



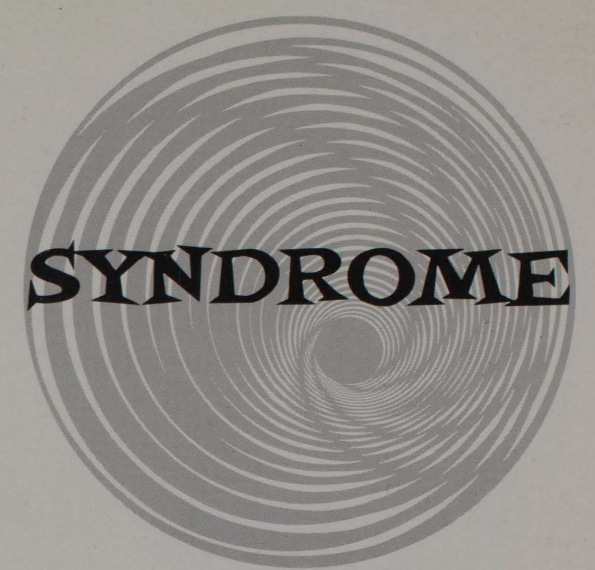
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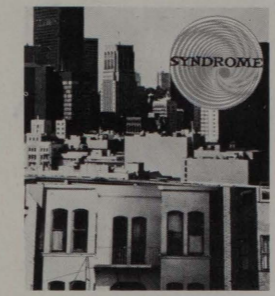
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SYNDROME

ABOUT THE COVER



OUR'S IS A NATION OF CONTRASTS. SYNDROME IS DEDICATED TO THE EVALUATION OF BOTH CAUSES AND EFFECTS OF THESE CONTRASTS IN PURSUIT OF A SOLUTION TO THE CRISIS WITHIN OUR CORE CITIES

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Making Money Relevant

In Solving Our Urban Dilemma

Abraham Lincoln, the great emancipator, did not free the slaves; he fired them. At the signing of the Emancipation Proclamation, black people in the United States were all fully employed. In itself, full employment, though a more relevant goal than the service-oriented *War on Poverty* that the federal government has been waging since 1965, will neither end urban disorder nor eliminate poverty.

Black Americans are rejecting the pacification system of services designed to meet only their most immediate and barely minimum needs. They clearly recognize the evolutionary pattern which has emerged: first, the plantation; then, reconstruction; later, the soup lines and unemployment; now, welfare, subsidized welfare, and perpetual welfare. They recognize that present housing programs, welfare income and service programs, and job programs directed at full black employment in the bottom pay scales are only an extension of the plantation system.

Black Americans, today, are demanding their proportionate share of economic power. Urban

disorder is an unsophisticated manifestation of this demand.

White Americans and black Americans must work together to find ways of providing economic opportunity for the *community* of the poor. They must, jointly, formulate the means and methods whereby economic institutions and economic power may be developed within the ghetto. A people without power is a hopeless people. In the United States any real power must have an economic base.

The nation's number one priority is neither inflation nor Viet Nam. Nor will massive infusions of federal funds into our core cities of the passage of new legislation directed at urban problems cure our most explosive ill—the crisis within black America. There is sufficient legislation; there are sufficient funds to solve the major problems of black people.

The white liberal intellectual establishment has owned the "black American franchise" for the past 30 years. It has unilaterally determined needs, established programs, and set priorities;

THE DOLLAR INVESTMENT IN GHETTO WELFARE, HOUSING, EDUCATION, HEALTH, EMPLOYMENT, ETC., REQUIRES PURPOSE AND DIRECTION—AWAY FROM BLACK APPEASEMENT TO BLACK PARTICIPATION IN ALL ASPECTS OF AMERICAN LIFE

it has built an evolutionary system of peonage for black people.

This system is analogous to the reservation on which the Indian has been confined. It is unique only in that the perimeters are sociological and not geographical. Current programs such as Aid to Needy Children, public housing, food stamp programs, rent and interest subsidies, and the guaranteed annual income are all programs which deprive black people of their options and provide the intellectual establishment with a constituency.

Always insecure in its defense of black Americans, the white liberal intellectual establishment has developed programs which prevent a challenge to their liberal position. This insecurity has prevented those blacks, most able and most committed to solving urban problems, from providing the kind of leadership which might have resulted in an early solution to the urban dilemma.

This insecurity results in the appointments of only *superblacks* to positions of prominence in liberal administrations. It results in the develop-

ment of few economic institutions in the black community, and a weak supporting posture of individuals who have emerged from them.

This insecurity prevents most American intellectual leaders from concluding that public housing is a failure, that public welfare is a failure, that public education is a failure, and that *subsidized subsidies* are an expensive, self-perpetuating and irrelevant approach to solution of the problems which plague black America.

Black ghettos are a *fait accompli*.

Funds allocated for use in our cities must be used in a more relevant manner, thereby building a meaningful economy within the black community. No longer can programs which encourage lethargy and dependence be tolerated. These programs must be replaced by efforts directed at the establishment of community initiative and responsibility through economic independence.

Most ghetto dwellers are consumers. Current programs are designed to perpetuate and subsidize this consumption. There must be a shift from consumption to a reasonable mix between

consumption and production. The ghetto must add value in goods and services to the Gross National Product. The per capita income in these communities can be raised only through production.

Money spent in the ghettos must work harder and turn over more often before it is permitted to leave. The appropriation and funding guidelines in all programs must insist that both public and private resources be allocated in a manner that establishes equity and encourages entrepreneurship within the poverty pockets. We are able to build healthy economies in underdeveloped areas outside the continental United States; why can't we do the same thing in our underdeveloped ghettos?

If we are to make the necessary changes in order to develop the ghettos, our priorities must be shifted 180 degrees. An examination of the programs currently funded by the federal government and directed at black America will produce a twenty billion dollar list of efforts all but totally irrelevant to the needs of black people.

White America has created for itself middle class *welfare* agencies, such as the National Aeronautics and Space Administration and the Civil Service System, these agencies are both consistent with the *protestant ethic* and also serve the majority economic and spiritual needs. Money appropriated for highways, airports, public works, transportation, air and water pollution, etc. produces a measurable elimination of need for welfare and services in white America.

MONEY SPENT ON THE COMMUNITY OF THE POOR IN HOUSING, HEALTH, EDUCATION AND WELFARE PRESENTLY DOES NOT HAVE TO MEET THE SAME CRITERIA.

Making the money spent in the community of the poor relevant to the needs of that community requires that these funds produce a measurable diminution of need for the program itself. Any public or private expenditure which fails this test is irrelevant and should be re-evaluated.

The Economic Development Administration has been involved unsuccessfully in trying to build urban *plantations*. The Small Business Administration has devoted itself to mending political fences and paying political debts. The Office of Economic Opportunity and Departments of Housing & Urban Development and Health, Education & Welfare pursue a policy of black pacification. Eighty-five percent of the expenditures of these agencies (as well as other departments) have been totally irrelevant to the needs of black people.

The money which is spent for welfare is all

consumed. There are relevant ways of using this money to both develop economic power in the black community and to serve the immediate needs of millions of welfare homes.

The money which is now spent for rent supplement, turnkey housing and public housing would be more relevant to black community growth if there was built into these programs a commitment or serious consideration of a direct development and ownership concept.

Making money relevant to the needs of black Americans in housing requires that black Americans build and own the houses which they occupy. If poor people are permitted to build and own the space they occupy, they eventually cease to be poor. Though integration and fair housing are important issues in black communities, the first priority must be and is economic development. Open housing has no meaning to millions of black people because they are living in poverty and cannot even afford the standard housing which they now occupy.

Within the perimeter of existing legislation public housing can and must become private housing, tenants can and should become owners, laborers can and must become journeyman, and black communities will become developers.

Making money relevant to the needs of black Americans in the health field requires the establishment of health clinics within the ghetto. These facilities must be built and owned by a community interest. They must not only serve the health interest of the community in which they are located, but the educational and economic interests as well.

Making money relevant to black Americans in employment requires the use of tax incentives and low interest long term money to create not only employment, but to build equity in the target community. When grants and loans come to a community because of its high unemployment statistics these statistics can be lowered only by building equity for the target community into every proposal to the extent necessary to effect the employment policies of companies so aided.

Making money relevant in the educational field requires an approach which will sensitize parents, teachers, and institutions as to both educational priorities and academic results. If the government is willing to subsidize programs within the ghetto, then a subsidy more relevant to the needs of the black community than a rent subsidy, interest subsidy or welfare check would be a learning allowance paid to low income families whose children excel academically. The amount of this allowance should be re-

lated to the needs of the family and the accomplishment of the student. It should be greater than that available to welfare mothers whose children do not participate in the learning process, and should be available to academic and non-academic students alike. It must be large enough to establish a strong relationship between education and money (hence development) in the minds of the students as well as the pocketbooks of the parents.

If education through relevant incentives, becomes internalized by poor parents and students, these parents will no longer permit public schools to graduate their children as functional illiterates.

The market for consumer goods in black America is 30 billion dollars. If the income of black people can be raised to the same level as that of white people, this market can be easily expanded to 90 billion dollars.

Enlightened self-interest must be the key word in any proposal designed to make money relevant to economic integration. The market to rebuild housing in the ghettos over the next twenty years is unlimited. Black people neither control nor own the land on which this market must be developed, but they do, in fact, occupy it. Access to this unlimited housing market must be traded selfishly by those who are the occupying force.

This exchange for access to an unlimited market must be made with trade unions for something of equal value. The occupying force must project the size of the work force required over the next twenty years in order to meet the demands of this market. It must project and analyze the economic impact on trade unions. It must equate this analysis with analysis of its own needs. Once an equation is established an equitable exchange can then be negotiated.

The trade for access to an unlimited housing market must be made with contractors for something other than a promise of jobs. This trade must be made for economic development in the black community. The force which occupies the land on which this market depends must opt for building companies which are substantially owned by black people. It must opt for ownership both by individuals and by community groups. It must opt for all those things which result in a ghetto-directed recycling of money.

A careful definition of other markets might result in exchange possibilities similar to the ones already defined. An Executive order might define a market with the following parameters:

1. A percentage of all budgetary resources shall be used to buy goods and services from companies having substantial black ownership or substantial black management.
2. An acceptable sole source justification in any contract will be substantial black ownership and/or black management.
3. Where companies having substantial black ownership do not exist they shall be formed.
4. Each department and independent agency shall establish a minority business development center whose responsibility it shall be to provide technical assistance and loans to vendors and contractors whose ownership is substantially black.

If economic integration is to assume some meaning, ways of overcoming the disadvantageous position of black people must be developed.

Most blacks are not seeking two separate worlds—one black and one white. Most blacks reject welfare payments as a way of life; they reject job programs which must return them to the ranks of the last hired and first fired.

Black America has come to grips with the irrelevancy of integration in schools, in housing and in employment. They know that for integration to be effective, it must be the integration of two equal forces and must be based on an enlightened self-interest of both parties—each dealing with a mutual respect engendered by the economic and political power of the other. This situation is seldom found in the present state of black powerlessness.

The militant black world and the conservative white world have more readily perceived and understood the necessity for a transfer of proportional political and economic power to black people if urban disaster is to be prevented. The great mass of white Americans in the middle of society must also see that the development of the black bottom of society is critical to their survival and the survival of America.

Making money relevant is the one way of building equity into the community of the poor. It is the one way of beginning to transfer some economic power to black people. It is the only way of rescuing millions of Americans both black and white who live without hope and who will pass on this hopelessness to children yet unborn. ■

Prep Schoolers Revolt In Los Angeles, Midwest

'Beard' Boycott Grows

CORVALLIS, Ore. (AP) Seventeen athletes are among the 47 black students who left the Oregon State University campus in a dispute involving one black athlete's beard. Pacific Coast sources Saturday that they feared action might provoke from black athletes at universities.

