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THE COMMUNITY DEVELOPMENT ACT OF 1974
AND THE POTENTIAL OF BLACK CAPITALISM

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A Plan B Paper

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My Inclination. It's
Only Fair That You Know It

Having spent practically my entire life in an urban setting, specifically Detroit, Michigan's "Black Bottom," I have, since reaching adulthood, developed a need, no you might say a passion towards developing and directing my intellectual, political and emotional ambitions towards a goal. That goal, though at first glance may seem exceedingly broad and general, though I think not, is to serve as a catalyst, a tool, a positive force in the struggle for power, waged by the powerless.

The powerless, who in most instances, are systematically disenfranchised due to no other criteria except the race and or creed of their parents. The powerless, who are locked within artificial boundaries by social institutions that operate under a flag that supposively signifies liberty, equality, and the pursuit of happiness, among other things, for all. And this travesty is implemented under the auspices of free enterprise, and its accompanying profit motive conscious, and for the pacification of individualistic cancer like racial hang-ups. Who are the Powerless? They are the Black, Indian, Latino's, poor White, and the old, all of whom are Americans.

It's no accident that the vast majority of the powerless reside in the decaying inner cities of America, or that their

ranks are growing rapidly. However, perhaps the fact that we are geographically consolidated can be used as an asset, an operational base, a point of political and economical enlightenment and cultivation, perhaps not. Might it be that a strategy of dispersal of ghetto inhabitants would bring greater results. Perhaps a combination of both approaches is applicable. However, I feel that the appropriate strategy depends upon the situation that is being encountered, for each is unique within itself.

Surely the choice should be open to every citizen to live wherever he/she wishes, however, we all know that this isn't true! The powerless are systematically denied access to employment courtesy of the real estate establishment and financial institutions not to mention the handy tools of local governments, i.e. zoning regulations. Is it possible that the powerless can acquire the means to create employment opportunity within reach of their brethren? In looking at the present plight of our cities it seems as though this approach is one of the few alternatives that we still have.

In spite of it all, as I embark upon a career as an urban planner I find myself somewhat optimistic about the future of the powerless. Perhaps the day that I envision is merely a mirage, manifestations of my emotional desire to deal with and eradicate the forces that maintain and proliferate the plight of the powerless. Or just maybe it is a day that is within reach, a day when Americans won't celebrate while their brothers go without.

The "fight" must take place on every front, within government agencies, universities, public schools, private schools, day care centers, the street corners, the political arena, and the total economic system. If the "fight" isn't won the powerless won't be the only losers. America stands to win or lose depending on the awakening of her conscious, if in fact she has one!!!

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I. Introduction

This paper is two fold in focus, first I will look at the Community Development Act of 1974, Title I specifically, and proceed to present the direction in which this new law has taken the community development thrust. I shall attempt to investigate the degree of opportunity the Act introduces for minority contractors, presently and potentially, pointing out the obstacles and barriers that Black contractors face. In the second half of the paper I shall address the theoretical question of whether "Black Capitalism," of which the Black contractor is a member of, can in fact provide the inner-city in general and the "Ghetto" specifically with the economic, hence, the political base that is so desperately needed.

While organizing this paper I found information concerning the theoretical aspect of this paper fairly plentiful and well documented. Reports of various economic development strategies and programs carried out in Watts, Detroit, Cleveland, Harlem, and other highly Black and minority populated areas are well documented.

On the other hand documented information concerning the relationship between minority contractors and projects funded by the CD Act of 1974, as well as programs under Urban Renewal was practically non-existent for the former and very difficult for the latter. However, general information concerning problems faced by Black and other minority contractors was available and through personal interviews with Lansing,

Michigan city officials I was able to gain some valuable insight in this area. Furthermore, if nothing else comes from this effort it has become exceedingly apparent that research concerning the relationship between minority contractors and city projects deserve much more attention. Some suggested areas of endeavor are:

1. Development of programs that will address the lack of cooperation of financial institutions with city affirmative action programs involving minority contractors.

