Camelot School, an all-white private school in Cairo, Illinois, enjoys tax-exempt status under the federal tax laws and that donations to it by tax payers result in charitable deductions to those taxpayers. The Camelot High School is located at 418 -29th Street, Cairo and the Grade School is located at 520 - 36th Street, Cairo.

Camelot School was founded in 1969 following the desegregation of the Cairo public schools. It has an all white student body, and has been continuously promoted as a haven for white children by the local white citizens council (United Citizens for Community Action or UCCA) and the white citizens council newspaper, The Tri-State Informer.

We believe that continuation of Camelot's tax-exempt status, if it exists, is unlawful under the decision on January 13, 1970, of the United States District Court for the District of Columbia in the case of Green v. Kennedy and the policy of the Internal Revenue Service announced on July 10, 1970. We hereby request that your office undertake an investigation to determine whether Camelot is a racially segregated school, and whether its tax exempt status should be revoked.

Sincerely,



Preston Ewing, Jr., Director
NAACP Nat'l Education Department
Midwest Area

PE/gvp

*Exhibit No. 11**

Photographs of Pearis' Home

*This Exhibit is on file at the Commission.

Exhibit No. 12

APPLICATIONS ON FILE AS OF 3-24-72

ALEXANDER COUNTY HOUSING AUTHORITY

THE RIVERVIEW

1. L. Stout	1-31-72	Veteran's Preference
2. A. Schuh	3-20-72	"
3. R. Morgan	4-28-71	"
4. L. Wallace	5-3-71	
5. C. Anglin	6-4-71	
6. A. Rawers	7-8-71	
7. B. Braden	7-20-71	
8. F. Henley	7-20-71	
9. M. Moreau	8-10-71	
10. C. Blackburn	8-13-71	
11. A. Salmon	9-10-71	
12. H. Mason	1-14-72	
13. H. Woods	5-17-71	
14. C. Hart	2-17-72	
15. M. Zeigler	12-22-70	
16. E. Nichol	2-24-71	
17. F. McRoy	3-31-71	

ONE BEDROOM

1. A. Hall	12-22-71	Veteran's Preference
2. G. Walls	2-29-72	
3. E. Hollins	3-22-71	
4. H. Woods	3-30-71	
5. C. Dennis	4-6-71	
6. J. O'Shea	4-22-71	
7. E. Mattingly	1-14-71	
8. M. Troutt	8-5-71	
9. L. Brown	8-10-71	
10. G. Harrell	8-11-71	
11. P. Adams	9-10-71	
12. D. Neal	9-14-71	
13. A. Hendrix	7-13-71	
14. A. Stallion	11-18-71	
15. G. McCain	11-29-71	
16. R. Dixon	8-16-71	
17. J. Harper	10-5-71	
18. T. Simmons	11-4-71	
19. A. Woods	12-10-71	
20. C. Nichols	12-20-71	
21. C. Middleton	12-23-71	
22. M. Ivy	1-3-72	
23. H. Hughes	1-5-72	
24. D. Tubbs	1-10-72	
25. O. Moore	1-17-72	
26. D. Lambert	1-17-72	
27. M. Smith	1-26-72	
28. R. Walker	1-31-72	
29. W. Price	2-4-72	
30. B. Hayden	2-8-72	
31. A. Sterling	2-14-72	
32. R. C. Goode	2-15-72	
33. J. Posey	12-8-71	
34. H. Sims	2-22-72	
35. J. Middleton	2-29-72	
36. E. Mayes	3-6-72	
37. E. Williams	3-6-72	
38. J. Henckell	3-9-72	
39. T. Doolittle	3-9-72	
40. B. Duncan	3-15-72	
41. C. Dillow	3-16-72	

Exhibit No. 12—ContinuedTWO BEDROOMS

1. J. Poole	2-4-72	Veteran's Preference
2. M. Schildt	3-6-72	
3. R. Sharp	2-3-72	---st. Com - Cont. Prop. 3-23-72
4. L. McCrite	4-20-71	
5. O. Sterling	6-3-71	
6. M. Joyner	7-14-71	
7. J. Wilson	8-18-71	
8. D. Johnson	9-9-71	
9. A. Babby	10-20-71	
10. F. Seigert	12-3-71	
11. C. Graves	12-29-71	
12. H. Coleson	1-6-72	
13. N. James	1-13-72	
14. E. Douglas	1-17-72	
15. P. Morgan	1-19-72	
16. V. Elrod	2-2-72	
17. J. Phelps	2-3-72	
18. M. Bolton	2-8-72	
19. W. Bowman	2-9-72	
20. J. Allen	2-15-72	
21. P. Lambert	2-18-72	
22. D. Thomas	2-24-72	
23. I. McBride	3-2-72	
24. A. F. Watson	3-15-72	

THREE BEDROOMS

1. L. Wilson	12-6-71	Veteran's Preference
2. M. Dean	9-1-71	
3. G. Lowe	10-21-71	
4. R. Tucker	12-13-71	
5. A. Johnson	1-18-72	
6. L. Jackson	3-2-72	
7. J. Rinks	3-20-72	
8.		

FOUR BEDROOMS

1. L. Ross	1-6-72
2. W. Woodson	1-12-72

FIVE BEDROOMS

1. S. Davis	7-28-70
-------------	---------

ILL. 7-6 THEBES, ILLINOIS

1. F. Wilson	9-4-69
2. J. Dakin	7-22-70
3. R. Baltzell	10-30-70
4. S. Hale	5-7-71
5. G. Wright	5-26-71
6. S. Barton	6-2-71

APPLICATIONS ARE NOT KEPT OVER ONE YEAR UNLESS SPECIFICALLY REQUESTED TO
BE KEPT ACTIVE WHEN A UNIT IS REFUSED BY APPLICANT

Exhibit No. 13

ALEXANDER COUNTY HOUSING AUTHORITY

CAIRO, ILL.

REGULATIONS ESTABLISHING POLICIES FOR
ADMISSION AND CONTINUED OCCUPANCY

1. ELIGIBILITY FOR ADMISSION

To be eligible for admission an applicant must meet the following requirements:

- A. The applicant must qualify as a family. A family consists of:
1. Two or more persons who have a family-type relationship, or
 2. A single person who is--
 - a. eligible, by age, to receive an old age benefit under Title II of the Social Security Act, or
 - b. handicapped within the meaning of Section 202 of the Housing Act of 1959, or
 - c. displaced by urban renewal or other governmental action, or
 - d. disabled within the meaning of Section 223 of the Social Security Act.

A handicapped person is one who has a physical impairment which:

- (a) is expected to be of long-continued and indefinite duration,
- (b) substantially impedes his ability to live independently, and
- (c) is of such a nature that such ability could be improved by more suitable housing conditions.

A disabled person is one that has an inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

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PAGE 2.

- B. Net income for admission shall not exceed the following amounts at the time of admission:

<u>No. of Persons</u>	<u>Admission</u>
1	\$4,000.
2	4,800.
3	5,200.
4	5,500.
5	5,800.
6	6,100.
7	6,400.
8	6,600.
9	6,800.
10	7,000.

- C. Assets shall not exceed \$10,000. at admission for elderly families. \$5,000. for non-elderly families unless such assets together with the income of the family are insufficient for the applicant to obtain and maintain standard housing on the private market well into the future.

Families determined to be ineligible shall be notified immediately of the reasons therefore. If requested, the applicant shall be granted a hearing regarding his ineligible status:

Any applicant who has assigned, conveyed, transferred, or otherwise disposed of property within the past two years without fair consideration in order to meet the assets limitation shall be deemed ineligible.

As used here, assets means liquid and real property.

- D. Except for elderly families, the applicant resides in substandard housing. A unit is considered substandard if any of the following factors is present:
1. The dwelling is structurally unsafe.
 2. There is no potable running water in the dwelling unit.
 3. There is no usable flush toilet in the dwelling unit.
 4. There is no tub or shower in the dwelling unit.
 5. There is no sink or proper stove connection in the kitchen of the dwelling unit.
 6. There is inadequate or no electric wiring system in the dwelling unit.
 7. There are unsafe or inadequate heating facilities in or for the dwelling unit.

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8. The dwelling unit is overcrowded. A dwelling unit is considered overcrowded if the number of persons occupying the dwelling exceeds the following standards:

<u>No. of Bedrooms in the Dwelling Unit</u>	<u>Maximum No. of Persons in a Family</u>
1	3
2	5
3	7
4	9
5	11

9. The dwelling is a single family unit but is occupied by two or more families.
10. The location or design of the dwelling unit is such that it creates a health, fire, or safety hazard for the occupants of the dwelling units.
11. The family is about to be without housing through no fault of their own.
- E. Desirability -- in determining eligibility the following factors also shall apply:
1. Whether admission to the project would prove detrimental to the project or its residents by established records of any family member with regard to the following:
 - a. non-payment of rightful obligations,
 - b. imperils the health, safety, or morals of neighbors;
 - c. destruction of property,
 - d. disregard for rules of occupancy and rights of others.
 2. If single (elderly only) whether the applicant is capable of living independently.