All 47 black students Oregon State campus joined the walkout after a majority of the 14,000 white students failed to support the black call for a boycott of athletic events. The controversy began weeks ago when football player Dee Andros kicked Fred a black linebacker, off for refusing to shave a beard.

The Black Student Union up Milton's cause, calling for a boycott and asking white students to join the black students. Only a fraction of the white students did. A few white athletes, including the blacks, including citizens school study

Criteria for Supt. Suggested

The citizens study committee of the Livermore Valley Unified School District has released an interim report suggesting criteria for the new superintendent.

The new superintendent must be first and foremost an administrator, declares the report. "High on the desirable attributes is the ability to organize. Benefits to the district accrue in two ways: first, the board of one person account day-to-day decisions then leave that and other responsibilities to the superintendent," said he would play a protest. He was killed.

Black players on the 11 frosh teams of Washington and Westinghouse honored the boycott with reprisal from their coaches on the seventh day of the boycott. BSU President Mike Smedley announced that all 47 black students were withdrawing from the school, leaving the school white.

Colorado U. Charges 4 in Melee

OLDEN, Colo. (AP) — Colorado's new campus disorders were invoked Wednesday night for four persons involved Monday night's disruption of the University of Colorado

100 women students who moved into men's dormitories over the weekend that they hope to have at least one regular coed dormitory in operation by fall. The girls from Barnard, the women's college associated with the girls' college, aimed a long

High School Unrest Next—Hayakawa

SAN FRANCISCO (UPI)—The current wave of unrest sweeping college campuses already is seeping into the nation's high schools and "more difficult times lie ahead," according to Acting President S. I. Hayakawa of San Francisco State College.

Can School Mixing Handicap The Negro?

Of all the things which the black power people demand, the most pressing is a return to racial segregation in public schools. They want schools for black children, with black teachers and a curriculum phasing "black culture."

Many of them say that Negro children (all right, black children, if you prefer) are advantaged in racially segregated schools. There are dangers in this

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S.F. State Bomb Blast Hurts Two

SAN FRANCISCO—Two persons were injured last night in a bomb blast that rocked The Creative Arts Building at San Francisco State.

Surrender On Campus

Black History Classes Offered

Classes in Black history and Chicano History are being offered free of charge to students at the Youth Extension Office at 306 A St. Free classes in charm and primitive dance are also offered for girls.

Open Forum Students Hash Out Racial Issue

By GAGE MCKINNEY Students looked at me like they didn't know what I was talking about. I had a heated discussion on the Valley High's Human

Black Studies At Issue

HEW Opposes Separatism

Taxpayers Back School Election Bill

Coeds Fan School Revolt

State School Districts Deny Rights Law Violations

Campuses Termed 'Ripe For Revolution'

Campus Probe Starts

Speed-Up Seen In School Funds

THE EDUCATION CRISIS

A New Perspective

Since the launching of the Russian Sputnik Satellite in 1957, educators, politicians and others have constantly cried out against the crisis in American education. More classrooms, more money, and greater concentration of subject matter—especially in the sciences—must be given to more students and at earlier ages in order to meet the threat posed by the Russians.

In the last few years, the American educational crisis has taken on new dimensions. It has come to mean the crisis surrounding college student political activities and the problem of the ghetto school. Although there is much to be said in casual analysis of the former crisis, this article will deal primarily with the latter.

Unlike the educational crisis involving what may be called the "technician gap," the ghetto school and its "cultural-gap" problems has been approached in such a manner as to make these problems insoluble.

American educators and politicians faced squarely up to the enigma of the disparity in the number of engineers, technicians, and scientists that were being produced in the Soviet Union as compared with the United States. The problem was defined very simply in terms of what kinds of technicians are needed in this space age technology in order for the United

States to remain leader of the free world, both economically and militarily, and what must happen on the American elementary, high school and college campuses to close the gap in the production rate of technical experts.

Curricula has been changed and accelerated; technical and scientific materials are offered to students at earlier ages than before; teachers are studying advanced instruction methods in order to prepare themselves to cope with their new responsibilities; and continuing efforts are made to encourage and direct the young student into the scientific and technical fields. When the question of money came up, it was dealt with in terms of how much was needed in order to produce some rather specific goal and number objectives of this new educational philosophy.

No such simplistic analysis and solutions have been offered for the problems of the ghetto school. Most of the attention has been directed not at the school itself, but at the community which surrounds the school. Discussions have centered around the income level of the student's families, community housing patterns, the availability of busses for student shuffling, and the ethnic makeup of the class, the school and the neighborhood. When discussions reached the school itself, they have dealt largely with class sizes, building ages, and pupil discipline.

Few critics have raised their voices to decry

the real crisis in ghetto education:

- a. The crisis surrounding subject matter and methods of instruction.
- b. The inability of the teacher to make the subject matter part of the child's life.
- c. The thousands of teachers in the central city ghetto schools who very simply have given up and do not believe that the urban black child has the ability to learn.
- d. The teacher who has allowed himself to become a disciplinarian rather than an instructor.
- e. A system of pupil rewards that places behavior and silence above academic achievement.

- f. The entire testing, tracking and grading systems;
- g. The ghetto teacher placement system; and
- h. The refusal of the teacher to prepare himself culturally, psychologically and many times academically to teach the urban black child.

The increase in number and intensity of demonstrations by black students and their growing aggressiveness has helped to further direct definition of the ghetto educational crisis away from its solution. Corrective proposals calling for teacher "control" of the classroom, more police protection, and removal of "thugs" from the



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campus merely obscure the problem.

Today's black youth rebellion on our junior high, high school and college campuses is merely a rejection of and a reaction to the irrelevancy of educational subject matter to the problems of every day living. The revolt rejects the conscious and subconscious paternalistic attitudes and approaches of most core city white and many black teachers who are assigned to the ghetto school. This rebellion must also be understood as a group effort to "drop into" society (as opposed to the hippie "drop out.")

Critical analysis of black student demonstrations reveals a continuous effort to "get in," to influence the decision-making process, and to make the whole educational system more meaningful to the black community. The violence that has erupted must be seen as a very American reaction to the failure of traditional methods through the years to produce tangible individual and group victories in the determined and endless battle for improving educational results. (This violence has never been directed *carte blanche* against all teachers or all administrators, white or black—thus providing additional casual insights.)

The solutions to these admittedly complex problems will not come with additional numbers of busses and police, but in greater preparation, understanding and agreement regarding the purpose of the ghetto school. The preparation must be a combination of teacher training coupled with capsules of practical social experience and cultural analysis training. The understanding must be of the teacher, his social background and attitudes, and of the child, his cultural background and community experiences. The agreement must be (as was done to correct the "technician gap") centered around specific goal and number objectives for the ghetto school to be achieved in specified time periods.

Education is not buildings or busses; it is neither family income levels, community housing types, nor ethnic composition; it is not even class sizes of 15 pupils, teams of teachers, or so-called "racially balanced" classrooms. Education is symbols, ideas and their associations; it is the use and interpretation of date; it is the knowledge of how to function effectively within society.

Ghetto educational criteria must be established and dealt with, first in terms of goal and number standards to be achieved in general and technical subject areas, and second, in terms of factors outside the school itself. The prime mov-

er must always be the education of *all* ghetto children—not just those whose are able to be bussed away from reality. Racial balances must be seen as tools for community understanding (hopefully), and not as primary tools to be used in production of black scientists, technicians, doctors, lawyers, and educators. (These statements should not be used as arguments against bussing, open housing or integration. They are only directed toward separating social problems and their solutions, as much as practicable, from those of education.)

Although new and more modern facilities are needed in the ghettos of the United States, they must be considered only as supplements to academic achievement. New facilities are critical when the old ones are producing honor students to the maximum of their potential. The decision to build a new school or classroom, to replace worn equipment, or to hire a new instructor should be reached as a result of sincere efforts to raise educational advancement, and not merely as efforts to pacify neighborhood residents, community groups, or Redevelopment Agencies. (These statements, again, should not be used as arguments not to pass new and needed school bond issues or not to redirect budget resources away from suburban and into ghetto schools. These comments are merely attempts to establish as the *raison d'etre* the production of two or three times the number of honor students in the next graduating class, along with the raising of the entire ghetto student body general education level.

The success of the foreign student (many of whom are Black) on the American college campuses should dispel once and for all the notion of direct relationships between academic excellence and a "deprived" background, language barriers, poverty, "intolerably" crowded classrooms, and "defacto" segregation. The *Phi Beta Kappa* and *Suma Cum Laude* rolls are well integrated with the rich and poor, the black, yellow, and white, the advantaged and the disadvantaged. What mysterious quality do these students possess that enables them to rise beyond their backgrounds?

What these foreign students possess is a burning desire for educational achievement. Many come from a background, the physical environment of which would make the urban American ghettos look like upper middle class suburbs. Yet, their records prove consistently that success can emanate from the most deprived of background. These students come from cultures that

(continued on page 26)



INDIVIDUAL AND NEIGHBORHOOD EFFORTS AT REHABILITATING GHETTO PROPERTIES—A REFLECTION OF PRIDE OF OWNERSHIP AND COMMUNITY SPIRIT—ARE AT PRESENT LACKING THE SUPPORT OF THE URBAN FINANCIAL ESTABLISHMENT. AN ENLIGHTENED REAPPRAISAL OF LENDING POLICIES AND PUBLIC RESPONSIBILITY CAN HELP TO AVOID A SOCIETY OF SLUMS.

PRIVATE MORTGAGE FINANCE PLAN

For Ghetto Homes

The Associated Real Property Brokers, Inc., a San Francisco-Bay Area real estate trade association affiliated with the California Association of Real Estate Brokers, the National Association of Real Estate Brokers, and based in Oakland, has proposed a unique private financing plan designed to solve the major mortgage problems of the ghetto.

The proposal calls for every financial institution—banks and savings and loan associations—that receive deposits or make loans in the San Francisco Bay Area to set aside a certain percentage of their mortgage portfolio for use in the so-called “hard-core” and financially depressed areas.

Frustrated by a continuing inability to obtain home and commercial mortgage money for their clients, many of whom were stable, long-time residents of areas now called ghettos, several ARPB members formed a subcommittee to develop new financial resources for these communities.

Mr. C.H. Howell, an Oakland real estate broker of some 20 years, began contacting fellow members to discuss what efforts would be appropriate. “We felt that something had to be done, and had to be done in a hurry.”

After several exploratory meetings, it became apparent that the banking and savings and loan institutions were generally “red-lighting” certain areas of the city. “These were, of course, primarily the black areas of the city,” says Howell. “Whole areas were being blacked out and lenders would not even send appraisers to look at property.”

Every local lending institution was invited to

attend a series of four private luncheons hosted by the ARPB. Most of the 20 or so institutions which responded to the invitation were represented by real estate appraisers and assistant bank cashiers who could neither influence policy nor would even admit existing policy. As might be expected, these initial discussions were non-productive.

Mr. Ray Collins, ARPB president, says, “We asked each institution to complete a foreclosure survey that we had prepared, hoping to pull together the kinds of data that would enable us to see just which loans were going bad.”

“I’ve been in business for almost 20 years. After surveying my files, I found that the number of foreclosures on transactions that I had handled over the years represented about 1/2 of 1 percent of my total effort. We took a survey within the organization and discovered that most of our members had similar experiences on their sales histories. The results of the survey indicated to us that the major problem facing the lending institutions was their inability to rate risks in predominately black areas, properly.”