2. At what point can a contract be broken down so that minority contractors can compete in city contracts without jeopardizing the completion of the job, within the scheduled time period.

3. What is the multiplier effect within the inner city economy when minority contractors are employed.

These are only a few areas that desperately need attention. I'm positive that many more fundamental and basic questions demand attention. No doubt, this paper is not even the tip of the iceberg!!!

II. (a) Community Development Act of 1974 A Summary

The Community Development Act of 1974 is one of a long list of Federal legislation aimed at dealing with the ever increasing decay of our cities. It is the legislation that sanctions a new approach, on the behalf of the Federal government, an approach that focuses on placing the control of the spending of federally allocated funds in the hands of local officials, with the expressed stipulations that these shall be spent to improve the living environment for persons of low- and moderate-income.

Signed into law in mid-1974, the Housing and Community Development Act signals a radically new approach to the renewal of urban areas in this country. Essentially, the Act abolishes most of HUD's grant programs for the physical development of cities, including urban renewal, the oldest and biggest of federal categorical grant-in-aid programs. In its place, the Act creates a consolidated program of federal assistance, increases the amount of urban development subsidies flowing into communities, and significantly expands the power of mayors and other local chief executives at the expense of federal officials.

"Title I of the Act provides funding authorizations of more than \$11.9 billion for fiscal years 1975, 1976, and 1977, institutes a completely new mechanism for community development funding, amends public housing laws, initiates a new lease housing program, and changes mortgage credit programs to make it easier for moderate-and-middle income families to

buy homes during periods of tight credit."¹ (Among other things, additional significant titles in the Act cover authorization of HUD guarantees to state housing agencies, continuation of "701" planning assistance, and increased emphasis on urban homesteading programs. However, the focus of this paper is on Title I, and more particularly the CD provisions--probably the single-most important section of the new legislation.)

The advent of community development block grants marks both the end of one era--characterized by federal assistance to cities through specialized grants-in-aid, and stemming back to the urban renewal program started 25 years ago--and the beginning of an important challenge to local communities.

CD is now the ball game. The approach contained in this 1974 legislation was to consolidate nine previous categories of community development programs--urban renewal, water and sewer grants, model cities, rehabilitation loans, public facility loans, open space land, neighborhood facilities, urban beautification, and historic preservation programs--into a large account for flexible use by governors mayors, and county officials. Clearly this new approach gives communities long needed latitude in coping with renewal and rehabilitation development problems.

¹Journal of Housing, V. 32 No. 9, Oct. 31, 1975.

II. (b) Community Development in Practice

What's been happening, country-wide, as a result of the new community development program that was authorized in the Housing and Community Development Act of 1974?

NAHRO has some answers to that question as the result of a special "monitoring" project it has been conducting, the first report was issued October 2nd, 1975. The four major conclusions of the report are:

1.--Localities have found little fault with the administration of the program by HUD during the application and planning stage but appear to desire a greater role for HUD in the provision of technical assistance in the implementation stage. Fewer localities desire a HUD role in the evaluation of activities and the approval or disapproval of some or all steps in proposed programs.

2.--The major problem area so far in the implementation of CD activities has been conforming with the environmental review procedures, which have burdened local staffs in many localities.

3.--There appears to be some effect on first-year programs and on three year plans as a consequence of the year-by-year funding variations that communities are now experiencing as a transition to a formula allocation system, especially for hold-harmless localities. Several localities appear to have stepped up some of the more costly activities during the higher initial funding years, while several "phase-in" localities that will experience increased funding later on have deferred

some activities. Those that stated there was "no effect" indicated it was because they had not taken into consideration more than a three-year period. Whether or not the year-by-year formula variations influence the choice of activities rather than local "needs" in any one year should be subject to intensive research."²