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PAGE 4.

II. SELECTION OF TENANTS TO FILL VACANCIES

- A. Each applicant shall be assigned his appropriate place on a community wide basis in sequence based upon date and time his application is received, suitable type or size of unit, and factors affecting preference or priority established by the Alexander County Housing Authority's regulations. At a given time the applicant first on the waiting list shall be offered a unit at the location that contains the largest number of suitable vacancies. If the applicant rejects the unit offered he shall be moved to last place on the eligible applicant list.

In carrying out the above plan, should the applicant be willing to accept the unit offered but be unable to move at the time of the offer and presents clear evidence of his inability to move to the Alexander County Housing Authority's satisfaction, refusal of the offer shall not count as one of the number of allowable refusals permitted the applicant before placing his name at the bottom of the eligible applicant list.

In carrying out the above plan, should the applicant present to the satisfaction of the Alexander County Housing Authority clear evidence that acceptance of a given offer of a suitable vacancy will result in undue hardship or handicap not related to considerations of race, color, or national origin, such as inaccessibility to source of employment, children's day care and the like, refusal of such an offer shall not be counted as one of the number of allowable refusals permitted an applicant before placing his name at the bottom of the eligible list.

Reassignment or transfers to other dwelling units shall be made without regard to race, color, or national origin as follows: Tenants shall not be transferred to a dwelling unit of equal size either within a project or between projects, except for alleviating hardships as determined by the Executive Director or his designee. Transfers within projects shall be made to correct occupancy standards, and shall have priority over move-ins.

B. Preference in the Selection of Tenants

In selecting eligible applicants to fill vacancies, the Authority will give consideration to the following factors in the order shown:

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1. The family size of the applicant, as it relates to the units available (does not exceed occupancy standards.)
2. Whether the applicant is a veteran or serviceman or the relation of the applicant to a veteran or serviceman. A veteran is a person who has served in the armed forces of the USA and was discharged or released under conditions other than dishonorable. A Serviceman is a person presently serving in the Armed Forces.
3. Whether the applicant is a displaced family or about to be displaced by urban renewal or other governmental action.
4. The applicant's present housing condition and urgency of housing need. In determining the urgency of need the following will be considered:
 - a. The degree of substandard factors present in the existing housing of the applicant.
 - b. The gross rent being paid by the applicant for present housing as it relates to his annual income.
5. The applicant's source of income.
The rent paying ability of the applicant as it relates to the financial need of the Authority.
6. The applicant's family contains elderly, disabled or handicapped persons.

Elderly families will be given preference for units specifically built for elderly families. Elderly families means families whose head (or spouse) is 62 years of age or over, a single person 62 years of age or over, or a single person (under age 62) who is under a disability or handicap.

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III. SCHEDULE OF RENTS:

The following rents will apply, provided that it does not exceed 25 percent of family income, as defined by the Secretary in Part VIII of this policy. Should the rents designated below exceed 25 percent of family income, as defined by the Secretary, the table of gross rents (Exhibit A) will apply.

SCHEDULE OF GROSS RENTS

<u>GROSS RENT</u>	<u>NET INCOME</u>
\$20	1000
21	1050
22	1100
23	1150
24	1200
25	1250
26	1300
27	1350
28	1400
29	1450
30	1500
31	1550
32	1600
33	1650
34	1700
35	1750
36	1800

To extend the above schedule add \$1 for each additional \$50 of annual Net family income.

WELFARE RENT (GROSS)

Families receiving their income from Public Aid shall pay the following rents:

0-BR -	\$39
1-BR -	39
2-BR -	43
3-BR -	47
4-BR -	51
5-BR -	55

GROSS MAXIMUM RENT (Eligible and 1st 6 months of ineligibility):

0-BR -	\$45
1-BR -	50
2-BR -	55
3-BR -	60
4-BR -	65
5-BR -	70

INELIGIBLE RENTS (After 6 months of ineligibility):

0-BR -	\$50	3-BR -	\$65
1-BR -	55	4-BR -	70
2-BR -	60	5-BR -	75

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EXHIBIT A

TABLE OF GROSS RENTS

(Used to determine whether LHA's Gross rents exceed 25% of family income)

Monthly Gross Rent	Annual Income for Rent		Monthly Gross Rent	Annual Income for Rent	
	From	Through		From	Through
\$ 1	\$ 24	-- \$ 71	\$46	\$2184	-- \$2231
2	72	-- 119	47	2232	-- 2279
3	120	-- 167	48	2280	-- 2327
4	168	-- 215	49	2328	-- 2375
5	216	-- 263	50	2376	-- 2423
6	264	-- 311	51	2424	-- 2471
7	312	-- 359	52	2472	-- 2519
8	360	-- 407	53	2520	-- 2567
9	408	-- 455	54	2568	-- 2615
10	456	-- 503	55	2616	-- 2663
11	504	-- 551	56	2664	-- 2711
12	552	-- 599	57	2712	-- 2759
13	600	-- 647	58	2760	-- 2807
14	648	-- 695	59	2808	-- 2855
15	696	-- 743	60	2856	-- 2903
16	744	-- 791	61	2904	-- 2951
17	792	-- 839	62	2952	-- 2999
18	840	-- 887	63	3000	-- 3047
19	888	-- 935	64	3048	-- 3095
20	936	-- 983	65	3096	-- 3143
21	984	-- 1031	66	3144	-- 3191
22	1032	-- 1079	67	3192	-- 3239
23	1080	-- 1127	68	3240	-- 3287
24	1128	-- 1175	69	3288	-- 3335
25	1176	-- 1223	70	3336	-- 3383
26	1224	-- 1271	71	3384	-- 3431
27	1272	-- 1319	72	3432	-- 3479
28	1320	-- 1367	73	3480	-- 3527
29	1368	-- 1415	74	3528	-- 3575
30	1416	-- 1463	75	3576	-- 3623
31	1464	-- 1511	76	3624	-- 3671
32	1512	-- 1559	77	3672	-- 3719
33	1560	-- 1607	78	3720	-- 3767
34	1608	-- 1655	79	3768	-- 3815
35	1656	-- 1703	80	3816	-- 3863
36	1704	-- 1751	81	3864	-- 3911
37	1752	-- 1799	82	3912	-- 3959
38	1800	-- 1847	83	3960	-- 4007
39	1848	-- 1895	84	4008	-- 4055
40	1896	-- 1943	85	4056	-- 4103
41	1944	-- 1991	86	4104	-- 4151
42	1992	-- 2039	87	4152	-- 4199
43	2040	-- 2087	88	4200	-- 4247
44	2088	-- 2135	89	4248	-- 4295
45	2136	-- 2183	90	4296	-- 4343

The above table of gross rents is one which may be established to comply with Section 213(a) of the Housing & Urban Development Act

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EXHIBIT A (Continued)

of 1969 which provides that the rent of a public housing tenant may not exceed 25 percent of the family's income as defined by the Secretary. The table is based on the principle of rounding the family's income and the monthly gross rent to the nearest dollar.

Gross Rent and Family Income are as defined in Circular RHM 7465.1 and RHM 7475.1 dated 3/16/70.

THE TABLE MAY BE EXTENDED BY ADDING \$48 to EACH INCOME AMOUNT ASSOCIATED WITH EACH \$1.00 RENT INTERVAL.

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IV. ELIGIBILITY FOR CONTINUED OCCUPANCY (ANNUAL AND TWO-YEAR RE-EXAMINATIONS)

Eligibility for continued occupancy shall be determined once each year in accordance with established re-examination schedule. So recently admitted tenants can be fitted into the re-examination schedule, the first re-examination for any tenant can be extended up to a period of not more than 18 months from the date of admission. However, elderly families need only be re-examined once every 24-months, providing they are elderly by age.

To be eligible for continued occupancy, the tenant must meet the following requirements:

A. The applicant must constitute a family as defined in part I "Eligibility for Admission" or be the remaining member of a tenant family.

B. Net income shall not exceed the following amounts:

No. of Persons	Maximum Income Limits for Continued Occupancy $\frac{1}{2}$
1	\$5,000.
2	6,000.
3	6,500.
4	6,875.
5	7,250.
6	7,625.
7	8,000.
8	8,250.
9	8,500.
10	8,750.

$\frac{1}{2}$ Applies to persons displaced by Government action.

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- C. For non-elderly families assets shall not exceed \$10,000. Assets shall not exceed \$12,000. for elderly families unless such assets together with the income of the family are insufficient for the tenant to obtain and maintain a standard housing on the private market well into the future.

Any tenant who has assigned, conveyed, transferred, or otherwise disposed of property within the past year without fair consideration in order to meet the assets limitation shall be deemed ineligible.

As used here, assets means liquid assets and real property.

V. INELIGIBLE AND OVERINCOME FAMILIES

- A. Applicants who, at the time of application for continued occupancy, are deemed ineligible by failure to meet requirements shall be notified of such ineligibility and the reason therefore.
- B. Applicants for continued occupancy who are ineligible by reason of income exceeding the maximum limit for continued occupancy shall be notified in writing of such ineligibility and given a six-months notice to vacate. Until expiration of the vacate notice such tenants will pay rent in accordance with the approved Rent Schedule.