The lending companies with the largest number of foreclosures on their records refused to complete the survey. However, ARPB members are confident in their knowledge of the real problem. Use of such descriptive terms as “high risk,” “low profit,” “hard-core,” “economically and culturally disadvantaged” areas are in many instances mere cover-ups for the real foreclosure causes. Many, if not most, of the hard-core area foreclosures are seen to be results of *over lending* on construction loans, and

loan assumptions to bail out "good customer" speculators. Many of the remaining ghetto foreclosures are due to the necessity of using 2nd and 3rd mortgages in home purchases because of substantially lower institutional loan to value ratios and appraisals.

"Areas cut off from mortgage financing predictably will become run down," states Howell. "Americans improve property by transfer of equity through sales, refinancing to combine 2nd and 3rd mortgages, and by home improvement loans. Homes are not rehabilitated out of earned income. When an owner cannot arrange funds for buying, selling or refinancing, then his home, as well as those of his neighbors, is going to suffer. There are good buyers and good properties in all areas of the city. To arbitrarily block out any area is analogous to pouring oil on our already hot urban fire."

It was against this background that the ARPB members developed a concept of "pooling" financial resources in order to solve the problem. No one institution is responsible for the entire mortgage problem which plagues the ghetto. Each should share in this responsibility.

The ARPB's goal is the establishment of a lending policy, the results of which would produce a loss ratio which is no greater than that which is experienced in any middle class suburb. Should any of the pooled loans go bad, the obvious advantage to lending institutions is in sharing 1/10 or 1/20 of the loss rather than absorbing the entire amount. ARPB members feel that this pooling concept will make it easier for lending officers to overcome board and stockholder objections to commitments of large amounts of money to ghetto areas. The loan policy would be set by a representative institutional loan committee agreeable to each lender. Capitalization would be on the basis of net assets, or some other mutually satisfactory criteria.

"We have had discussions with both the State Commissioner of Savings and Loan Associations, Preston Martin, and State Superintendent of Banks, James Hall," stated Walter Taylor, Board chairman. "Both officials have indicated that such a pooling arrangement is probably quite legal under existing law. Our understanding is that if the financial institutions will commit funds to such a pool, both gentlemen would be willing to assist with any mechanical details."

Participation in a mortgage pool is not a new concept. Banks and savings and loan institutions have long cooperated on large construction loans and have jointly financed many other projects. Bond issues are frequently purchased

in conjunction with one or more institutions. Insurance companies, historically, have ventured jointly in various mortgaging projects.

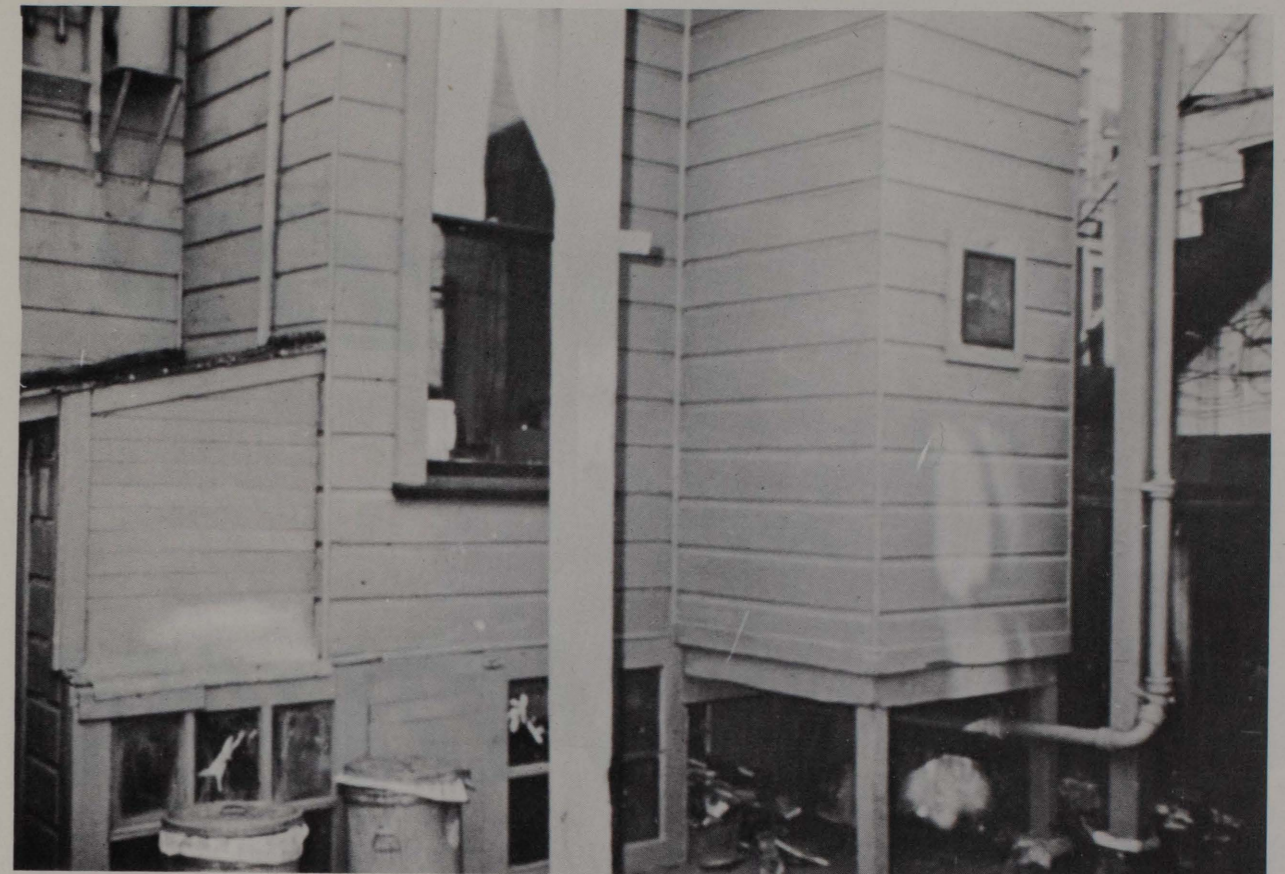
Vehicles such as clearing house associations and savings and loan leagues are now being used for a variety of activities including allocation of contributions to charities and other groups as well as procedures for efficient collection of checks and drafts drawn on member institutions. Banks and savings and loan companies are already beginning to pool resources under the California Job Development Corporation Act. The 1968 Housing Act has sections which call for lender cooperation through a new government corporation, the Government National Mortgage Association.

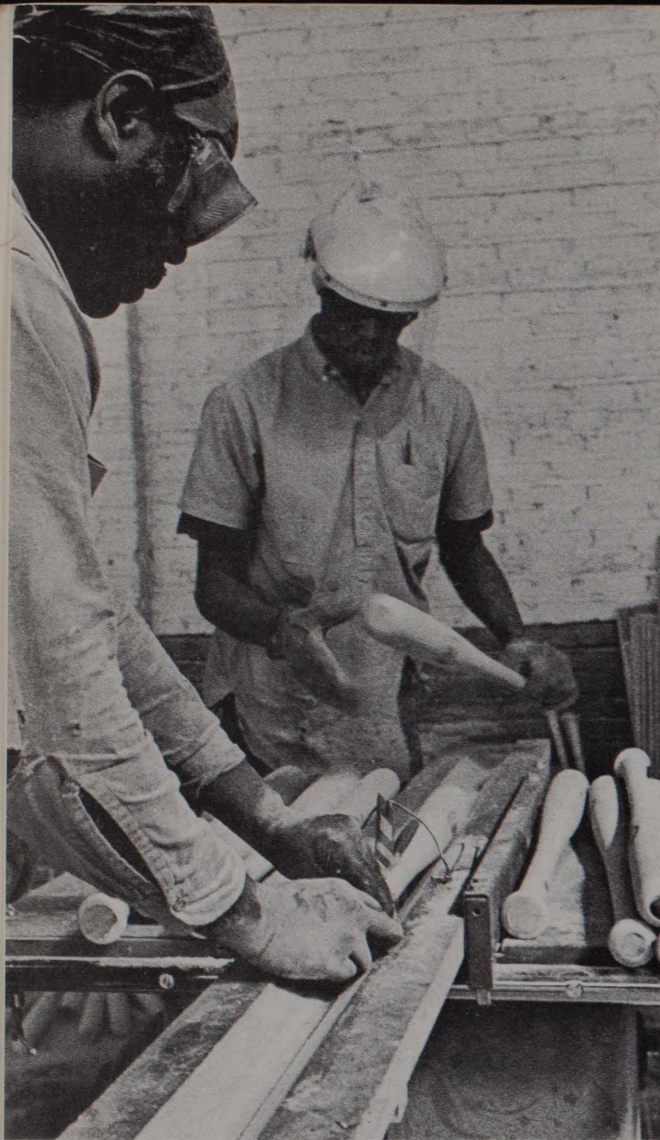
The proposed ghetto pool is merely an extension of the assigned risk philosophy which prevails in the auto insurance industry. "Many lenders," says Howell, "suggested initially an assigned risk approach with each participating institution financing a ghetto property in some rotating fashion; but, we believe many more reciprocating advantages will result from the use of the lending pool. Our purpose is to show the lenders how they can make loans safely in any area of the city. We aren't asking anyone to lose money."

The question of Federal loan guarantees came under discussion several times during the five month period of negotiations. ARPB members don't object to government insurance for ghetto loans, but they don't feel that their community should be expected to wait until government guarantees of a subsidized profit encourages lenders to do business with black home purchases. "Our experience over the years proves that if you know the community you're attempting to serve, you can make sound loans," says Collins.

In conjunction with this philosophy, ARPB members have suggested that a community-owned mortgage servicing corporation be established to pre-screen applicants, package loans, and make recommendations to the pool loan committee. This concept is patterned after a private mortgage insurance plan for conventional loans similar to that of Mortgage Guarantee Insurance Corporation of Milwaukee and the Municipal Mortgage Fund of Fresno, California. According to Taylor, "We would do more than any of these plans because we would service the debt for the pool and provide financial counseling for loan recipients. If a loan does fail, this new corporation would assume the responsibility

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GREEN POWER

Green Power Foundation, Inc., is a non-profit corporation, incorporated December 6, 1967 in Los Angeles, California.

Originally begun in August of 1967 as "Operation Let's Go Back Home" (a highly successful effort to bring the black businessman and professional back into the Watts community) one hundred forty management level blacks, with a wide range of backgrounds, skills and experience and from an assortment of southern California companies, got together to seek how they could make a meaningful economic contribution to their people.

A practical vehicle was sought to upgrade the socially and economically disadvantaged ghetto minorities into the mainstream of American economic life. Self-respect, individual responsibility and a hope for the future were seen as the predictable results of productivity and self-support in low-skilled blacks.

Initial investigations disclosed a relatively easily established operation and potentially pro-

fitable market in the manufacture of baseball bats. There were no west coast bat manufacturers. The turning of a bat on a lathe was a skill that could be taught easily requiring no formal education or experience. Bats were also a product in which a person could take a rough piece of wood, shape and mold it, and see it come of the lathe as a finished product—thus producing immediately visible productivity and confidence in the here-to-fore unskilled trainee.

The problems encountered were many but none proved insurmountable. Hard oak was expensive and not readily available, as existing supplies were committed. A scientist and an aerospace engineer solved these problems: the former demonstrating a method whereby California soft wood could be irradiated safely to make it hard; the latter providing a means of wrapping bat handles with a resin-dipped filament making them more flexible and durable than oak.