4.--The most significant conclusion--in regards to the theme of this paper--is that the CD block grant program, in the first year, at least, appears to be oriented toward the maintenance and improvement of the physical infrastructure and the existing housing stock. The use of block grant funds as a catalyst for significant new construction (such as commercial and industrial renewal activities) is limited, except where urban renewal projects are being completed. Several factors possibly account for this trend:

a) A depressed real estate industry; demand for sites to build commercial or industrial facilities in urban areas is probably satisfied by undisposed of land in existing urban renewal projects;

b) Local attempts to make block grants funds go as far as possible has led some communities away from areas or activities that would result in large relocation expenses;

c) A probable need to catch up on public works and

²Journal of Housing, V. 32 No. 9, Nov. 30, 1975.

site improvements, as well as their high visibility and immediacy, has possibly resulted in significant activity of this type;

d) An apparent widespread feeling that the rehabilitation and maintenance of the existing housing stock and preservation of neighborhoods is an effective method of providing a decent home and suitable living environment, in light of the stagnation in the homebuilding industry, rising energy and construction costs, and other factors.

Having gotten back the results of the first years' operation the question arises, "Will the Black and other minority contractors benefit from this emphasis on rehabilitation instead of new construction?" What was the degree of involvement of minority contractors in relationship to projects funded under urban renewal funding? What were and still are the problems of minority contractors in securing government contracts? What has been done to help minorities alleviate these barriers? How successful have these endeavors been? I shall attempt to answer these questions in the next section.

III. (a) Rehabilitation vs Renewal

In previous years the emphasis of inner-city redevelopment, under the auspices of Urban Renewal, was placed on site clearance and large scale new construction. Black contractors were notably absent from the scene, as far as obtaining city contracts were concerned. The reason for the absence of minority contractors are historical and focus on two extremely important elements of the construction industry, expertise and financing.

Black contractors have been the victims of exclusionary practices of the construction craft unions, which have, in the past, denied them entry into the construction trades. Today, because of their lack of experience and qualifications, too many Black contractors were in the past, and are still today, unprepared to participate in the benefits which flowed from the construction industry during the 1960's and 70's. "The 1960 level of \$105 billion annually in new construction, maintenance, and repairs has rose to \$180 billion in 1973, of which a large share is government projects."³

These exclusionary practices have made it almost impossible for Black workers to acquire construction skills and to enter the construction business through the normal channel of graduating from skilled worker and foreman into small scale contracting and then, with the accumulation of experience and capital, into larger and more complex work.

³U. S. Industrial Outlook, 1970, BDSA, Department of Commerce.

It has also made it impossible for Black contractors to have available to them the quantities of skilled workers needed for large enterprises of the size conducive to bidding for urban renewal projects. When to this pattern is added lack of access to financing, the result is an almost total inability of Black contractors to qualify for surety bonds needed for participation in most FHA insured projects and on public construction work. "A study of seven major cities by the National Business League indicated that 67 per cent of all minority contractors have been unable to obtain a single surety bond!"⁴

Thus, Black contractors have found themselves in a kind of circular trap where their lack of experience in bonded work, the nature of projects under urban renewal, makes it virtually impossible to obtain surety bonds for construction work requiring such bonds and thereby gain experience on this type of work, even though in some cases they have the ability to perform.

Two actual cases illuminate the nature of the problem. "In 1967, despite the offer of the Oakland Small Business Development Center to put up the money necessary to guarantee performance by a minority subcontractor unable to obtain a surety bond, the subcontractor who had submitted the lowest bid was rejected for the work by the general contractor on an Oakland public school construction project. When asked to

⁴National Business League--"Preliminary Analysis of Black Contractors from Seven Cities," (Unpublished memorandum) April 1970.

intervene, the Oakland Board of Education refused to take action, citing a provision of California law which gives a prime contractor the discretion to reject a bid from a sub-contractor unable to furnish a bond from an admitted surety."⁵ The same problem faced a Black constructing company which had received a contract to build a \$507,000 multipurpose health center in Watts for the University of Southern California. The award was predicated upon the contractor's securing a surety bond. After a dozen rejections from surety companies, the University was finally persuaded to permit the contractor to proceed without a bond. It did so, but only after threats were made to burn down any building not constructed by a Black contractor. The health center was successfully completed by the Black contracting firm according to contract and is presently in operation.