If a tenant, after expiration of the six-months vacate notice, is unable to find standard housing at a rent he can afford to pay although he has made every effort to do so, he may be allowed to remain in occupancy for the duration of this situation. Such tenant shall pay increased rent in accordance with the approved Rent Schedule.

Documentation as to the tenant's efforts to find suitable housing must be placed on file not less often than every six months.

VI. RENT REVIEWS

- A. Rents will be reviewed each year at the time the annual re-examination of income is made to determine eligibility for continued occupancy. If, upon such income review, it is found that the rent being charged no longer conforms to the approved rent schedule, the rent will be adjusted accordingly.
- B. Once rent is established such rental rate shall remain in effect until the next annual re-examination or until circumstances occur that warrant a special rent and income review. Anytime any of the following circumstances

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occur, rent and income will be reviewed and rent adjusted in accordance with the approved schedule of Rents.

1. Receipt or discontinuance of welfare funds.
 2. An amount of decrease in income which would lower the rent in accordance with the approved rent schedule.
 3. After initial receipt of a rental reduction under the 25 percent limitation of Section 213 of the Housing Act of 1969, and a subsequent second decrease, the tenant reports an increase in income, as required by the Act.
- C. Tenants are to be notified in writing of any change in rent resulting from a rent review.
- D. If tenant misrepresentations at the time of admission, annual re-examination, or rent review caused a family to pay a lower rent than called for by the approved Schedule of Rents, such tenant will be required to pay the difference between the rent he paid and what he should have paid.
- E. Increases in rent resulting from rent reviews are to be effective the first of the month following the change.
- F. Decreases in rent resulting from rent reviews are to be effective the first of the month following report of the change.
- G. Increases or decreases for families affected by the 25 percent limitation shall be made effective the first of the month following the month in which the change occurs.

VII. VERIFICATION OF APPLICANTS' STATEMENTS AND INCOME

- A. Applicants and tenants shall be required to furnish proof of their statements when required by Management to reasonably assure accuracy.
- B. Certification by applicants will normally be considered sufficient verification of family composition, displacement, assets, residence, and housing conditions and need. Certification is provided by the applicants' signature on the Application for a Dwelling. Certification by signing the Application for Continued Occupancy will be considered sufficient verification of family composition and assets at re-examination.

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- C. All earned income shall be verified at the time of admission or annual re-examination through employers, W-2 forms, check stubs, or other means to assure accuracy. Increased income reported between re-examination need not be verified. All decreases in income must be verified.
- D. Unearned incomes shall be verified by viewing checks, certificates of award, or other means to assure accuracy.
- E. Income for elderly families paying the minimum or welfare rents at the time of re-examination need not be verified unless the responsible Authority official believes such verification necessary. For any elderly family being re-examined under this procedure a certified "Statement of Income and Assets" shall be obtained from such family to substantiate the Authority's determination of eligibility. In the event the information provided on the "Statement of Income and Assets" indicates that a higher rent is warranted, the income must be verified and the regular re-examination procedure followed.
- F. For those claiming disability as defined in the Social Security Act, but who are not receiving Social Security benefits, Doctor's Certification as to degree and possible length of such disability shall be required.
- G. All determinations shall be fully documented in the files.

VIII. DEFINITION OF INCOME--

- A. Total Family Income (defined by the Alexander County Housing Authority) means all income from all sources to be received by all family members during the succeeding year actually occupying or who are actually to occupy the dwelling including the family head temporarily separated from the group.

Assets will be pro-rated as income whenever non-assets income is below a subsistence level.

The following are not considered as income: Amounts received for medical care, casual and irregular gifts, lump sum additions to assets, amounts from the Government, or scholarships which are to be used for tuition, books, etc.

- B. Net Family Income means Total Family Income less the following deductions:
 - 1. Hospital or medical plans (if not employed)

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2. A deduction of 10 percent of earned income to cover occupational expenses and deductions from wages, except for servicemen stationed away from home.
 3. Amount paid for support of persons out of the home.
 4. Amounts paid for care of children or incapacitated family members.
 5. Predictable medical expenses for continuing illness if not covered by insurance.
 6. Servicemen's occupational expense not to exceed \$100. per month for servicemen stationed away from home and Social Security.
- C. Family Income (Defined by the Secretary) means income 1/ from all sources of each member of the family in the household, including minors, anticipated to be received during the twelve months following admission or redetermination of family income (as the case may be) less:
- (1) a deduction of 10 percent of family income; and
 - (2) an exemption of \$100. from family income for each minor (other than the head or spouse) and for each adult (other than head or spouse) dependent upon family for support.
- 1/ In the case of self-employed persons, income means the NET income from the operation of the business or profession and personal and real property. Also, the following are NOT considered as income by HUD:
- (1) Casual, sporadic, and irregular gifts, earnings of minors attending school FULL TIME and amounts which are specifically received for, or are a reimbursement of, the cost of illness or medical care.
 - (2) Lump-sum additions to family assets, such as inheritances, insurance payments, including payments under health and accident insurance and workmen's compensation, capital gains, and settlements for personal or property losses.
 - (3) Amounts of educational scholarships paid directly to the student or to the educational institution and amounts paid by the United States Government to a veteran for use in meeting the cost of tuition, fees and books, to the extent that such amounts are so used. (Any of such amounts not so used and any amounts

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available for subsistence are to be included in Family Income) if reported.

- (4) The special pay to a serviceman head of a family away from home and exposed to hostile fire (e.g., Viet Nam); relocation payments for moving expenses to families and individuals displaced by urban renewal or other governmental action; and pursuant to the Food Stamp Act of 1964, as amended, the value of the coupon allotments for the purchase of food in excess of the amount actually charged the eligible households.

- D. "Eligibility Income for Admission," "Eligibility Income for Continued Occupancy," and "Income for Rent" mean Net Family Income less the following applicable exemptions allowed by the Housing Authority:

Category	(1) Exemptions for Admission	(1) Exemptions for Cont'd. Occupancy	Exemptions For Rent
Head	None	None	None
Spouse	\$1000 of Income	All earned Income	\$600 of <u>earned income</u>
Other	All of Income	All of Income	or \$100 if unemployed

Limitations on total exemptions allowable per family.....

	(2)	(2)	(3)
.....\$1,500	\$2,000	... \$1,000

- (1) All of U. S. Military Service-connected disability or death payments will be exempted for admission and continued occupancy.
- (2) These "limitations on total exemptions allowable per family" may be waived by Board action for a particular family if the Board considers the pertinent facts and determines that (1) the family is truly a low income family; and (2) is within the appropriate income limits after all allowable exemptions.
- (3) This limitation on rent exemptions may not be waived.

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IX. LEASING

- A. Prior to admission a lease shall be signed by the family head or spouse and executed by the Authority. The head of a family is the responsible person of the family who is legally and morally responsible for the group and who is actually looked to and held accountable for the family's need.
- B. The lease is to be current at all times and must be compatible with Authority Policies as well as State and Federal law.
- C. Notices of Rent Adjustments which are issued to amend the dwelling lease need only be signed by the Authority.

X. OCCUPANCY STANDARDS

The following standards will determine the number of bedrooms required to accommodate a family of a given size except that such standards may be waived when a vacancy problem exists and it is necessary to achieve or maintain full occupancy:

Delete the portions that do not apply to your project.

<u>No. of Bedrooms</u>	<u>No. of Persons</u>	
	<u>Minimum</u>	<u>Maximum</u>
0	1	1
1	1	3
2	2	5
3	4	7
4	6	9
5	8	11 plus

XI. MISREPRESENTATIONS

The Tenant is to be notified in writing of any misrepresentations or lease violations revealed through the annual re-examination, rent reviews, or other occurrences and any other corrective action required by the Authority.

Adopted pursuant to Resolution No. 538, July 20, 1970.

Exhibit No. 14

Report of the Inter-Agency Task Force on Cairo
August, 1971

In November, 1969, the Regional Council invited all regional Federal agency representatives to meet and undertake a review of the social and economic problems of Cairo, to determine how Federal assistance might best be made available to the city. The Governor's Office of Human Resources also participated. Each agency was asked to review its programs and resources in light of Cairo's needs; to determine how it might best assist the community and whether certain funds could be earmarked tentatively for Cairo. It was also determined that assisting Cairo must be an inter-agency effort of some type.

In December, 1969, the Regional Council met with Mayor Thomas of Cairo, who presented a general proposal for dealing with Cairo's problems. This proposal identified many types of problems which would involve a variety of programs and agencies, and it was referred to the ad hoc committee on Cairo for study and recommendations. The committee met again in January, to receive recommendations on programs from each agency and to evaluate the Mayor's proposal. The need for a joint response to the city was recognized, along with the fact that Cairo's needs were such that a continuous, coordinated inter-agency approach was required. It was also determined that a general position must be adopted which would require the city to take some affirmative action to deal with social problems locally, if Federal programs were to be successfully introduced to Cairo.