Pacific Telephone provided the needed fac-

NORMAN HODGES directs the mushrooming Green Power Enterprises that got into the swing of thing with a baseball bat and a determination to bring jobs into the black community.



tory space. A 100,000 square foot building at 1150-South San Pedro Street was leased to the Foundation at \$1.00 per year for three years.

Initial capital in the amount of \$3,500 was raised by 88 of the members. An additional \$200,000 has been raised by sawing bats in half, varnishing them, mounting them on an impressive-looking plaque, and selling them for a contribution.

Endorsements of major league players, a must for volume-selling of bats, were provided by Lou Johnson and John Roseboro of the Los Angeles Dodgers. The Dodgers also give away the "Watts Walloper" (trade name for the bats) to youth league players for a home run or big play.

The Foundation formed the California Golden Oak Products Company to manufacture the "Walloper." With 22 employees and one large lathe, (purchased by Leonard Firestone of Firestone Tire and Rubber Co.), Golden Oaks borrowed \$50,000 from United California Bank to begin manufacturing. Initial operations were so successful that the loan, guaranteed by 24 corporations, was paid off in 59 days.

Operations have now expanded and diversified to the point that bats comprise only 10% of Golden Oaks sales. New product lines include furniture and other wood products. The pro-

jected annual sales of a half-million dollars permanently employs 18 people.

The present non-profit structure of Green Power facilitates the development of such other future oriented entities as:

Gee Express, Inc., a trucking company, presently has 5 vans and trailers, 17 employees, and plans to seek inter-state commerce contracts to do retail and wholesale freight hauling. Fifty employees including full-time truck mechanics are projected. The present annual business volume is \$250,000 per year.

Business Engineering Systems Technology (BEST) will train people in computer programming and operation of business machines, it also will serve the data processing needs of the Los Angeles small business community.

The "Walloping Wonder" is a batting machine about to be released by the Foundation. The design will readily facilitate pupil instruction in baseball hitting.

Green Power Enterprise is a special arm of the Foundation which develops new product lines and assists in operations establishment. Six are currently employed in

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THE ACHIEVEMENT TEST—AN INCREASING DETERMINANT IN AMERICAN LIFE—HAS BEEN USED BY EDUCATIONAL INSTITUTIONS, PRIVATE INDUSTRY, GOVERNMENT AGENCIES, AND OTHERS TO ASCERTAIN A VARIETY OF DATA FOR VARYING PURPOSES. SIGNS AND SYMPTOMS IS AN ATTEMPT TO MEASURE ONE'S PERCEPTION OF OUR COMPLEX AND PLURALISTIC SOCIETY IN ORDER TO SEEK OUT THOSE PERSONS MOST QUALIFIED TO ASSIST IN SOLVING THE PROBLEMS OF OUR CENTRAL CITIES.

SIGNS AND SYMPTOMS

(Answers to be printed in next issue of SYNDROME)

1. What are the 'Dixie Hummingbirds'...
a. part of the KKK b. a modern gospel group
c. a swamp disease d. a black liberation army
2. 'Shine it on' means most nearly the same as...
a. write on, brother b. keep getting up
c. righteous on that d. get it together
3. Who did 'Stagger Lee' kill...
a. his mother b. Frankie
c. Johnny d. Billy
4. 'Jet' is...
a. an 'East Oakland' motorcycle club
b. one of the gangs in 'West Side Story'
c. a news and gossip magazine
d. a way of life for the very rich
5. 'Don't be so mean' means most nearly the same as...
a. sock it to me b. T.C.B.
c. hold on, I'm coming d. keep on pushing
6. Bo-Diddley is...
a. a game for children b. a down home singer
c. seditty ways d. the latest dance from Philly
7. Cheap chitlings (not the kind you purchase at a frozen-food counter) will taste rubbery unless they are cooked long enough. How soon can you quit cooking them to eat and enjoy them...
a. 45 minutes b. 2 hours
c. 24 hours d. 1 week (on a low flame)
8. The first line of the original 'Negro National Anthem' goes...
a. We shall overcome b. Lift every voice and sing
c. We're a winner d. Carry me back to old Virginy
9. 'Down home' (the South) today, for the average 'soul brother' who is pickin' cotton (in season) from sun-up until sundown, what is the average earning (take home pay) for one full day...
a. \$1.65 b. \$3.50
c. \$5.00 d. \$12.00
10. What is the 'Hambone'...
a. a new weapon b. a soul dish
c. a dance d. a unique art form involving rhythmic slapping of the hand against the thigh & mouth
11. If a dude is tight with a woman who gets State aid, what does he mean when he talks about 'Mothers Day'...
a. 2nd Sunday in May b. 3rd Sunday in June
c. 1st & 16th of the month d. none of these
12. Many people say that 'Juneteenth' (June 19th) should be made a legal holiday because this was the day when...
a. the slaves were fired in the U.S.A.
b. the slaves were fired in Texas
c. Rev. Martin Luther King was born
d. Booker T. Washington died
13. 'Hully Gully' came from...
a. Philly b. Watts
c. Harlem d. Motor City
14. What is Willie Mae's last name...
a. Schwartz b. Gomez
c. Turner d. O'Flaherty
15. The opposite of square is...
a. round b. up
c. hip d. lame
16. A 'hankerchief head' is a...
a. cool cat b. porter
c. uncle Tom d. preacher
17. Hattie Mae Johnson is on the County in California. She has four children and her husband is now in jail for non-support as he was unemployed and was not able to give her any money. Her welfare check is now \$286.00 per month. If she got pregnant again, nine months from now, how much more will her welfare check be per month...
a. \$80.00 b. \$35.00
c. \$150.00 d. \$100.00
18. Which word is most out of place here...
a. splib b. blood
c. grey d. spook
19. The Twist was originated by...
a. Arthur Murray b. Chubby Checker
c. Hank Ballard d. James Brown
20. If a man is called a 'blood', he is a ...
a. fighter b. Mexican-American
c. Afro-American d. hungry hemophile
21. A 'gas head' is a person who has a...
a. fast moving car b. habit of stealing cars
c. process d. long jail record for arson
22. COMPUTERS are to PROBLEM SOLVING as JAMES BROWN is to...
a. drop-outs b. Please, Please
c. Otis Redding d. singing
23. The WELFARE SYSTEM is to the MATRIARCHAL FAMILY as the GARVEY MOVEMENT is to...
a. black power b. pig
c. back to Africa d. pride, dignity, respect
24. 'KEEP ON PUSHING' is to 'RESPECT' as ARETHA FRANKLIN is to...
a. Ray Charles b. Impressions
c. Beetles d. Temptations
25. 'SAY IT LOUD' is to 'DON'T BE SO MEAN' as the NEW FRONTIER is to...
a. Profiles in Courage b. John Kennedy
c. Conscious of a Conservative d. Great Society
26. RECONSTRUCTION is to CARPETBAGGER as URBAN PROBLEMS are to...
a. Black Panther b. corporation
c. welfare d. Freedman's Bureau
27. SENATOR DODD is to BOBBY BAKER as ADAM CLAYTON POWELL is to...
a. Malcom X b. Martin Luther King
c. none of these d. Eldridge Cleaver
28. MULE is to HOG as HUSTLER is to...
a. Republican b. Democrat
c. L.B.J. d. Paul Newman
29. PLAYING THE DOZENS is to SIGNIFYING as BLOW is to...
a. wind b. hammer
c. horn d. rap
30. SOUL SISTER is to FOX as EUROPEAN is to...
a. Miss America b. African
c. Southern d. Miss Universe
31. HIP is to HEP as SHUCK is to...
a. heavy b. blow
c. jive d. funk
32. FRUSTRATION is to POLITICS as RIOT is to...
a. 'Burn, Baby, Burn' b. Watts
c. Democrats d. vested self-interest
33. Economic Integration is most closely associated with...
a. inflation b. Richard Nixon
c. Whitney Young d. a piece of the action
34. Select the word that doesn't fit...
a. black power b. individual initiative
c. self-determination d. balancing the budget
e. riot f. progress through production
35. The urban crisis is primarily caused by...
a. vested self-interest b. politicians
c. liberals d. greed
e. paternalism f. all of these
36. The most effective black American leader is...
a. Roy Wilkins b. Senator Ed Brooke
c. Whitney Young d. Dick Gregory
e. none of these f. Rap Brown
37. The negroes' greatest friend is...
a. a concerned liberal b. private enterprise
c. a friendly politician d. EDA and SBA
e. all of these f. none of these



GREEN POWER

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this division.

Keen interest has been expressed in a recreation camp sight, not only as year-round recreation but as another vehicle which will permit meaningful dialogue between ghetto youth and the community adult citizenry. The board presently is considering a 160-acre parcel with beautiful oak trees, a swimming pool, several large buildings, and a trout pond, located near Santa Barbara.

The Foundation, in conjunction with the Martin Luther King/Westside Study Center, also is involved in the management and operation of a Mobil Oil station in Pasadena, California. The long-range purpose of this project is to provide management and maintenance training into the auto service industry. Eight have become permanent employees.

Green Power sponsored its first little league team in 1968 in Watts. One hundred fifty Watts boys received uniforms, Watts Walloper bats,

and an awards banquet at the season's-end. The name of the team: "Watt's Wallopers."

A task force comprised of real estate, architectural, contract, and legal experts is negotiating with Federal Housing Administration for the development of low-income housing in the South Los Angeles area.

The Green Power Foundation is one of the first groups established by successful blacks dedicated to helping those still in the ghettos. The emphasis is on hard-core unemployables, i.e., those with narcotics, police and prison records.

The Foundation believes that programs for full employment and improvement of living conditions for residents of disadvantaged areas must come from within the ghetto itself. This results in a sense of security and incentive for self-motivation which is vital in the making of a responsible citizen. Excerpts from the profiles of some of the employees mirror the success of Green Power's efforts:

"...Presently [Bennie] is on probation, but he will return to complete his high school

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"Our nation is moving toward two societies, one black and one white—separate and unequal." And, unless immediate corrective action is taken," ... large scale and continuing violence could result, followed by white retaliation and, ultimately, the separation of the two communities into a garrison."

These are words from the much publicized and relatively blunt report of the PRESIDENT'S COMMISSION ON CIVIL DISORDERS which pinpointed white racism as the root cause of black riots, poverty, and social, economic and political unrest in the United States.

The Commission's report underscored the fact that the process of racial discrimination and segregation has been prevalent in varying degrees all throughout U.S. history and is supported by a multi-dimensional concept of white racial superiority over the dark-skinned peoples of our nation and of the world.

Specifically, white racism has restricted black Americans, Mexican Americans, and other minority groups to segregated and inferior housing, poor or non-existent educational and recreational facilities, inferior jobs with little or no opportunity for advancement, inadequate federal and municipal programs, limited involvement in entrepreneurial activities, marginal political representation, and an Anglo-dominated caste system. Thus, the white controlled American system, like the world's colonial societies, has engendered feelings of deep resentment and

frustration among black and other dark-skinned minority groups.

The COMMISSION ON CIVIL DISORDERS offered some possible solutions to this pervasive American problem.

One area which was not stressed, however, was the role of the ghetto entrepreneur as a source of unemployment for the hard-core unemployed and as a symbol of personal business success, so lacking at present, among blacks and other minority groups.

It is significant to note that the casual relationships involved in our nation's present-day racial strife can all be found in the traditional obstacles which beset the underdog entrepreneur. Conversely, many of the minority-group problems which threaten to tear the United States apart can be resolved by helping the ghetto develop and strengthen its own businesses.