But in all too many cases the minority firm never receives the opportunity to perform and often, even if given the opportunity does not have the experience or financial capacity to engage in large-scale work. And up to this point and time the major thrust of our national housing program has been to rebuild ghetto areas. The need for qualified Black contractors to work in these areas is greater than ever, however, we find that there are very few Black contractors who are eligible. "There are approximately 870,000 general and specialty contractors in the United States. In 30 states comprising 107

⁵Government Code Section 4108.

cities for which information on Black contractors is available it is estimated that no more than 1,500-2,000 Black contractors are in business. Most of them are small scale enterprises employing four workers or less, with an average construction contract value of \$20,000."⁶

However, in taking into consideration the NAHRO monitoring report on the use of CD funds, perhaps the plight of Black contractors has taken on a new look?

As I mentioned earlier, according to NAHRO, the CD block grant program appears to be oriented towards maintenance and improvement of the physical infrastructure and the existing housing stock. Also, it's also reported that some localities appear to have stepped up some of the more costly activities that were initiated under the Urban Renewal and Model Cities Programs. "Seventy-one per cent of the localities surveyed out of 150 emphasized rehabilitation activities. Twenty-nine per cent of the localities emphasized the completion of urban renewal projects."⁷

NAHRO reports that most of the rehabilitation programs have involved grants and loans to individual households. The significance of these findings for minority contractors is that they must make their bids to individual households who are, of course, under no obligation to abide by affirmative action mandates! In the instances where the completion of

⁶Fortune Magazine, December 1970--"The Unchecked Power of the Building Trades"--Thomas O. Hanlon.

⁷Journal of Housing, V. 32 No. 9, Oct. 31, 1975.

Urban Renewal projects are being performed the Black contractor must still find a way to deal with the obstacles mentioned earlier.

In interviews with Lansing, Michigan officials, it was expressed that one way of "cutting" Black and other minority contractors in on the "action" is to break contracts down, whenever possible, so that bonding is minimal (less than \$15,000). However, a problem arises in that if contracts are divided in this manner there is a possibility that the quality of the total performance of the contract will suffer, supposedly due to poor coordination of the contractors.

Thus, the plight of Black and other minority contractors is only marginally improved. The Black contractor has a larger marginal pool of potential clientele to render services to. Unfortunately, more often than not jobs that these contractors are able to secure are scattered. This fact raises the cost of energy for the contractor which depletes his already minimal profits. It was expressed by one Lansing official that if the city was granted the authority to take in bids for designated areas of the city slated for rehabilitation and code enforcement minority contractors could then bid for an area instead of approaching individual households. This may serve the purpose of helping the Black contractor, however, he quickly pointed out, and I agreed, that the political feasibility of this approach was slim and none.

There has been scattered attempts to assist Black contractors in dealing with the dilemmas that they face. In the following section I shall summarize these programs.

III. (b) Case Studies of Programs Designed to Help Solve the Problems of Black and Other Minority Contractors

It is somewhat obvious that Community Development Act of 1974, as it is being implemented now, offers no real break through for Black and other minority contractors. Relief for Black contractors, from the obstacles that disallow them from securing contracts, will have to come from improvements within the minority construction companies. One of the most noteworthy efforts has been that of the Ford Foundation.

To help solve the problem that Black and other minority contractors face, the Ford Foundation, in May, 1968, initiated discussions with surety companies in an effort to obtain their assistance in developing a program to qualify minority contractors for surety bonds.

The Foundation viewed the problem as one of devising a program to bring minority contractors up to a standard that would permit them to engage competitively in the quest for business, and qualify in the ordinary course for surety bonds.