In March, the committee met with the Mayor, the City Attorney, and Messrs. Ewing and Grigsby (both black residents of Cairo, active in civic matters), to obtain their views of the current situation in terms of racial tension, possible co-operation among various groups, and more generally, the problems and needs of Cairo. Following this meeting, the committee presented the following recommendations to the council:

- 1) that an Inter-agency Task Force on Cairo be formed to meet monthly, and that representatives of State agencies and members of Congress be invited to attend;
- 2) that a letter be sent to the Mayor advising him of the Federal agencies' desire to assist through special efforts at obtaining funds and providing technical assistance, if the city could devise a method of assuring broadly representative citizen participation, ideally in a local task force, to assure total community support;
- 3) that the letter also be sent to all local media and community organizations serving Cairo, to provide maximum information to residents of the city on the position of the Federal agencies;
- 4) that the evaluation and recommendations of the committee be forwarded to the Mayor, in response to his proposal and visits.

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The Council accepted these recommendations and the correspondence was sent on March 20, 1970. The city responded, in letters of April 7 and 22 from the Mayor, expressing concern that funds had not been made directly available to support the initial proposal, and seriously questioning the will of certain black community organizations to support local efforts. The formation of a permanent Inter-agency Task Force was also questioned, because it had not been done in consultation with the city. The position of the Task Force, its purpose and intent were further clarified in a letter from the Council and a phone call in May, indicating that the Task Force awaited the city's response and hoped to be able to assist the city. The Task Force continued to meet regularly between April and September.

In April, the Pulaski-Alexander Development Corporation (PADCO) was funded by EDA, after expanding its board and opening membership to include more black and low-income residents, at the recommendation of the original interagency committee. This application had been rejected by EDA because it covered only two counties in a much broader depressed area; PADCO was strongly supported by the Governor's Office of Human Resources and State Office of Business and Economic Development as a positive step toward meeting Cairo's serious needs. Review of the proposal and evaluation by the Task Force resulted in a recommendation to the Council that EDA be urged to fund this program if the organization could expand membership. PADCO and SBA were involved in several prospective business ventures by the spring of 1970.

In February, a visit to Cairo by the Flying Black Medics drew attention to the need for expanded out-patient medical and dental facilities for black and other low-income residents of Cairo. Meetings involving the Black Medics, St. Mary's, and OEO during March and April resulted in development of a proposal to fund out-patient services at the hospital. Since the city had not yet developed the kind of citizen task force hoped for which would provide citizen participation in planning, a Citizens Advisory Board was required as a special condition of the OEO funding. These requirements were developed by a Task Force review team. The Task Force and Senator Percy's office also assisted in negotiating immigration problems at that time confronting the physician now serving as medical director. The program was initiated in the fall of 1970, and the first patients were served in January, 1971.

In June, efforts were made by the Governor's Office of Human Resources to assist the Mayor in forming a local task force. The method of selection proposed by the Mayor, however, was found unacceptable by various local organizations.

In July, the Illinois Housing Development Authority accepted the application of the United Cairo Community Development Non-Profit Housing Corporation for seed money and assistance; two applications from Cairo housing corporations had been received, and this one was selected on the grounds that its board was more broadly representative of the entire community.

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At the August meeting, the Task Force took note of the fact that neither it nor the Regional Council had received any positive response to its March letter from the Mayor or otherwise from the city. It was suggested that a letter be sent to the Mayor, reminding him of the initial position taken and setting a deadline for some response to the matter of developing a local task force or citizen group. This matter was referred to the Council and a letter was sent in September, 1970, reaffirming the Regional Council's original position, stating that unless a positive written response were received, a team of Task Force members would make a fact-finding visit to Cairo to assess the prospects of local cooperation.

No response to this communication was received, and a team visit to Cairo was scheduled for November. In October, however, a new period of overt hostility occurred in Cairo, involving severe, prolonged shootouts and protracted recrimination. Consequently, the team visit was deferred. A team of four Task Force members visited Cairo in January, 1971, and met with a variety of groups and individuals to ascertain their views on the current situation and the prospects for developing a community-wide citizen group to serve as a local task force.

During this visit, the team met with the St. Mary's Clinic Citizen Advisory Board and the sisters administering the program, to understand and assist in clarifying the Board's role and functions. In a meeting with the Mayor, the purpose of a local task force was reviewed, and the Mayor discussed appointing the Citizen Advisory Committee - which had been established several years previously and been inactive for some time - to serve the purpose. The team recommended that the Mayor submit the suggestion, with a list of the members, for Task Force consideration. The Mayor also indicated interest in a Public Service Careers Program which DOL was interested in funding; it was the team's feeling that direct minority and low-income citizen involvement would be vital to the success of such a program. The net result of this visit was some feeling that progress might be made, through citizen participation that could develop broad community support for new programs. It was also felt that without such support, new programs would founder in the conflict among various parties concerned about their intent and administration.

Following this visit, the Mayor submitted his recommendation that the Citizens Advisory Committee serve as a local task force and enclosed a list of its members for Task Force consideration. A reply was sent indicating that the Inter-agency Task Force would work with the CAC as an ad hoc committee, to devise procedures whereby a broadly based citizen group could be established. The Mayor did not respond either to this recommendation or to the offer of direct technical assistance.

At its January, 1971 meeting, the Task Force received the team report and reviewed the status of the Cairo situation; it decided not to meet again until some response was received from the city or further business was to be transacted. During this period, the city continued to negotiate with DOL on a PSC program. The Task Force advised DOL and the Regional Council

Exhibit No. 14—Continued

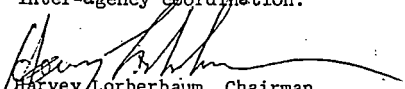
- 4 -

that funding of the program should be undertaken with attention to the Task Force's recommendation for involvement of a community-wide citizen group in planning, and various field representatives who felt their contacts in the community might be of help offered their assistance.

The Task Force met again in June, 1971, to consider a resolution recommending its dissolution to the Regional Council. It was felt that every effort had been made to convey the Task Force's position to the city and to convey the merits of a community-wide base for program development to the city and various conflicting local organizations. Considerable information indicated that these conflicting parties were too deeply in conflict, and possibly in need of maintaining this conflict to further their individual goals, to cooperate in the manner required to improve conditions in Cairo. The resolution was passed and submitted to the Council. The representative from the Governor's Office of Human Resources felt that maintaining the Task Force, at least through quarterly meetings, was desirable in order that a continuing, informed group of agency representatives be available for consultation and assistance, and was asked to make these feelings known in writing directly to the Council.

At the same meeting, a representative of DOL briefly described the PSC program which it anticipated funding. Some questions were raised about citizen participation - whether it was built into the program or would be required in planning. DOL had requested the city to obtain approval of the program from the CAC, and indicated that the Task Force would be asked to review the final application. The application was received the following week. A Task Force team review held at the Office of the Regional Manpower Administrator revealed that the CAC which approved the submission did not include two of the previously listed black members, and that citizen involvement in project planning and operations was not required. A recommendation that a special condition requiring such involvement be developed was made. Task Force team members present for the review volunteered to accompany DOL staff to Cairo to assist in monitoring the program. (Newspaper reports indicate that when the program was described at a public hearing in Cairo in July, it became clear that neither the black nor the white community could support the program, and the City Council voted against its submission.)

At its July 21 meeting, the Regional Council determined that the Task Force should continue to meet quarterly to exchange information and maintain inter-agency coordination.



Harvey Lorberbaum, Chairman
Cairo Task Force

Jane Heron, Secretary pro tem

Exhibit No. 15

March 24, 1972

PUBLIC BOARDS AND COMMISSIONS
City of Cairo and Alexander County, Illinois

<u>Board or Commission</u>	<u>Total Members</u>	<u>Number of Black Members</u>	<u>Appointing Authority</u>
Cairo Public Library Board	9	0	M
Citizens Advisory Committee (inactive)	15	5	M
Public Building Commission	5	0	CB
Delta Regional Planning Program	25	0	CB1
Police Pension Board	5	0	M1
Cairo Human Relations Commission (inactive)	7	2	M
Selective Service Board	5	0	P1
Civil Defense Commission	6	0	M/CB
County Welfare Services Commission	14	0	CB2
Tri-County Health Dept.	12	1	CB
Cairo Planning & Zoning Commission	13	1	M
Cairo Board of Planning and Zoning Appeals	8	1	M
Land Clearance Commission	5	0	CB
Cairo Election Commissioners	3	1	CC
Cairo Board of Fire and Police Commissioners	3	1	M
Alexander County Airport Authority	5	0	M/CC
Cairo Public Utility Commission	5	0	M
Alexander County Housing Authority	5	0	CB

Appointing Authority Key

M = Mayor of Cairo with approval of City Council
CB= Chairman of Alexander County Board of Commissioners
M1= Mayor appoints two members
CB1= Appointments by County Commissioners of Alexander And Pulaski County
P1= President of U. S. upon recommendations of Governor
CB2= Ten members appointed by Illinois Dept. of Welfare upon recommendation of County Board of Commissioners plus State's Attorney, Chairman of County Board of Commissioners and two members from county Personnel Advisory Board.
CC= Circuit Court