Throughout American history, Negroes, Mexican-Americans and other non-Anglos have been categorized as laborers lacking the initiative and intelligence that is necessary for successful self-employment. This view is patently false, for some non-white businessmen have been successful in their own right in spite of the tremendous barriers erected by white racism. White racism (as it relates to and affects business development in the black community), guided by an overwhelming disbelief in the ability of black entrepreneurs to own, operate and compete successfully in the business world, is more aptly

described as white paternalism.

Perhaps more important than the few successful black and Mexican-American businessmen, however, is the number of previously hard-core unemployed who have found steady jobs in minority-owned businesses.

Frequently, these unskilled or semi-skilled minority workers have been victimized by a white world which prevented them from acquiring or holding employment in white-owned businesses. Yet, these same hard-core unemployed have good employment records when they work for members of their own racial or ethnic group, and thus, they account for a significant percentage of the employed minority labor force. President Johnson asked for the creation of two million jobs for the hard-core unemployed in both the public and private sectors of the nation's economy within the next two years (1969-71.) Many thousands of these jobs could be produced in the ghetto by black and Mexican American employers.

The occupational progress of the black worker from the time of slavery to the present shows that there have been few important socio-economic improvements for the Negro since his forced advent to the United States over two centuries ago. He arrived in bondage to be sold into slavery—a property without any right to self-determination. The fruit of his labor was rarely his. His slave labor was treasured by his Southern white masters and despised by poor whites who held no slaves and were in direct economic competition with him.

The few blacks who lived as freed men in the North were the victims of discriminatory legislation and customs. In an open market their labor commanded little prestige or monetary value. European immigrants successfully dislodged the free northern Negro from skilled, semi-skilled and unskilled trades and domestic occupations. With only limited opportunities to enter business, it was no wonder that few black entrepreneurs stood out during these early days.

After the Civil War, the black man became even more the victim of white wrath. In the South, all-white labor unions blocked his entry into many occupations. Economic competition with whites was discouraged, and the threat of a lynching for "nigra troublemakers" was generally sufficient to dampen the spirits of even the boldest exponents of fair employment practices in the nineteenth century.

Jim Crowism left black people with few educational opportunities and no political power

whatsoever. American industrialization with the concomitant demand for more labor than was indigenous to the North provided the catalyst for rural black men to migrate city-ward. At the turn of the century in many cases, Negroes were lured to northern cities as strikebreakers, thereby intensifying the feverishly high pitch of racial antipathies.

Big business viewed black labor as a convenient lever against the excesses of white unions. And, as unions became stronger, they generally forced management to fire or severely restrict the employment of blacks and other minority workers. This situation has prevailed in almost all trade and labor unions up until the present day.

Not allowed to acquire a skill or union membership, the black man was and still is depressed economically in a society where ever-increasing increments of education and experience are demanded.

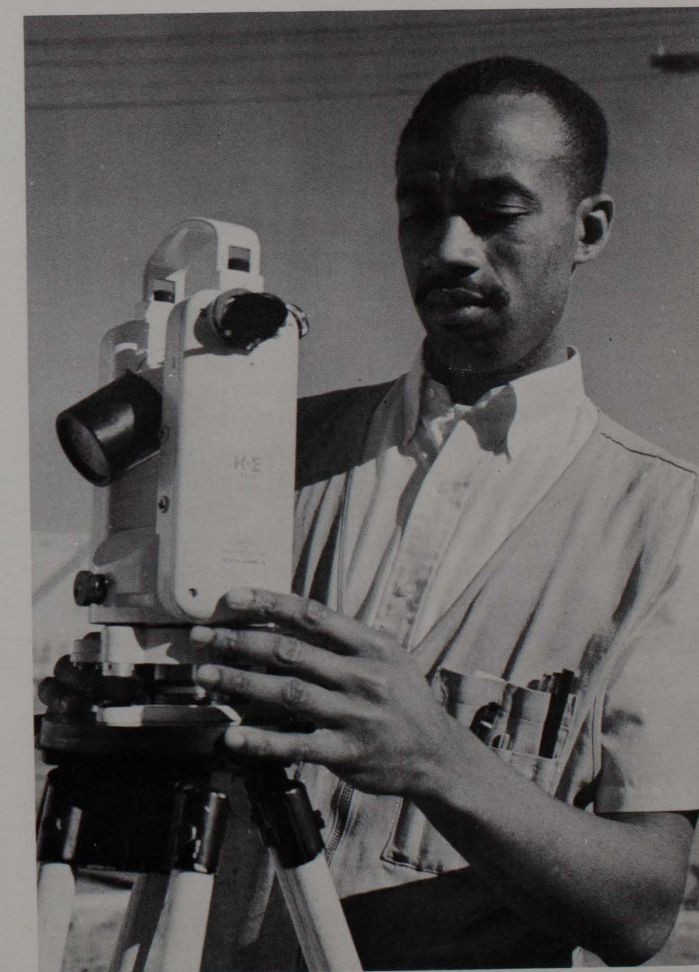
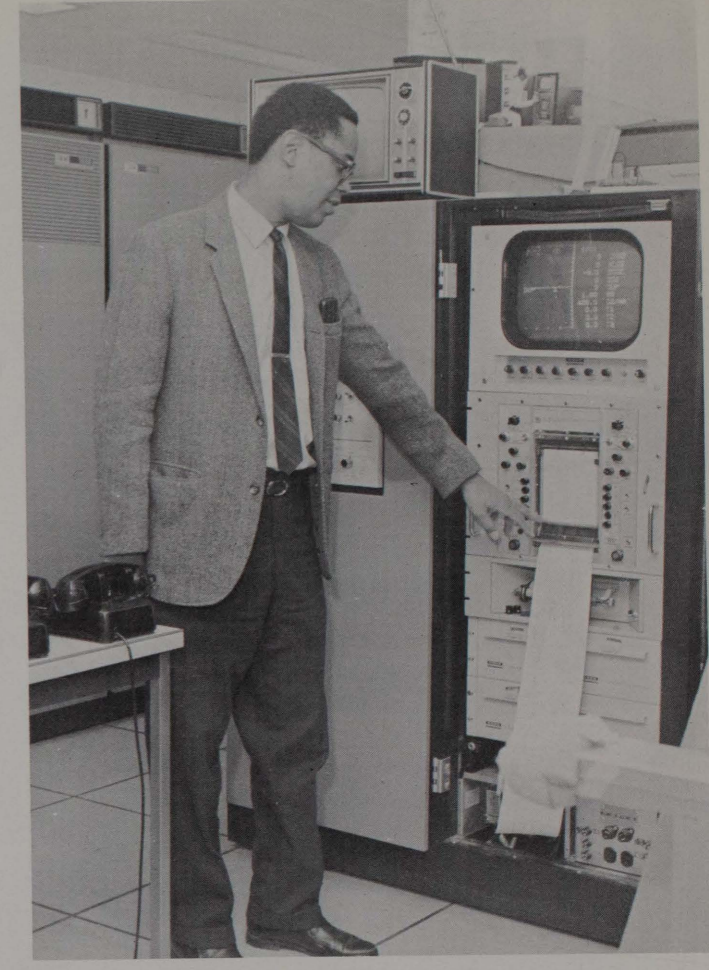
The net effect of these overlapping political, social, and economic processes is that very few blacks have had the opportunity to acquire the necessary skills to become entrepreneurs in any real sense of the word. With almost no chance of engaging in business enterprises which depend on interracial trade, those few black entrepreneurs who do manage to open a business must rely almost exclusively on a Negro service-seeking market. As a consequence, there has been a proliferation of black businesses which cater to black trade: barber and beauty shops, second-hand stores, funeral parlors, grocery stores, neighborhood repair shops, and restaurants.

These service industries can be initiated with extremely small amounts of capital and little business finesse. But, by being almost entirely dependent upon a limited ghetto market, unable to acquire sufficient additional funds at reasonable rates of interest to finance expansion or to pay ever-present creditors, very few black enterprises are able to survive for any appreciable length of time.

Although their specific histories are quite different, Mexican-Americans and other Latins, like blacks, also have been exploited by whites. And, as with the Negro, the roots of white prejudice lie buried in the past.

Deep racial bias against brown-skinned Latin Americans permeated Anglo thinking early in the nineteenth century, if not before. The Mexican or *Greaser* came to be considered as an inferior creature suitable for tasks requiring little intelligence and much muscle.

Throughout the Southwest after the Texas



and Mexican wars, Mexican-American original and immigrant settlers alike were used in heavier common labor and agricultural work where unionization is discouraged by industrialist and large-scale farmers. This is as true today as it was generations ago (the California farm labor situation being a good example).

Like the Negro, Mexican-Americans have been used as strikebreakers, and have had to content themselves with low wages, lack of educational resources, segregated housing, and a denigrating exposure to all forms of social and economic discrimination. Except for a handful of instances, their political representation left much to be desired.

Refusing to abandon a viable cultural heritage from Mexico, even though they may have been born in the United States, many Mexican-Americans have never mastered the English language. However, many of the Mexican-Americans who have tried to leave the *barrio*, learn English, and become assimilated, still have found that Anglo discrimination is their most formidable barrier.

During the twentieth century, Mexican immigrant labor has been used by big business as a device to bring down production costs. But, when adverse dips in the economic cycle occurred or when "lily-white" union pressures became too great, Mexican nationals have been herded, like cattle, onto buses and trains by city, county, and state authorities and *shipped back to Mexico*, even though many of them were born in the United States.

Discriminated against by whites because of their language, ethnic origins, and skin pigmentation, Mexican-Americans were and still are subjected to limited educational and training opportunities. Those who sought self-employment were forced into low-paying and highly vulnerable service occupations located within the *barrio*, the Mexican-American ghetto. As with blacks, no success symbols were available to Mexican-American youth who might have established their own business enterprises.

Both Mexican and black Americans have been consistently considered as cheap labor, first and foremost. Once their utility as such was undermined, they were exported or isolated or made wards of the State. Very little effort was made to recognize, let alone prevent, the continuing and inevitable process of white exploitation of both these groups.

A frustration similar to that found in today's black youth is developing among the militant

chicanos who actively reject the degrading establishment system.

All the ingredients of human bondage and denigration which characterize Anglo treatment of minority peoples in the United States were categorized in a recent study* conducted in the city of Oakland, California. The examination of Oakland's socio-economic situation demonstrates, as the *Kerner Report* and many other similar queries have done throughout the country, that the poor are cut off dramatically from the middle and upper classes. This segregation of white and black and its ramifications are seen in the demographic trends, housing, education, recreation, income, public assistance, employment, entrepreneurship, and criminal patterns of Oakland.

The basic findings in relation to black and Mexican-American businesses are as follows:

- almost total dependence upon a racial or ethnic market;
- the presence of a significant number of management problems;
- an inability to acquire sufficient capitalization due to lack of management know-how in some cases, and racial or ethnic discrimination in others;
- the genesis of a psychological attitude of frustration with lending institutions in general, and banks in particular;
- a heightened dependence upon finance companies and other high-interest, short-term money sources;
- smallness of operation both in terms of sales volume, earnings of proprietors, and total number of employees when compared with whites in the same business line;
- a high mortality rate of individual enterprises;
- necessity for employers to "moonlight" or work at another job in addition to the business;
- low wages paid minority employees in such concerns, necessitating "moonlighting" on their parts as well.