Contacts were made with the Surety Association of America, The American Insurance Association, and with three major surety companies: The Travelers Indemnity Company, The Hartford Insurance Group, and The Aetna Casualty and Surety Company. These companies expressed a willingness to cooperate in the design of a program to develop increased Black contractors' bonding capacity. They made it clear, however, that while desiring to render every assistance, they would not bond a contractor unless they felt reasonably certain that the

contractor had the experience, organisational and financial capacity to undertake and satisfactorily complete the project. "In their view, the construction business was risky even under the best of circumstances--with relatively high rate of failure--without encouraging inexperienced or undercapitalized contractors to engage in it."⁸

They also believed that the problem facing minority contractors, in addition to the one of insufficient financial resources, was inexperience and lack of managerial capacity, which could not be solved merely by making capital available. This point of view, as expressed by professional surety men, was succinctly stated in a position paper entitled, "The Surety Industry and Minority Group Contractors," prepared by the American Insurance Association in October, 1968.

"...Absolute candor compels us to point out that the chief and recurring difficulty which most minority group contractors encounter in applying for surety bonds arises from their marked deficiencies in experience, management and other skills in running construction jobs of more than limited scope.

...We believe that it will serve no useful purpose, economic or sociological, for surety companies to issue contract bonds indiscriminately to all applicants, qualified or not...It will not only anger owners left

⁸ Ford Foundation list report on problems of minority contractors. 1969.

with unfinished projects, but will also inflict a mortal wound on the performance reputation of minority group contractors as a class."⁹

In addition to providing an understanding of the industry viewpoints, these contacts with the surety industry have led to the establishment of an informal channel for looking into complaints by minority contractors who have been rejected for surety bonds. In one case, inquiry to a surety company which had allegedly rejected the application of a New Orleans contracting firm for a bond for a \$2,700,000 FHA project, revealed that the application had never been forwarded by the local surety agent to the company. When made aware of this, the company suggested the name of another local agent to process the application. The contractor had substantial experience, a net worth in excess of \$500,000 and an irrevocable letter of credit from a local bank for \$200,000. The bond was written.

The Oakland California Model

A three-year Oakland demonstration program was sponsored by the General and Specialty Contractors Association of Oakland, California in 1969, an organization of some sixty minority general and specialty contractors in cooperation with the Oakland Small Business Development Center, the Management Council for Bay Area Employment Opportunity and the Alameda County Building and Construction Trades Council.

⁹Et al.

The development of the program was assisted by a feasibility study conducted by Kaiser Engineering and was further refined as the result of processing a test case with the cooperating San Francisco surety company representatives. It called for the formation of a Contractor's Assistance Board to supervise the operation of a supportive assistance program for minority contractors and to engage an appropriate professional staff and consultants necessary to service the assistance program. The pilot project had four elements:

(1) The organization of general and specialty contractors in the community into a trade association through which they could be reached and aided. At the same time the association serves as a conduit for the dissemination of information to the contractors about programs being developed to assist them, and as an organizational vehicle for membership participation in these programs. It plays a major role in:

- seeking out contract opportunities;
- referring opportunities to eligible members;
- cataloging the skills and capabilities of its members;
- sharing common problems and providing assistance for solutions;
- securing federal and other funds for educational and training programs;
- bringing together consortia to perform contracts beyond the unaided skills and abilities of a single member;
- contacting and negotiating with various government agencies about construction contract opportunities;

--representing the various interests of the contractors in the contractor assistance program and with other construction industry trade associations.

The constructive roles which could be played are limitless.

(2) The provision of technical assistance at the level of general instruction and at the level of supervising the performance of a particular job and, if necessary, being prepared to actually take over its operation. This has been accomplished through the establishment of a Contractor's Assistance Board composed of minority contractor representatives and members drawn from the business and financial community experienced in the problems of the construction industry. Serving on the board, in addition to representatives of the minority contractors trade association, were:

- a business executive who was the Director of a non-profit organization to promote economic opportunities for minorities in the San Francisco Bay area;
- senior construction loan officer from the Bank of America;
- senior construction vice-president of Kaiser Engineering;
- director of Oakland Small Business Development Center, Inc.;
- the Business Representative of the Alameda County Building and Construction Trades Council;
- Assistant Secretary of the Carpenters Bay Counties District Council;

--Executive Director of the Human Rights Commission in San Francisco.