Exhibit No. 15—Continued

March 24, 1972

EMPLOYMENT OF BLACK PERSONS
BY PUBLIC AGENCIES IN CAIRO
AND ALEXANDER COUNTY, ILLINOIS

<u>Agency</u>	<u>Total Employees</u>	<u>Black Employees</u>
Cairo Public Utility Commission	25	0
Alexander County Housing Authority	16	5 (no clerical - all maintenance)
State's Attorney Office	4	0
Sheriff's Office	8	3
Cairo Fire Department	15 (approx.)	0
Cairo Police Department	20	1
Circuit Clerk's Office	4	0
County Clerk's Office	4	0
County Highway Department	7	1
County Assessor's Office	2	0
County General Assistance Office	7	4
County Treasurer and Collector's Office	4	1
County Superintendent of Schools	2	0
Cairo Public Schools (Faculty)	134	58
Cairo Municipal Offices	3 or 4	0
Cairo Public Library	6*	3*
City of Cairo	64	14
Cairo Election Commissioners	1	0
Illinois Department of Public Aid	22	2

*Exhibit No. 15—Continued*Employment of Black Persons by Public Agencies,
In Cairo and Alexander County, Illinois (cont.)

<u>Agency</u>	<u>Total Employees</u>	<u>Black Employees</u>
Legal Services	6	3
Illinois Veterans Commission	2	0
Illinois Department of Children & Family Services - Cairo Office	12	6

* These totals include 1 Black part-time library page



U.S. DEPARTMENT OF COMMERCE
Bureau of the Census
 Washington, D.C. 20233

OFFICE OF THE DIRECTOR

34-11-1972

According to the official count of the returns of the SEVENTEENTH, EIGHTEENTH, AND NINETEENTH CENSUSES OF THE UNITED STATES, authenticated by the Bureau of the Census seal and on file in the Bureau of the Census, the population of the County of Alexander, State of Illinois, and of the city of Cairo located in that county, by race, as of April 1, 1950, 1960, and 1970, respectively, was as shown below:

Alexander County

	<u>1970</u>	<u>1960</u>	<u>1950</u>
Total Population	12,015	16,061	20,316
White	8,596	10,745	13,875
Negro	3,375	5,298	6,420
Other Races	44	18	21

Cairo City

Total Population	6,227	9,348	12,123
White	3,905	5,821	7,722
Negro	2,351	3,511	4,383
Other Races	21	16	18

GEORGE H. BROWN
 Director
 Bureau of the Census



Housing Subsidies Are a Grand Delusion

They aggravate the problems they are supposed to relieve, and clamor for reform is rising. What's needed is not mere tinkering, but a new system.

by Gurney Breckenfeld

When workmen began building a swimming pool alongside Rodney Sandburg's house in Tulsa last spring, some of his neighbors were not only perplexed, but also a bit incensed. It was the only swimming pool in that modest part of town. Sandburg had moved into the four-bedroom, brick-veneer house several months earlier with his wife and seven children, thanks to the help of a federally subsidized housing program for low and moderate-income families. How did he qualify for a heavily subsidized house if he could afford a swimming pool?

A dozen owners of nearby homes signed letters asking the Federal Housing Administration precisely that question. They were paying for *their* homes without any subsidy, and they had no money left over for such luxuries as pools. They urged FHA to investigate Sandburg's eligibility under the Section 235 program, so named for the portion of the 1968 Housing Act that created it.

FHA's investigation, no doubt spurred by the prominent display that the *Tulsa Tribune* gave the story, revealed that Sandburg also drove a 1969 Lincoln Continental. Still, FHA's Tulsa director, Robert Gardner, saw no reason to take any action. FHA excluded the value of Sandburg's auto from his assets because he drove it in his work as a traveling salesman. On that basis Sandburg's assets and income (\$7,700 a year) fitted within the program's limits at the time that he bought the house. Sandburg's income

Exhibit No. 17—Continued

A neighborhood protest erupted over these new Section 235 houses in Austin, a section of Chicago's West Side. A group called the Organization for a Better Austin contended that the houses were shoddily built and an eyesore. They besieged John Wener, FHA director in Chicago, when he visited the site in the tiny white-haired man with back to the camera. Wener inspected the 124,000 houses and pronounced them acceptable, but the O.B.A. is still fighting subsidized housing.

has subsequently risen, but the only consequence is that the amount of his subsidy may be reduced when the FHA routinely re-evaluates his status two years after the house was bought. As for the pool, says the FHA director, Sandburg bought it with part of the \$4,000 proceeds from selling a mobile home. Gardner calls the pool "a case of terrible public relations."

The Sandburg case symbolizes some of the more glaring defects of the nation's patchwork system of housing subsidies. The apparatus abounds with inequities and anomalies. It provides more help for the middle class than for the truly poor. Economists complain that the programs not only are costly, cumbersome, and inefficient but also produce pernicious economic side effects. Sociologists argue that far from helping, subsidized housing is compounding the plentiful troubles of center cities. Increasing numbers of middle-income wage earners resent being taxed to help provide new homes or apartments for families with incomes as high as, or perhaps higher than, their own. And low-rent public-housing projects have acquired such a stigma as havens for crime, drug addiction, and problem families that fewer and fewer communities seem willing to accept any more of them.

From the viewpoint of the tenants themselves, the subsidy system has still other disadvantages. Under almost every program now in force, an occupant must give up his subsidy if he moves, because the assistance is provided for a specific house or apartment rather than for him and his family. The arrangement makes many recipients of subsidy feel trapped and vulnerable, and it surely has played a great part in the rise of a permanently dependent, resentful, and rebellious class of housing occupants.

Penalizing the ordinary home buyer

In many ways, our housing subsidies demonstrate the truth of Forrester's Law, propounded by Jay W. Forrester, professor of management at M.I.T., who maintains that intuitive plans to solve complex urban problems often produce results opposite from those intended. Thus, Forrester points out, efforts to ameliorate the living conditions of the poor in a particular city attract more poor families to that city, and so become self-defeating. The effect of subsidies on housing prices offers another example. When provided on a large scale, the subsidies increase the demand for land, labor, and materials and therefore help to inflate construction costs and rents. This penalizes every home buyer and tenant in the nation who lacks a pipeline to subsidy: The boomerang effect is painful enough, but Forrester argues that the devious labyrinths of complex systems lead us to compound errors. Because of our flawed perception of causes and effects in complex problems when a little of the wrong medicine fails to bring a cure, we often increase the dosage.

Throughout the long history of housing subsidies, that mistake has been repeated again and again. For thirty-five years successive Administrations and Congresses have added layer upon layer of new programs intended to over-

Research associate: Peter Schuyler

come supposed deficiencies in old programs. Yet immense problems remain, and some are rapidly growing worse—notably the wholesale abandonment of old but structurally sound housing and sometimes whole neighborhoods in big cities. The subsidy machinery has grown so intricate that it confuses even housing experts. A whole profession of consultants has arisen to help baffled mayors, legislators, and project sponsors find their way through the regulatory thickets. George Romney, the Secretary of Housing and Urban Development, for two years has pleaded unsuccessfully with Congress to simplify the tangle. Not long ago he complained to a House subcommittee that "these housing-subsidy programs are so complicated that they are practically impossible of administration."

An expensive prop for the housing boom

Since 1937 the federal government has invested about \$11 billion in direct housing subsidies and such related programs as urban renewal. As a result, some 2,300,000 U.S. households have acquired considerably newer, and certainly more costly, abodes than they could otherwise afford. And the numbers seem certain to grow much larger in years ahead, under programs already in effect. Today one American in twenty-three lives in a dwelling directly subsidized by federal, state, or local governments. By 1978 this figure will increase to one American in eight, if the target adopted by Congress is reached. The objective, set forth in the national housing goals enunciated in the 1968 housing law, is to wipe out slums. The goals call for construction or rehabilitation of six million subsidized dwelling units and twenty million unsubsidized units within a decade.

In the same legislation, Congress also created two new programs that have become an enormously expensive main prop for today's housing boom. Under Section 235 (applying to houses sold to "low and moderate income" families) and Section 236 (applying to apartments), assistance is provided through subsidized interest rates. The government can pay all but 1 percent of the 7 percent interest rate on the mortgages (see the box on page 164 for details on these and other subsidy programs).