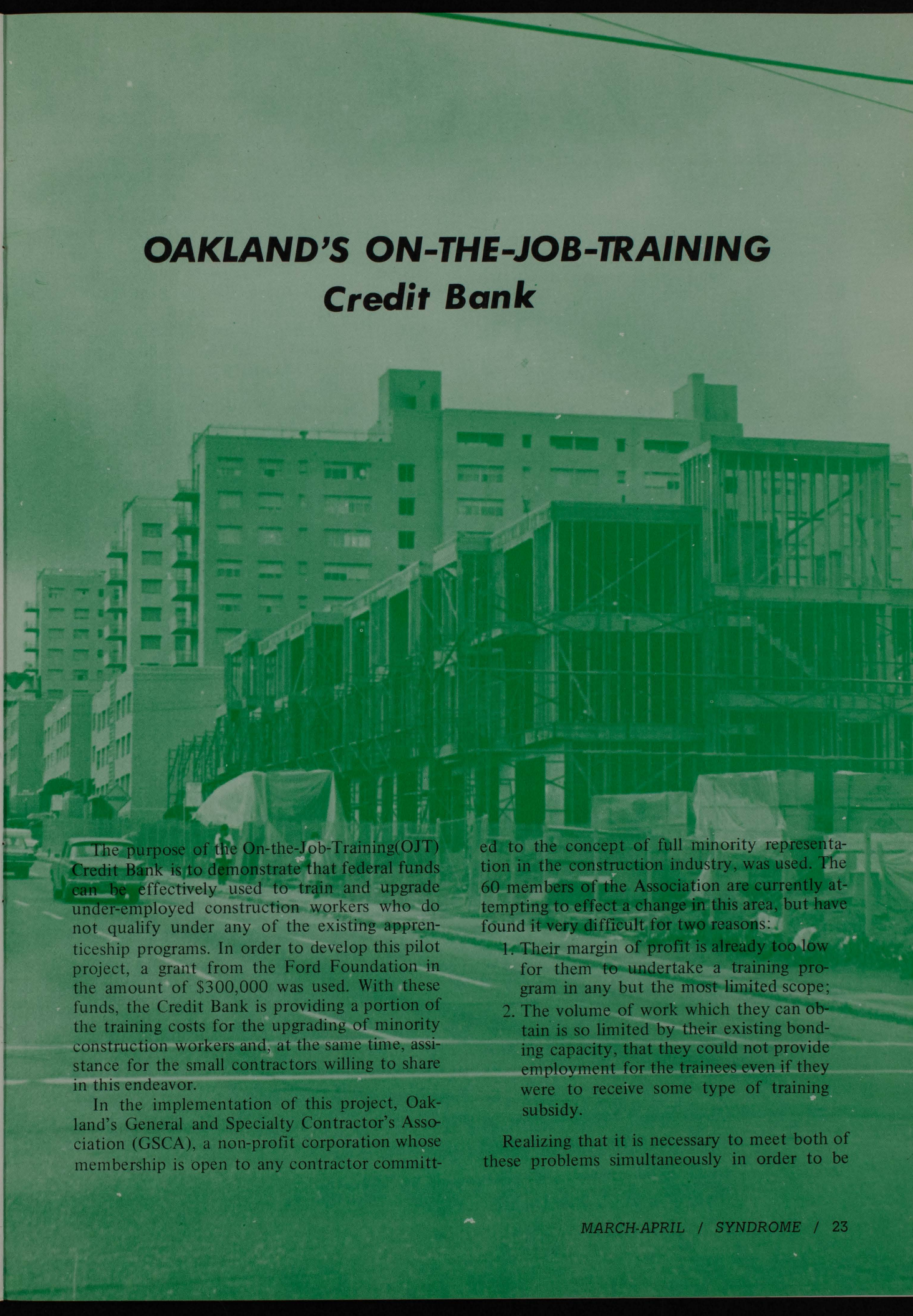
By and large, these findings paint a grim picture of black and Mexican-American-owned businesses in Oakland, and by extension, in the United States. There is, however, another side of the coin. These data indicate that:

- minority employees, particularly blacks, tend to remain relatively longer than do

(continued on page 29)

*The Ghetto Entrepreneur, by Jack Brown, Joseph Debro and Jed Linde (Oakland, California 1968.)

OAKLAND'S ON-THE-JOB-TRAINING Credit Bank



The purpose of the On-the-Job-Training(OJT) Credit Bank is to demonstrate that federal funds can be effectively used to train and upgrade under-employed construction workers who do not qualify under any of the existing apprenticeship programs. In order to develop this pilot project, a grant from the Ford Foundation in the amount of \$300,000 was used. With these funds, the Credit Bank is providing a portion of the training costs for the upgrading of minority construction workers and, at the same time, assistance for the small contractors willing to share in this endeavor.

In the implementation of this project, Oakland's General and Specialty Contractor's Association (GSCA), a non-profit corporation whose membership is open to any contractor committ-

ed to the concept of full minority representation in the construction industry, was used. The 60 members of the Association are currently attempting to effect a change in this area, but have found it very difficult for two reasons:

1. Their margin of profit is already too low for them to undertake a training program in any but the most limited scope;
2. The volume of work which they can obtain is so limited by their existing bonding capacity, that they could not provide employment for the trainees even if they were to receive some type of training subsidy.

Realizing that it is necessary to meet both of these problems simultaneously in order to be

effective, the Bank provides the training funds in such a way as to increase the contractor's bonding capacity.

TRAINING

There are many men in the San Francisco Bay Area who are already members of building trade unions but who are only partially qualified as journeymen because of a lack of training and work experience. These men, a large percentage of whom are non-white, constitute the surplus labor force and are called on only in rare periods of over-employment. This condition is the most acute for the basic building trades, i.e., carpenters, laborers, and hod-carriers, due to a sharp decline in single-family and apartment construction.

It is clear that any training program in the construction industry must first involve these semi-skilled workers who are already union members. Rather than merely upgrading them in their existing trades, thereby creating an oversupply of skilled craftsmen in the area of diminishing demand, this project is concentrating on re-training them in more specialized crafts where there is an increasing labor shortage.

The period of time necessary for re-training will depend on several variable factors, e.g., the worker's existing achievement level, his learning capacity and the variety of work to which he can be exposed on each particular job; however, the average time involved will probably be two years of actual job experience plus a similar period of classroom instruction. (Classroom training will be furnished by one of the existing agencies for this purpose, and will be consistent with established union requirements.)

Under the terms of their existing union agreements, the contractors have to pay the trainees full union scale during the re-training period, even though their productivity will be considerably less than journeyman's level. There is, consequently, a significant cost involved, which has been estimated to be at least \$35 per week for the first two years, or a total of \$3,500 per man. The program covers a portion of this cost by paying the contractor \$2,000 for each individual to be trained, leaving over \$1,500 to be absorbed from profits. Even though some of this remaining expense will be offset by savings made available in other areas (see below), it will still take a real commitment for the contractor to become involved in the project.

BONDING

The innovative feature of the program is the method in which the training funds will be paid.

As already mentioned, the contractors who are dedicated to the concept of upgrading through re-training are incapable of providing employment for the men who need assistance because they cannot obtain the large construction jobs which require a sizeable labor force. Virtually all big contracts must be bonded, and the bonding companies require, among other things, that the contractor have an adequate amount of unencumbered working capital to ensure that he will be able to complete the job. As it is customary for the developer to hold back 10% of the contract price until after the job has been completed, the bonding companies use this figure as the basis for their liquidity requirement. Consequently, in order to obtain bonding for a \$200,000 job, the contractor must have a minimum of \$20,000 in cash which is not offset by a liability of any kind. It was therefore apparent that the contractor's liquid cash position had to increase in order to make it possible for him to employ the trainees.

This project does just that. On the basis of a work plan submitted by the contractor, in which he outlines the number of men that he will train during a five year period, the Credit Bank will pay him, in advance, at the rate of \$2,000 each: for example, if he were to contract for the training of 10 men, he would be given \$20,000. As this payment does not involve a financial obligation, either implicit or implied, the funds can be used to meet the liquidity requirement outlined above, and thereby increase his bonding capacity by \$200,000.

The funds are deposited in the contractor's account in the Credit Bank, and may be used for any purpose connected with the operation of his business, including payment to a bonding company on a defaulted contract, if necessary. During the five-year contractual period, the contractor will, if at all possible, absorb the entire cost of training from his profits, so that the funds on deposit will remain intact and act as a type of forced savings account. For example, on a \$200,000 job:

Beginning Cash	\$ 20,000
Progress Payments Received	200,000
Total Available Cash	\$ 220,000
Disbursements:	
Labor	
Materials	
Overhead	
Profit	\$ 220,000
Ending Cash	\$ 20,000

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Even though this procedure means that the contractor's disposable income will be less than normal, it was necessary to ensure that his bonding capacity is not impaired by dissipation of his working capital. At the end of the five-year period, all of the funds on deposit in the Credit Bank will be disbursed to the participating contractors, assuming that they have fulfilled their training agreements.

BUILDER'S CONTROL SERVICE

The OJT Credit Bank is to operate a service similar to a Builder's Control to assist the contractors in the administrative details involved in large contracts, as well as controlling expenditures and ensuring completion of the contract for the amount specified. The service is administered by a board consisting of representatives from the following agencies:

- Bay Area Management Council
- Alameda County Building Trades Council
- Bank of America, NT & SA
- Oakland Small Business Development Center
- General & Specialty Contractors Association
- Alameda County Building Trades Council

The service arranges that all billings are sent to its office and obtains assignments for progress payments from the developers and/or their lending institutions. In addition to paying the bill as they are incurred, and maintaining a strict accounting of all financial transactions, staff members continuously compare expenditures with the original cost breakdown to see that the estimated figures are adhered to. The service also offers technical assistance in estimating cost control, expediting and quality control.



The managerial and technical assistance outlined above are part of a comprehensive training program to be made available to member contractors by the GSCA, through funds provided by a grant from the Economic Development Administration. Wherever possible, these are performed without cost to the contractor, thereby reducing his overhead and making it more possible for him to bid on a competitive basis. The contractor is to gradually assume these duties
(continued on page 32)



GREEN POWER

continued from page 18

education..."

"...With the Foundation's assistance [Lee] is attending trade school to meet the requirements for his certificates. In addition, efforts are being made to assist him in the purchase of the welding equipment he needs..."

"...[Joe] never qualified for a skilled trade before, and was never given a chance to learn one before the Foundation hired him..."

"...[Timothy] has expressed a desire to be a commercial artist, and a program is being set up so he can attend college at night to complete his education..."

"...[Jimmy] expresses a desire to return to school and earn a high school diploma. He is very satisfied with his job and his performance has been excellent..."

"...Upon completion of this program [Carl] has expressed a desire to attend trade school and learn a trade..."

"...[Don] currently is the leadmen in the shipping department and has received two raises in the 6 months he has been with the Corporation. He will return to school in the fall to complete high school and he has aspiration for going to college..."

Green power operates under the direction of a dedicated young man of 32, named Norman Hodges. Mr. Hodges is a research engineer from North American Rockwell now on a year's leave of absence; he serves as President and Executive Director. He was field deputy for former California Lt. Governor, Robert H. Finch (now Secretary of the Department of Health, Education and Welfare), and a member of Hubert Humphrey's task force for Youth Motivation.

Members of the Foundation, through their experience gained in their various occupation, have a wealth of knowledge of the problems which are vital to setting up manufacturing, administrative and other economic operations in ghetto areas. Of the 140 participants in the program, 77 possess master's degrees, and 7 have degrees at the doctoral level. Of greater significance, however, is the fact that the 35 non-degreed participants possess an average of 9.5 year's experience in their chosen fields. Eleven hundred people from deprived areas are expected to be employed by 1970. Employed presently in all operations are fifty-four.