(3) The provision of adequate financing so that the contractor has available a ready credit source to permit the job to be properly financed and to enable him to have the liquidity and "quick assets" which a surety company would require for bonding. In a non-bonded job the same cash requirements would exist to insure that a proper flow of money on the job would be available. This financing was supplied in Oakland by a grant of funds to be loaned to the contractors on a basis subordinate to the sureties.

(4) Through it paid expert staff of accountants, cost estimators, construction specialist, its ability to engage first rank consultants and the skills of its board members, the Contractors Assistance Board can provide assistance to a contractor on a particular job in:

- accounting and record keeping;
- cost estimating;
- locating proper subcontractors and skilled labor;
- preparing and submitting bids;
- organizing the job site and supervising the job;
- determining the cash flow requirements of the job;
- administering job funds through a blocked account;
- establishing proper relationships with trade unions and government agencies concerned with the job;
- finding and hiring proper skilled foremen, supervisors, and craftsmen;

--insuring that job proceeds are properly received and applied to the job, etc.

In short, the project aimed to help in the performance of every conceivable function that could be required for a successful job. In its role as the supplier of assistance, the board also served to screen out obviously "unsuited" contractors and attempts to guide contractors towards jobs within their aided capacity and which will permit "reasonable" and orderly growth.

The Board also is constituted in a manner that will generate confidence on the part of surety companies that might bond any of the contractors. This was done by assuring that proper business management and experience will be available to assist the contractor in carrying out the job, which is important if the contractors are to be helped in performing bonded work. The Oakland project was funded by the Ford Foundation (75%) and the Economic Development Administration of the Department of Commerce for the strengthening and support of the General and Specialty Contractors Association, the minority contractors trade association.

Within six months after operations begun the Oakland program loaned or committed to contractors \$110,000, which aided in securing construction work valued at \$1.5 million--most of which involved bonded work and none of which would have been possible without the assistance provided by the bonding program. Some of the other accomplishments of the

project include:

- obtaining a bond on a \$250,000 contract for a general contractor whose previous largest bond had been \$80,000;**
- obtaining a bond on an \$80,000 job for an electrical subcontractor who had never been bonded before;**
- assisting eight contractors who had never bid on public work before, to obtain bonds and submit bids (these contractors having been shown how to proceed are now bidding on their own without assistance);**
- arrangements were made to have contractors qualified to bid on local university construction and to receive notice of prospective work; and**
- lines of communications have been opened with local surety company representatives which have resulted in bonding acceptance on every application submitted by a contractor who has used the facilities of the project to develop a set of books and records and a current financial statement.**

On the basis of the encouraging signs from the Oakland project and the positive response from the Surety Industry regarding the approach to the problems of Black and other minority contractors, the Ford Foundation has initiated similar projects in three other cities: Cleveland, Boston, and New York, they have met with similar degrees of involvement by both the construction industry and the financial establishment accompanied with the same degree of success.

Conclusion

It is obvious that the construction business is very complexed and the emergence of the Community Development Act of 1974, by its self will have no great positive impact on Black construction enterprises. However, if efforts like the Oakland project can become commonplace there is justifiable cause for optimism. Unfortunately, it is unrealistic to believe that private enterprise will carry the ball for the whole game. Further improvement in the area of construction, demands a greater commitment by federal, state, and local government. The Oakland project clearly points out that it is one thing for government to state emphatically that minority business shall be used in the reconstruction of the inner-city, whenever possible, however, it's quite another ball game when large contracts, in a high risk business such as construction, which calls for the interaction and cooperation of profit conscious institutions, such as banks and surety companies, are involved, especially in cases involving Black contractors who sometimes lack funds and experience. Perhaps the Small Businessmen Administration can serve, as well as the Department of Commerce, as a leading force towards creating more Oakland Models. At any rate this is one area where the "fight" must be carried on if the economic well being of the powerless is to be achieved.