As recently as 1967, only 113,788 housing starts in the U.S., 8.61 percent of the total, were subsidized. Over the past three years, as the new programs caught on, both the total number of subsidized starts and their proportion of the nation's housing output have increased abruptly. Last year subsidized starts rose to a new peak of 560,000 units, more than a quarter of the record total of 2 million-plus starts. Unless the White House impounds funds already appropriated, subsidized production is expected to climb to about 600,000 units this year. The number may move even a bit higher in later years, but costs are bound to soar anyway. Like almost all housing subsidy programs, Sections 235 and 236 operate on a build-now, pay-later basis. Thus the original cost of each house is tripled by interest payments that stretch out for as long as forty years. Federal officials figure that taxpayers will pay about 45 percent of the total bill, while the beneficiaries will pay

What's the
over
Ratio

Exhibit No. 17—Continued

65 percent. The Department of Housing and Urban Development will spend \$1.3 billion during the current fiscal year for subsidies of all kinds. Even if—as seems likely—less than a quarter of the eligible families are housed in a subsidized dwelling by the end of the decade, HUD officials have predicted that the annual cash cost of subsidies will rise to about \$7.5 billion a year by 1978. Even if no more subsidized projects are started thereafter, the subsidy cost could reach \$200 billion before the loans on the projects are retired.

One developer who recently put together a Section 236 project in Connecticut figures that the final cost of each modest apartment (average rent: \$151 a month) may run to \$116,104 per unit. The land, almost entirely subsidized by urban renewal, costs \$23,196 per unit, and construction \$29,215. Interest subsidy and FHA mortgage insurance over the forty-year life of the loan will add \$25,162. The government will throw in another \$2,086 per unit by buying the mortgage for more than its market value through the Government National Mortgage Association, and the Treasury will contribute a subsidy of \$8,441 per unit through tax deductions granted to the nominal private owners of the project. By making the project exempt from local property taxes, the state, and locality will provide a subsidy of at least \$29,000. In addition to all that, if the occupying family happens to be on welfare (as an estimated two-thirds will be), taxpayers will shell out \$26,920 per unit for rent over forty years—on top of what they are paying now to shelter welfare families in older units. Thus the grand total of all subsidies on a single apartment could reach \$122,024. Secretary Rummen has worked out similar projections. He calculates that a \$17,500 apartment unit built under Section 236, with tenants receiving rent supplements, could cost taxpayers anywhere from \$108,358 to \$141,864 over forty years. "I cite these figures," says the Secretary, "primarily to shock people into taking a hard look into whether we are using the best method."

In the third annual report on housing goals, written by HUD officials and sent to Congress last June by President Nixon, the Administration called for fresh scrutiny of subsidized-housing policies—without advocating any specific remedies. "Clearly, the public interest demands that the Federal Government not stand impassively at the cash register and continue to pay out whatever is necessary to feed runaway inflation of housing costs," said the message. "Under present law, as many as 26 million American households—40 percent of the total population—are eligible for the major subsidy programs. If all eligible families were subsidized the cost would be astronomical. Yet unless major changes are made, as these programs continue to gain production momentum, it will be difficult to continue favoring a select few in the population while the rest of the nation is left to seek decent housing completely on its own."

Tax shelters for sale

Many economists agree that subsidies in any field should adhere to at least three principles: (1) they should be highly visible, not hidden, so that the true cost is readily apparent to legislators and voters; (2) the money should actually reach the intended beneficiaries; (3) the subsidy mechanism should produce a minimum of economic mischief. On all three counts, the present array of federal housing subsidies scores poorly.

The government has camouflaged the size of the bill in

two ways. First, it borrows most of the money, so it will be paying interest costs for years to come. Second, the government has adopted devices to keep even the borrowing from showing up in the federal budget. For example, the total of federal outlays for housing and community development appears in the 1972 budget as \$3.3 billion, but some economists figure that in reality the government and government-controlled agencies will lend or spend about \$20.1 billion.

Housing subsidies are funneled to their intended recipients through circuitous channels of production and bureaucracy. As a consequence, a substantial portion of the total is siphoned off along the way. After a study of programs in Boston, Bernard J. Frieden, director of the Harvard-M.I.T. Joint Center for Urban Studies, recently calculated that "between one-fifth and one-half of the total federal subsidy does not reach the residents, but goes for federal and local administrative expenses and for tax benefits to investors."

Section 236, in particular, provides tempting profit opportunities for the rich. Developers and Wall Street securities firms have struck a lucrative lode by organizing syndicates that, in effect, sell tax shelters to private investors whose incomes place them in the 50 percent bracket or higher. Several such deals have been offered to the public. The investors buy limited partnerships in the firm that will build a project. They put up 12 to 15 percent of the project's cost. In return they are entitled under federal tax law to claim accelerated depreciation allowances in the entire value of the buildings, at the 200 percent double declining rate that is now restricted by law to new residential property.

A prison without walls is how many tenants regard grim, filter-strewn Roger Williams Homes, a twenty-nine-year-old public-housing project in Providence, Rhode Island. Many apartments are vacant because even needy families refuse to live there, although some units rent for less than \$50 a month.



Exhibit No. 17—Continued

Thus in a typical deal, a group of professionals and businessmen might lay out about \$600,000 for a 95 percent interest in a \$4,700,000 Section 236 apartment project being built with a \$4-million FHA-insured mortgage. The builder-sponsor would pocket most of the \$600,000 as his construction profit. Over the next eleven years, provided that the project is built at the estimated cost and can be kept reasonably full of tenants, the limited partners should be able to recoup \$1,055,000 on their investment, almost entirely in taxes avoided on the members' other income. At the end of that time, if all goes well, the owners might donate the project to charity and acquire a further \$1 million in tax deductions.

A cover-up for inflation

The economic mischief wrought by subsidy programs is subtler but far more pervasive and damaging. As with other products, easy terms provide an easy way to conceal overpricing from consumers. For nearly four decades terms have become progressively easier for housing, apparently culminating with the virtual gift of \$24,200 homes to welfare families under Section 235. Given such an opportunity to escape market disciplines, builders have let their costs and prices ride upward. Between 1965 and 1970, the average cost of an FHA house rose from \$16,825 to nearly \$25,000. With rising interest rates, taxes, and upkeep costs added in, the total monthly expense for that house climbed 84 percent from \$148 to \$272. Over the same period, median family incomes increased only 46 percent, from \$7,000 to just over \$10,000 a year.

For those who get them, housing subsidies make the cost problem more tolerable, but the subsidies add to the

upward pressures on prices themselves. From mid-1970 to mid-1971, the highly regarded Boeckh index of residential construction costs rose by 8 percent. Economist Henry B. Schechter of the Congressional Research Service at the Library of Congress figures that more than a quarter of that increase was caused by the impact of subsidized housing on the cost of materials, land, and labor.

Until the Nixon Administration took office, the federal government had done next to nothing to end the costly restrictive practices, obsolete building codes, antiquated foreclosure laws, and laggard technology that make housing cost more than it should. Despite Romney's aggressive efforts, the government attack on costs is still modest and only marginally effective. An incisive summary of the situation comes from Miles L. Coleman, a Washington, D.C., housing economist. "Subsidy offers no basic remedy for housing problems," he says. "It is no more than a sedative for an inflationary industry and a maladjusted economy. It cures nothing, but instead permits the disease, inflation, to spread under its cover-up."

Moreover, any plan that stimulates housing output tends to increase land prices. Lester Thurow, professor of economics and management at M.I.T., warns that the policies designed to eliminate substandard housing during the Seventies may end up raising land prices by 35 percent in many urban areas. The increase, he predicts, will be in addition to that caused by general inflation or the demand for industrial and commercial land. Thurow and many other economists have concluded that the nation will never be able to construct efficient housing programs at reasonable cost until the tax laws are changed so as to inhibit the rise of land prices.

continued page 168



Exhibit No. 17—Continued

Housing Subsidies

Are a Grand Delusion *continued from page 139*

Charles Schultze, Budget Director under Presidents Kennedy and Johnson, argues that in urban areas the "housing problem" is not so much the high incidence of substandard housing but the high cost of all housing. According to a Census Bureau survey, only 15 percent of the central-city poor and 21 percent of the poor in other urban areas live in substandard housing. Most housing classified as substandard lies in rural areas (the main reason it is so classified being lack of sanitary facilities). More than half of the rural poor live in such dwellings, and so do 28 percent of rural families with moderate incomes. As Schultze puts it: "To oversimplify, the rural poor live cheaply in substandard housing, while the urban poor pay dearly for standard housing."

New wastelands and instant slums

The inequities and high costs of subsidized housing have stirred considerable discontent among lawmakers as well as taxpayers. The more Congress learns about subsidized housing the worse it looks. Two congressional committees have investigated in eleven cities and found a pattern of quick-buck artists fleeing ignorant buyers of FHA-subsidized homes. In a typical case, a speculator would buy a run-down house in a shabby neighborhood for \$3,000 or \$4,000, spend perhaps \$1,500 for cosmetic repairs, then get the FHA to appraise the property at as much as \$18,000, despite a leaky roof, faulty plumbing, dangerous wiring, or all three together. To sell the house at that inflated price (sometimes to a welfare mother or a tenant being evicted for nonpayment of rent), the speculator might even provide the \$200 down payment. In many instances the buyer, unable to afford the necessary repairs, abandoned the house after making only a few payments.

Most of these cases involved face-lifted existing houses, but some new housing has also been found grossly defective. In both Elmwood, Missouri, and Everett, Washington, investigations discovered one project of new Section 235 homes so shoddy that they labeled it an instant slum.