In addition to the Foundation's full-time administrators, there is a Task Force comprised of some 50 technicians, whose fields include law, sociology, and economics, available on-call whenever needed and requested to give technical assistance to ghetto enterprises.

Whitney Young has said that "We want major corporations and businesses to become visible in the ghettos, identifying with the community." Green Power is showing the way for those who believe that inter-group co-operation is needed and can be used to solve many of the economic problems plaguing the ghettos. In addition, it offers some of the answers to heretofore unsolved but not insolvable social problems, and hopefully provides a firm base upon which not only the minority-group community may build, but the entire community as well. Although the social and psychological value of such a program on minority groups at this point may be difficult to assess, at the very least the economic impact is certain: residents of South Central Los Angeles are being provided immediate jobs. At the most, other industries and individuals who feel that all have a mutual stake in the nation's survival will be attracted into the ghettos in a manner that promotes community initiative, training, and ownership of major economic institutions. ■

THE EDUCATIONAL CRISIS

continued from page 11

produce pride, confidence and dignity—irrespective of family economic status. These cultures, especially in the developing nations, have in common the emphasis on group achievement and sacrifice. Another common holding of the foreign student is the knowledge that his home nation believes in his ability to achieve in higher education, and further believes in his determination to return home to use his newly acquired knowledge for solution of national and sub-group problems.

What must be injected into the American ghetto school systems is a new sense of purpose and direction for both the teacher and the pupil. A new partnership must be forged between the teacher, the administration, the pupil and the community. Black power movements, black student unions, departments for Afro-American studies must be accepted as part of the cultural renaissance which is engulfing the black communities of America. Decentralized school boards are nothing more than legitimate attempts for involvement and a voice in shaping the poli-

cies and the direction of the ghetto itself. Both are very American activities in which all identifiable ethnic blocks have engaged. These efforts must be viewed as tools of progress, not tools of destruction.

The standards for the ghetto school must be translatable into specific objectives that can be measured in terms of the number of educated students which are produced or not produced, and how well these students can meet the challenges of college or society. No longer can the luxury of waiting to solve all of society's social problems be placed ahead of meaningful education for every child who is presently part of the ghetto school system.

Classroom computers, educational parks or cluster schools will be of no productive value if the basic educational problem, the inability of the teacher to communicate with the child, endures. Elaborate schemes for achievement of racial balances are both irrelevant and futile where the public school population is 50 percent or more black—and growing. Teacher control of the classroom is useless if there are no black students left in them to instruct, the rest having been suspended, expelled or jailed for possessing enough sensitivity and humanity to rebel against a school system which is degrading, irrelevant and unfulfilling.

Clenched fists, hand slaps, "limp" walks, "processes," "natural" hair styles, phrases such as "Sock it to me," or "Don't be so mean," are subcultural modes of expressing rather deep feelings. They are evidences of a very rich Afro-American subculture and signs of a growing sense of *somebodyness* within the black community.

Pride, self-confidence, and dignity form the foundation from which the foreign student (as well as the American Oriental and Jew for example) builds his achievement blocks. Black pride and black power must first be accepted as positive phenomena from which black achievement can generate. Instructors must then consciously and continuously translate, through subcultural mode, black power symbols into black achievement syndromes. "That's just how bad I am", means a "A" in chemistry; "Sock it to me," means a readiness to learn; "Hold on, I'm coming," means a "A" on the next exam; and "I'm black and I'm proud," means graduation in the top 20 percent of the class.

English should be seen as a convenient vehicle for advancement within the American system. It is neither good nor evil; it is merely a useful con-

glomeration of arbitrary sounds that one should learn for selfish reasons. It must be taught in the ghetto school in the same manner which Spanish or French is approached in any school—bilingually. Teachers, in all subjects, must be able to readily shift back and forth, without prejudice, from traditional to subcultural modes of expression.

Communication is the basis for understanding. Understanding is the basis for academic growth. It is neither practical nor desirable to metamorphosis hundreds of thousands of urban ghetto youth so that they must understand the suburban middle class backgrounds and experiences of most core city teachers as a requisite for learning. The analogies used to involve ghetto youth in subject material must be from the life of the child and not that of the instructor. Though total involvement of the black child in mainstream culture and activities is the admitted goal, the educational approach must be made from a subcultural perspective. Teachers, to be effective, must, as is done in the Peace Corp, take time to acquaint themselves with the culture, history and dynamics of any community whose offspring they desire to instruct. The "Ugly American" image and philosophy is so deeply ingrained in the ghetto school systems that much of the black youth rebellion may be interpreted as being identical to the attitudes which people in many of the non-white, emerging nations hold against neo-colonial paternalism.

Teachers must be willing to involve themselves in a concerted effort to study and learn Afro-American subcultural modes of expression. They must be willing to seek out means and methods whereby the ghetto subculture can be internalized. This knowledge must be assimilated without prejudgment and must be used whenever and wherever necessary to provide the meaningful analogies needed for student assimilation and retention of subject material.

Teaching is a profession. Too many, especially in the ghetto, see it merely as a job—a job which long ago was given up as hopelessly doomed to failure. Belief is one of the most critically needed confidence building ingredients on which to build one's achievement blocks. Thousands of students fail because they are expected to fail. In one case, an entire class of "bright" students performed substantially worse than a similar class of "low achievers" because of a computer foul-up in IQ and achievement

test scores. The foreign student, American majority, Oriental or Jewish student has a national, cultural, or religious background that constantly reinforces his belief in himself and in his ability to achieve. The ghetto child...?

The present basis for placement of instructors in ghetto schools must no longer be tolerated. The untenured white teacher has neither the practical experience nor the psychological preparation for instructing ghetto youth. The unwritten rules of breaking in new teachers and/or disciplining older ones by given them ghetto assignments must be thrown out and replaced by a more equitable system of distributing the most qualified teachers. (Perhaps bussing teachers would be an answer...?)

Classroom discipline is a very overstated problem due to ignorance of root causes. Inattention and disorderly conduct is due, more often than not, to a total uninvolvedness of the child with the subject matter. The responsibility for this situation, obviously, lies with the approach to instruction and not with the pupil himself or his environmental background.

Another factor to be considered is that the ghetto child, too, frequently has given up. Child after child comes back to school following summer vacation enthusiastic and eager to learn only to become completely *turned off* in several weeks by the instructor's irrelevant babbling. He spends the rest of the school year amusing himself and keeping awake. The teacher, unwittingly, has become a disciplinarian and the child, a "thug". These factors have led to a "citizenship" and "scholarship" grading system that is not only absurd but eventually denies many a black child the opportunity to enter college—hating "whitey" in the process.

Often, the child with the poorest "citizenship" record possesses the best mind. He becomes disorderly when the teacher continues to repeat the same material for benefit of the slower but "nicer" child. He is frequently the same child who has risen through the student's pecking order to become the gang leader. This child not only has the ability to excel academically, but he may be the key to the success of the entire class. Teacher rewards must be based solely upon ability—ability to lead and ability to achieve. This pivotal student can be exploited for both classroom instruction and discipline. If he can teach others, let him instruct if he can bring order to the classroom, let him. If there are several students in a classroom situation who possess a combination of these leadership qualities, challenge brute strength against a demand-

ing and developing mind for the advancement of both.

The entire system of student testing and tracking must be re-evaluated and changed. Mr. Alfred Binet would not be able to recognize the Stanford-Binet IQ tests after these standard evaluation devices have evolved through the American school system. The IQ test is a cultural assimilation measure of various phenomena which the "average" person is supposed to have experienced by the time that he reaches a certain age. It would be relatively easy to design an IQ testing system on which most white suburban children would do poorly, while black city children would score highly. These tests could then be supported by additional testing data (based on the same faulty assumptions) thereby producing similar scores and thus *reinforcing our facts*. Class grouping, course material and teacher attitudes would then assist in graduating functionally illiterate suburban youth according to "scientific" methods of evaluation and tracking of "defacto segregated" and "deprived" suburban cultural groups. Testing systems and assumptions must be re-evaluated in light of a very heterogeneous society. The standardized achievement or IQ test is of little use in the American ghetto school if it is prepared by a *culturally deprived* school system.

"Education is not a series of separate containers of knowledge." It is a continuing process of new data assimilation, new associations, and new experiences. It is both training for a career and training for life. Each instruction period must be more than a mathematics container, a chemistry container, or an English container.

Each classroom experience must reinforce every other classroom experience. General education and experience themes must be discussed simultaneously in mathematics, history, civics, physics and English classes. Teachers and administrators must coordinate more with each other for the benefit of the ghetto child. In addition to teachers culturally orienting their classroom presentation, non-related subject material and school-wide general education themes must be integrated with the regular schedule of instruction through analogies.

Ghetto education like all education, must be a *total* learning experience. It must exist defacto wherever the child is, whatever the community's racial makeup and economic level, or whoever is sitting next to that ghetto child. ■

BLACK ENTERPRISE

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whites with a single employer of their own racial or ethnic group;

—minority persons without many skills or high levels of education can acquire employment and can perform well on the job, when there are no irrelevant or unfair aptitude or intelligence tests to pass;

—the relative stability offered a black employee in a black-owned shop is sometimes sufficient to change a youth's attitudes about his economic future. Such employees seem more enthusiastic about their jobs than others employed in Anglo factories or other establishments.

There is a sound basis for the hypothesis set forth by the National Negro Business League, among others, that the creation of a minority business class would provide for a more equitable distribution of the economic pie. Such a class might well temper the severity of the black and brown revolution.

In order to provide disadvantaged ghetto entrepreneurs in Oakland with funds, management counseling and business training, the Oakland Small Business Development Center (OSBDC) was founded. Funded under Title IV of the Economic Opportunity Act of 1964, the OSBDC has offered its services to ghetto entrepreneurs on the basis of good character and willingness to learn rather than on collateral strength and/or a history of successful business management.

In this manner, the OSBDC assisted over a thousand minority businessmen from March 1966 until December 1967. During this same period, nearly \$1 million in loans was approved by the Small Business Administration (SBA) for ghetto merchants.

Such merchants, because of their unfamiliarity with governmental forms and bureaucratic delays, would have despaired of any hope of federal assistance without the aid of the OSBDC. This combination of technical aid and long-term low-interest financing enabled many fledgling ghetto enterprises to open under sheltered conditions in which every major decision during the first critical months of operation was discussed with OSBDC personnel. Existing businesses were strengthened by this similar methods.

As a result of this program, over two hundred permanent jobs were created where none existed before. Only five percent of all OSBDC-assisted enterprises failed within the first year and a half

of the center's inception. This record compares favorably with the fifty percent failure rate observed during the first two years of operations of 82 white owned small businesses in Providence, Rhode Island.

Another measure of this program's success is the ability of ghetto entrepreneurs to repay their respective loans. It is important to note that an amount equal to the total value of the average loan would be returned to the government every two and a half years in the form of taxes and interest. The average maturity of these loans is nine years. This means that in addition to the principal, all of which would be repaid at the end of this period, the government would receive about five times its investment over the term of each respective loan.

The potential of this approach cannot be overstressed. It creates or bolsters a group of self-employed minorities who might otherwise be dependent upon the State. It makes new jobs for the hard-core unemployed as these businesses expand. And, most important, it is probably the only Anti-Poverty program in the United States which consistently pays for itself, and the only currently or popularly proposed program which does not marry the government to a perpetual and non-productive subsidy.

The success of the Oakland Small Business Development Center Program has established the basis for some exciting new legislation in the State of California. Assembly Bills 1046, 109, and 1777, became law in California on November 13, 1968. They are part of a group of bills commonly referred to as the *Manpower Package*. These bills drew support from the whole spectrum of California political ideology: Governor Ronald Reagan, former Lt. Governor Robert Finch (now Secretary of the Department of Health, Education, and Welfare), then Speaker of the Assembly Jesse Unruh, minority Floor Leader Bob Monagan (now Speaker), and Republican Whip Don Mulford.