IV. Can Black Capitalism Relieve the Economic Crisis of the Inner City?

Implicit in the first half of this paper was the idea that alleviating the barriers that confront Black contractors specifically and Black enterprises in general can be the spring board to economical and political prosperity for the inner city!! This belief in "Black Capitalism", "Black entrepreneurship", "compensatory capitalism", and the like have been the vehicles that suppositively are to bring instant economic and political viability to the "ghetto".

These approaches all have one thing in common--an effort to increase economic capability and the financial resources of the Black residents and other deprived populations of the urban areas. This is seen as a partial solution to the recurring problems of the ghetto.

The weakness in this approach, however, is that it attacks basically on a portion of the problem. Economic development of the ghetto is desirable and laudable. But it must be tied into a network of infrastructures and super-structures which makes the development elements a productive function, rather than merely a distributive function. Black economic development must be tied into the main economic system of the nation, or it will be meaningless. The development of management skills, the development of capital-accumulating institutions, the development of markets--all of these are items of great importance, but they achieve their importance only insofar as they become part of an entire economic

system--i.e. insofar as they contribute to the economic development and growth of the ghetto.

If objectives are limited merely to placing a few Black men in business or to improving or slightly expanding the business of those Black persons who already have businesses, then the objectives are too limited to achieve the goal of making the inner city viable living environments. No less a goal can be defined than that of a realistic commitment to empowering the ghetto masses to grow self-sufficiency through self-directed growth, creative changes, and increased productivity. As so defined, it then becomes possible to see that the goal cannot be achieved unless the piecemeal purely sociological cosmetic approaches are discarded, at least inasmuch as they cannot address the economic aspect of ghetto problems.

The weakness in most ghetto economic development "plans", is that they are piecemeal approaches towards solving only a part of the problem. They fail to come to grips with such total problems of restructuring of the economy as the following:

--Transferring ownership from absentee owners to local minority owners in an orderly manner, thereby retaining the economic input within the communities. Item:
 "A recent report shows that 82 per cent of the business volume in Harlem is done by white non-residents";¹⁰

- Developing an overall economic plan or framework through which the community can participate in the planning and systematic development of the community, while leaving the individual business development in the hands of "Ghetto stock holders" or individual entrepreneurs;
- Diversifying, strengthening, and expanding the economic base of the ghetto so that it can compete in the wider economic mainstream; and
- Increasing the "Ghetto National Product" (GNP) by increasing ghetto owned industries that produce, as opposed to businesses that merely distribute "foreign" goods and services.

Full employment is a desired goal and must be vigorously pursued, but it alone will not insure a healthy, viable, minority business community. There was Black full employment on the plantation. Yet it insured only the growth of the white owner! New industry is needed in the ghetto. Manpower training is vital. Discrimination, as American as apple pie, must come to a halt, now. But alone these are not the true routes to economic growth.

For without ownership and control of production and distribution, employment means little. The Black man remains a straight man for the flow of money through him directly back into the white community. The minority business community must be helped to diversify and develop its capacity

to own and control the economic mechanisms; to retain the money once it is earned, and to circulate the money within the community.

Concluding Remarks

The plight of the Black contractor is in more cases than not typical of the dilemma that all aspiring Black businessmen must encounter. There's no doubt that America has the needed resource to undo the injustices that serve to negate Black and other minorities right to a quality life, the Oakland project shows what can be accomplished. On a broader context the GHEDIPLAN, Harlem Commonwealth Council, etc., show what positive programs can accomplish. In relating back to my opening personal views, "America can win the "fight" if she has a conscious, she certainly has the know how and the resources." One need but look at Japan and West Germany to see American know how in helping to redevelop foreign countries. The ghetto's of America are in need of that same assistance.

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