After the House Banking Committee exposed some of these goings-on in early 1971, Secretary Romney tightened FHA procedures, fired unemulous appraisers, and for a few months suspended sales of existing homes under Section 235. But the consequences of the abuses are still unfolding. Abandonment of derelict subsidized housing has reached such proportions that the government, which is already the nation's largest landlord, may soon become the No. 1 slumlord as well. FHA faces a rapidly rising rate of defaults and foreclosures of subsidized units in Philadelphia, St. Louis, Dallas, Chicago, and other metropolitan areas.

In Detroit, where some 30,000 subsidized houses had been sold in the two years before Romney imposed controls, the agency had repossessed some 5,800 vacant houses by the end of last year. Officials figure the potential loss at nearly \$69 million. Another 21,000 properties seem headed for foreclosure; if FHA is forced to take over 16,000 or 18,000 of these, the loss may well rise to \$200 million, wiping out 13 percent of FHA's insurance reserve. On their investigating trip to Detroit last fall, members of the House legal and monetary affairs subcommittee were stunned by the devastation of the inner city. They saw entire blocks converted to wasteland by the concentration of boarded-up houses, most of them vandalized and many gutted by fire. In desperation, FHA has begun to tear down 100 of the worst hulks.

The blighting consequences of housing subsidies on inner cities are particularly obvious in public housing projects. Some of them have turned into slums with no future except demolition. "What we've done under the subsidy programs," says James G. Banks, executive director of the National Capital Housing Authority in Washington, D.C., "has created an environment that promotes social disorder." At Roger Williams Homes, the oldest public-housing project in Providence, Rhode Island, 327 of the 744 units are vacant and boarded up (see photograph on page 139). Many of the remaining tenants live in fear that juvenile gangs will loot their apartments if they get out for as long as an hour. Authorities hope to obtain \$10 million to raze eleven of the twenty-eight buildings and renovate the rest.

St. Louis' Pruitt-Igoe project, which won an architectural award from the American Institute of Architects when it opened in 1956, became a sociological and financial disaster that bankrupted the local housing authority. All but 3,000 of the 12,000 residents have departed. Twenty-five of the project's thirty-three buildings stand empty, their windows smashed, their salable innards—plumbing, wiring, and hardware—stripped by thieves, their hallways hideouts for junkies. Last month city officials won Secretary Romney's permission to begin leveling some of the ruins, even though \$38 million of Pruitt-Igoe's original \$36-million cost has not yet been repaid to bondholders. The federal government will have to make good the enormous loss.

Bombs in the night

The current Washington prescription for avoiding such disasters is to scatter small clumps of subsidized units throughout both cities and suburbs. This meets with sometimes firm and sometimes fierce resistance from many middle-class neighborhoods. Barbara Casey, vice president of Kaufman & Broad—which last year got 15 percent of its domestic revenues from building subsidized housing under Sections 235 and 236—believes that community resistance is increasing. "Before Congress kills subsidized housing, the people might," she says. On Chicago's tough South Side, nocturnal bombings or fires have wrecked at least five Section 235 houses under construction. "We can't get insurance against malicious mischief on the South Side," says builder Allen J. Marrinson, the victim of two bombings. "We've tried putting dogs in the houses, but some have been killed."

Even when the race issue seems to be absent, projects to build subsidized housing in middle-class neighborhoods often encounter opposition. Earlier residents fear that the newcomers, with their larger families and cheaper homes, will lower property values, overcrowd schools, and debase the quality of life that the others have struggled to achieve. Moreover, low-priced homes come nowhere near producing enough property taxes to meet the costs they impose on a locality.

In a suburban area on the edge of South Bend, Indiana, home builder Andrew Place has stopped building Section 235 houses on his 200-acre subdivision because he wants to build and sell another 180 unsubsidized homes there. "Some of our customers were so angry they were swearing at me," he says. On Chicago's far West Side, the biracial organization for a Better Austin (the name of the neighborhood) fought unsuccessfully for several months last fall to halt construction of seven new 235 homes (see photograph on page 136). In the New York suburb of North Hempstead, black homeowners persuaded the town fathers to abandon a plan to build a group of ranch houses to be rented to

continued page 164

Exhibit No. 17—Continued

Housing Subsidies

Are a Grand Delusion continues

tenants of a largely black public-housing project in the city. Their objection was that "people who rent houses don't keep them up."

Opposition to subsidized housing by middle-class blacks reinforces the view that the real issue is income and class, rather than race as such. Still, suburban inhospitality to new housing for low-income families has led to numerous court battles waged largely on grounds of racial discrimination. In almost every decision so far, advocates of scatter-site construction have triumphed over such local barriers as zoning restrictions. Some housing analysts fear that the chasm be-

tween the principles of the courts and the fear and wrath of the middle-class electorate will produce a stalemate over where to build subsidized dwellings. The recent furor over construction of a large public-housing project in Forest Hills, for example, seems bound to make even New York City's subsidy-addicted politicians cautious about approving any more housing that might be unwelcome in its neighborhood.

The housing policies involved in all this controversy have veered a long way from the original objectives of federal programs. The government first moved in on the housing industry during the depression of the 1930's, mainly to combat the steep rise in foreclosures. The Federal Housing Administration was created in 1934 as a pump-priming device to revive housing construction after its collapse in the depression. To give private lenders enough confidence to grant

continued page 166

A Short Guide to the Subsidy Maze

The federal system of housing subsidies is a labyrinth of twenty-two separate programs. The most important:

PUBLIC HOUSING, begun in 1937, provides low-rent accommodations for low-income families and for single persons over sixty-two. Some four million U.S. residents, somewhat over half of them non-white, dwell in 390,000 public-housing units. About a quarter are on welfare. Washington imposes cost limits, construction standards, and many other rules, but only the 3,000 local housing authorities created under state law can initiate projects. They issue forty-year, tax-free bonds to finance building; HUD guarantees repayment. Income limits for admission vary by locality, family size, and several special factors, but generally run between \$4,000 and \$5,000 a year for a four-person family. Families that moved into public housing in 1969 (the most recent year for which data are available) had an average income of \$2,648. The average family paid \$50 a month for a unit that cost the government \$110 a month in cash subsidy. For continued occupancy, income limits average \$5,300 a year. Tenants whose incomes increase above the local ceiling are required to move out, often back into substandard housing, from which they frequently have come.

SECTION 235 (of the Housing Act of 1968) helps families with low and "moderate" incomes to buy one- or two-family houses, old or new. The Federal Housing Administration insures the mortgage and subsidizes part of the monthly payments. Buyers need not come from substandard housing. Families, single handicapped persons, and single persons over sixty-two are eligible, provided they meet income and asset limits. Buyers must have "adjusted income" no higher than 135 percent of the local limit for admission to public housing. "Adjusted income" is total pretax income minus earnings of minor children,

minus \$300 per minor child, minus 5 percent of adult income. In a few localities, large families can qualify with incomes up to \$12,500. More typical limits for families of four are \$7,290 in Dallas and \$8,370 in Greenwich, Connecticut.

Down payments, including closing costs, come to only \$200. The mortgage may not exceed \$21,000, or \$24,000 for families of five or more persons who are buying a four-bedroom house. Buyers must spend at least 20 percent of their adjusted income for monthly mortgage payments. Incomes are periodically re-examined; the subsidy is reduced as income rises, and it stops entirely if the required 20 percent of income payment equals the full amount of the mortgage payment. The typical Section 235 family contains four people, has \$289 in assets and gross annual income of \$6,259. The family buys an \$18,275 house and pays \$91 a month, while the government pays the mortgage lender \$81 a month in subsidy.

SECTION 236 is 235's counterpart for rental and cooperative housing. The subsidy mechanism and most regulations are identical. One difference is that tenants must pay at least 25 percent of their incomes in rent. In addition to the interest subsidy paid to the mortgage lender, each project may receive rent-supplement payments for as many as two-fifths of the occupants. The typical family contains three people, has an income of \$5,303 a year, pays \$115 a month rent, is subsidized about \$76 a month by the government.

RENT SUPPLEMENTS, started in 1965, cover the difference between 25 percent of a tenant's income and a figure equal to 70 percent of "fair market rent." Non-profit, cooperative, or limited-dividend groups are eligible to receive such funds from the government on behalf of qualified tenants. The tenants (1) must have incomes in the same range as persons eligible for public housing and (2) must be over

sixty-two or handicapped, or must have occupied substandard housing or have been displaced from their former homes by government action. Average income amounts to \$2,185, rent \$51, monthly subsidy \$86. Supplements are increasingly used to help poor families live in apartments that are also subsidized under other programs.

URBAN RENEWAL, which dates from 1949, is mainly intended to help rebuild worn-out parts of cities. But the program frequently provides half-hidden subsidies for both subsidized and ostensibly unsubsidized housing—the government pays a substantial part of the land costs. For every housing unit built under urban renewal, almost three have been demolished.