There is, implicit in these bills, a recognition that "business as usual" will not result in a meaningful solution to our urban problems.

The *Manpower* bills provide for the formation of a new kind of bank, supported by the public sector, but not dependent upon the dissipation of public funds. This new bank depends upon the use of public funds, but not consumption of these funds. These bills provide for the prudent use of private money in ways which are designed to stimulate, coordinate and supplement the existing Federal process.

California Job Development Corporation is



the political name given to Assembly Bill 109. Small Business Assistance Program is the pseudonym for Assembly Bill 1046. Assembly Bill 1777 is commonly called the Pool Money Bill. Simply stated, these three pieces of legislation call for a banking system that is unlike any in existence. This system is designed to meet the needs of the disadvantaged. It will provide loan funds which are not subject to the usual statutory audit requirements of regulated lenders. It will provide professional management assistance to borrowers, thus reducing the lender's risk to manageable proportions. It can, by extension, provide protected markets.

If the preceding paragraph had been prefaced by: "What Federal Agency can do the following?", the answer might have been the Small Business Administration, or the Economic Development Administration. Both of these agencies have the statutory capability of addressing themselves to this area, but neither SBA or EDA has had the commitment nor the imagination necessary to bring about the kind of changes which are required to save our cities.

There is no guarantee that the administration of the new California Laws will be any more effective than that of the existing federal programs. The hope for success, however, is based on the "enlightened" involvement of the private sector and the legislative commitment at the State level.

The *Manpower Package* concept is but one of many specific approaches whereby meaningful social and economic change can occur within the ghetto community. The strategy is to design a program criteria that encourages entrepreneurial initiative by the ghetto businessman, a cooperative and perceptive spirit in the private sector, bi-partisan responsibility at the legislative and appropriation level, and a sincere administrative commitment from the bureaucrat.

The OSBDC and California Job Development Corporation concept could be incorporated into a non-political ghetto development bank where management assistance and direct long-term, low-interest lending on the basis of character and limited collateral can take place on a national scale. This program would be tantamount to a domestic soft loan program similar to the Marshall Plan used in the rebuilding of Europe. Administration of this bank could be in the hands of a board of directors representing the banking community, the public and private business sectors, and members of the ghetto business com-

munity itself.

Such a development bank could be empowered to act as liaison in attracting labor-rich industry into ghetto partnerships through a number of incentives such as the proposed 7 percent tax write-off and inducing the municipality to provide land or building space at gratis or at a low cost. More important, such a bank would be able to finance minority entrepreneurs on an unprecedented large scale, providing at the same time the mechanism whereby the public trust is safeguarded through tight management control exercised by professional advisors.

Development partnerships and joint ventures between ghetto residents and private corporations should be encouraged to bring major commercial, construction and manufacturing ownership and operations into the ghetto. Low interest loans and tax credits for joint establishment and operation of major economic institutions within the core city can provide both meaningful and self-liquidating alternatives to rent and interest subsidies, welfare and more police. Some creative examples of joint venturing are:

- Watts Manufacturing Company
- Winston A. Burnett Construction Company of New York, Inc.
- Bedford-Stuyvesant Restoration Corp., of Brooklyn
- Green Power Foundation of Los Angeles
- Flanner House Homes of Indianapolis

Concentrating average balances is a method whereby private commercial funds can be generated for ghetto use. Public, religious, corporate and ghetto business funds could be deposited only in banks which demonstrate a real commitment to making an input into the community of the poor. Moral suasion as well as cogent economic arguments should be used to convince public agencies to deposit their funds where the widest possible utilization of the accompanying balances by those in poverty has been demonstrated. This would mean for a city the size of Oakland, average balances of about \$25 million to \$30 million. The amount of leverage which this quantity can give to the ghetto community should not be ignored. New economic doors would begin to open for minority entrepreneurs interested in business development.

Programs such as these can help to create a class of minority entrepreneurs un-paralleled in American history. They provide an avenue of socio-economic mobility where none have previously existed. They provide meaningful alternatives to violent revolution for a generation of disenchanted slum dwellers. ■

ON THE JOB-TRAINING CREDIT BANK

continued from page 25

himself as he becomes more capable, so that by the end of the five-year period, he will have upgraded his business skills to a level commensurate with his technical ability.

IMPACT

At the rate of \$2,000 per man, the project will result in the retraining and permanent upgrading of 125 indigenous workers who are currently unemployed.

It will also result in the upgrading of from three to five hundred additional men who comprise the basic work crews of the member contractors. These men are highly skilled in their crafts, but lack the work experience necessary for I-A classification in their respective labor unions. Through the increased volume of work made possible by additional bonding capacity, they will be fully employed for several years and will thereby be assured of steady employment in the future.

Finally, it will create an economically viable group of building contractors who will be able to carry-on the training of minority workers and assist their less experienced associates in increasing their business skills. ■

PRIVATE MORTGAGE FINANCE PLAN

continued from page 12

lity of rehabilitating, managing and re-selling the property. I don't know of any other private mortgage insurance plan than can provide all of these services."

"Institutions share in the creation of social problems, and these same institutions should share in their solution," states Howell. "We are not asking lenders to take any undue risks, but we are not willing to see them do nothing. After all, the responsibility to depositors is to all depositors, not just the suburban ones. Maybe the establishment of black banks and savings institutions is the answer."

With each lender reserving relatively small amounts of money, each month or quarter for use in the pool, a very significant amount would be available for immediate use in the ghettos. "In a city like Oakland, we could generate a million more mortgage dollars each month without creating any undue hardship on one institution," states Taylor. "If private enterprise has solved most of our other problems in this country, then we certainly should put it to work to provide the kinds of mortgage funds which

are needed to upgrade whole communities overnight. We're willing to do our part, but the lenders must do theirs."

Should Oakland's 25 banks & savings institutions cooperate with the ARPB plan, \$40,000 per month from each company would provide Mr. Taylor's million. Most of the lenders interviewed indicated that allocations based on percentages of net assets would be more acceptable to them—the bigger companies providing more, the smaller companies less. "However it is done," states Howell, "the addition of \$12 million annually in private mortgage funds for our community means that we can almost put the Redevelopment Agency out of business."

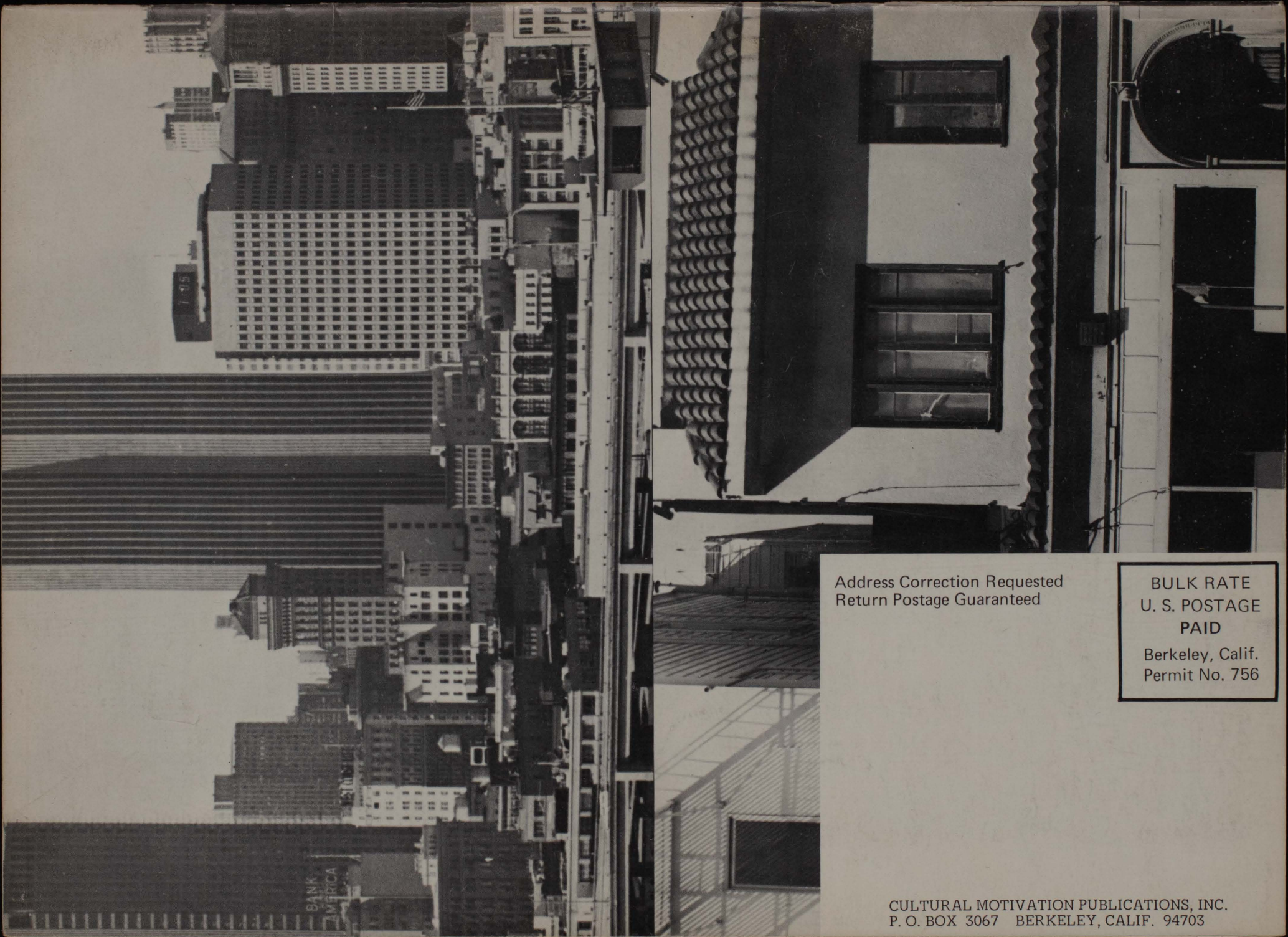
"We have hundreds and hundreds of home owners and small business people who have lived in the ghetto for 10, 15, and 25 years, and want to continue to live there. They don't want their neighborhoods to become slums, but they are unable to obtain refinances and home improvement loans. Many have sufficient equity, stable incomes and the desire to keep up or improve their property. If we could refinance their 1st, 2nd, and sometimes 3rd mortgages to provide money for rehabilitation—still keeping the loan to value ratios within reason—we would see entire neighborhoods immediately upgraded."

While the machinery to establish the proposed mortgage pool moves painfully slow, members of the ARPB cling to their plan with an air of cautious optimism. Vice presidents of some of the lending institutions are now involved in the discussions. Two of the institutions are ready to commit funds to such a pool, however they are smaller ones. After many hours of discussion, few of the institution representatives have offered any serious questions as to the feasibility, legality or desirability of the plan.

According to Taylor, the problem now seems to be one of what he describes as *institutional egotism*—the reluctance of the companies to become involved in a plan they didn't initiate and one which would involve jointly established lending policies. Though there are many instances of loan cooperation between financial institutions, for purposes of the mortgage pool, "cooperation" seems to be a major barrier.

"Another problem that we can not control or negotiate is the unwillingness of the vice presidents to risk a promotion by supporting a ghetto loan plan," Taylor says. "Until we can work out details with the presidents and board chairmen, themselves, we are probably wasting time." ■





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