FARMERS HOME ADMINISTRATION loans provide cut-rate financing, predominantly for households with low and moderate incomes. **FmHA**, part of the Agriculture Department, runs eight housing-aid programs. The main one, Section 502, offers thirty-three-year loans at a below-market rate of 7½ percent. The average borrower has an income of \$6,461 a year, gets a \$13,765 loan, and receives a subsidy of \$14 a month. About a third of the borrowers, though, have low enough incomes or large enough families to qualify for "deep subsidy." They pay 2½ percent interest, which means an average monthly subsidy of \$66.

Unlike FmHA, which insures loans made by private lenders, FmHA lends government money directly, through its network of 1,760 local offices. Borrowers must lack adequate housing, be unable to obtain a loan from private sources on reasonable terms, and live (or plan to live) in a rural area or a town with a population of 10,000 or less. Nevertheless, the agency has been expanding its domain into the fringes of cities. FmHA Administrator James V. Smith defines the typical borrower as "part of suburban America."

Exhibit No. 17—Continued

Housing Subsidies**Are a Grand Scheme** *continued*

low-term mortgages, the government put its own credit on the line by insuring each loan. Popular mythology to the contrary, the original FHA programs involve no subsidy to anybody. For years FHA has returned a substantial profit to the Treasury (\$200 million in 1970). Both the funds to run FHA and its \$1.6 billion of reserves come from fees paid by developers and insurance premiums paid by borrowers: 1 percent annually on the declining principal of their loans. Only in the unlikely event that these reserves were exhausted would the Treasury have to cover FHA's losses.

One old housing subsidy often not recognized as such is the saving income-tax laws allow the 62 percent of U.S. households that own their homes. Taxpayers have been entitled since 1918 to deduct all interest payments from their taxable incomes. The U.S. Treasury calculates that the deductibility of mortgage interest saved owner occupants \$2.8 billion in taxes during fiscal 1971, and that the deductibility of local property taxes saved them \$2.9 billion more. Most economists would define that \$5.7 billion as a subsidy, just as they would the approximately \$3 billion of public funds that goes to pay rent (mostly on slum dwellings) for welfare recipients. But there has long existed a consensus in the U.S. that home ownership merits government encouragement. While that view prevails, the public presumably will continue to support this indirect form of subsidy, however debatable it may be on theoretical grounds.

Public housing, the first directly subsidized housing program, was enacted by Congress after an extended battle in 1937. The first objective of public housing, as set forth by the law's declaration of policy, was to "alleviate present and recurring unemployment." Another stated aim was "to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income." Originally, public housing was aimed at a clientele of low-paid workers. Local authorities refused to admit the abjectly poor, chronic troublemakers, or families on relief. In 1949, however, Congress prohibited discrimination against welfare recipients. Courts extended this principle to include mothers with illegitimate children and families with poor social histories or police records. Without evidence that such tenants would represent a hazard to others, the courts ruled, their rejection denied them due process of law.

Disguises to take the curse off

Gradually but inexorably, the projects accumulated such an overload of problem families that many law-abiding tenants moved out. For the last decade, as urbanologist Edward Logue put it, the trend has been "to make public housing palatable by disguising it. Scattered-site housing, rent supplements, turn-key housing, rehabilitation programs, the so-called instant housing created by renting private units all have as their purpose taking the curse off public housing."

The great proliferation of subsidy programs was engineered during the Sixties by Robert C. Weaver, the government's chief housing official in the Kennedy and Johnson administrations. An urbane intellectual who holds a Ph.D. in economics from Harvard, Weaver had spent most of his career in public housing and for a time was chairman of the National Association for the Advancement of Colored People. His background made it only natural that he should have turned the main emphasis of federal housing policy away from reinforcing the private market and toward subsidies for an expanding list of people. The result was what Donald

Kummerfeld, director of research at the Center for Political Research in Washington, D.C., calls "an overdose of legislation." New programs, he explains, were "begun and scrapped before the nation began to understand them and before there was time to evaluate fairly their results."

The trend reached its climax in 1968 with the adoption of Sections 235 and 236 by a Congress troubled about slum riots. Lyndon Johnson hailed the new legislation as a Magna Charta for housing. In one quite unintended sense, it was. For the first time in U.S. history, subsidies were enticing enough to make a big business out of the production, sale, and rental of subsidized housing. Paper to save inner cities, HUD officials ordered local FHA offices to lower customary standards of prudence in approving proposals under 235 and 236.

Many Section 236 projects are in trouble because Congress misjudged human nature. To stay on a sound financial footing, such projects require a range of incomes among their tenants, some getting full subsidy and a substantial number receiving little or none. But FHA has found that too many tenants move out if their incomes rise instead of paying minimum rent for the same unit. Partly as a result of this, many projects are strapped for operating and maintenance funds, and 10 percent are already in default on their mortgages. George Sternlieb, director of the Center for Urban Studies at Rutgers University, calls the two programs "a Frankenstein monster" and warns that 236 "may foster the worst wave of slums in the country since the first antislum ordinances were adopted in the nineteenth century."

What goes with the dwelling

Thirty-five years of frustrating experience with housing subsidies should have taught the nation several lessons. There is no such thing as inexpensive new housing, no matter how cheaply it is designed and built. Poor families will certainly need some kind of subsidy if they are to live in adequate surroundings, but in most communities it makes little sense to place large welfare families in new buildings, because rehabilitated dwellings can be provided at far less cost. The error is compounded when the structures are tower apartments, which not only cost about twice as much per unit to construct as walkups but also make it more difficult for mothers to supervise their children.

In our preoccupation with housing, moreover, we have overlooked the fact that neighborhoods usually decline in status, amenities, and livability before structures deteriorate. Yet anybody who buys or rents a dwelling must accept all the conditions that go with it—schools, transportation, sanitation, and the crime rate. Most housing assistance is too narrowly conceived to be of much help in saving our cities.

The obvious need for a better national housing strategy has prodded policy makers to re-examine many long-trenched beliefs and methods. Within the Administration, a variety of large and small changes is under discussion and a good many bills are in the congressional mill. One favored approach is increased aid for housing and neighborhood renovation. The aim is to stem housing abandonment in inner cities and arrest the exodus of middle-income families. Another serious proposal is for Washington to pay subsidies to metropolitan housing agencies. The agencies would decide, subject to HUD approval, how much and what type of housing should be built, in what general location, and for what income groups. After that, the agencies would allocate available funds to private developers. To encourage reluctant suburbs to accept poor families, localities would be bribed with a bonus of up to \$3,000 per unit to help cover the resulting burden on public facilities and services. Metropolitan

continued page 171

Exhibit No. 17—Continued

Housing Subsidies

Are a Grand Delusion *continued*

housing grants would be a powerful force to reorganize the Balkanized political structure of metropolitan areas.

A more fundamental break with tradition is represented by proposals for "housing allowances," to be given directly to people in need, either in cash or in scrip redeemable for rent or mortgage payments. Because recipients would make their own arrangements for better quarters, allowances should avoid creating community resistance to publicly planned subsidized projects. Some economists figure that housing allowances would cost only about half as much as present subsidy programs, provided enough housing is built to keep the recipients from bidding up the price of the existing supply. This is a very big if. HUD is testing the allowance idea in six cities under a \$10-million experimental program authorized by Congress. Housing allowances presumably would be superfluous if Congress were to adopt the Administration's proposal for a guaranteed annual income and set a high level of support.

The rediscovery of ignorance

Almost any of these diverse approaches should yield some improvement over today's mess. But not nearly enough. To avoid camouflaging costs, Congress should scrap most build-now, pay-later programs, especially Section 235, which creates enormous inflationary pressures on future federal budgets. To attack runaway building costs, lawmakers should sweep aside court rulings that have upheld make-work restrictions by labor unions. Payment of housing and community-development subsidies should be prohibited in localities that cling to obsolete building codes or archaic methods of real-estate title transfer. The trend toward industrialized home building deserves more legislative support than it has received, perhaps through a new FHA system of production financing.

Most fundamental of all, federal and state governments need to change tax laws that subsidize the misuse of land. Light taxation of vacant land rewards speculators, who keep it off the market until urban growth pushes up the price. Heavy property taxes on buildings discourage both their upkeep and new construction. Reverse as the idea may seem, more and more economists agree that all these problems might be greatly alleviated if all property taxes were levied on land values alone.

Government at all levels must recognize its incompetence at running massive housing programs. It took public-housing authorities years to realize that a concentration of problem families means a neighborhood disaster. Builders subject to marketplace discipline discovered that truth quickly under Section 235. To minimize social friction, the federal government should avoid detailed planning and confine its role to providing broad incentives and refereeing conflicts between various groups of citizens.

None of these reforms, however, seems likely to reach the gritty problem that underlies so much of the present trouble with housing subsidies; inherited poverty and dependency. Perhaps the most important lesson of the Sixties is that we have underestimated the complexity of social problems, and overestimated the effectiveness of conventional remedies. In particular, we have discovered that for a great many of the poor, housing fails as a means of social uplift. What would succeed? There seem to be no clear answers. In time, with more knowledge, we may find some. **END**

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