

in the eyes of the homeowner, trustworthy or desirable? If race, color, or national origin is involved—and, by the nature of things, these *must* be involved—the Federal inspector (not the homeowner or his wife) makes the decision. The alternative—foreclosure, blacklisting, cancellation of any Federal benefits under any program.

Already, without any legislative authority whatsoever, the President has issued Executive Order 11063 dated November 20, 1962, purporting to put all of the above into effect concerning an estimated 30 percent of the homebuilding in the United States. *This has been done in spite of the fact that Congress, on six different occasions, defeated amendments to then pending housing acts granting the President authority to so act.* If this bill is passed, it will validate that order. Moreover, it will give the President carte blanche to subject every homeowner to Federal control.

BANKS AND BANKERS

A dispassionate study of the power granted in this bill will convince a reasonable person that no bank could operate under its provisions without undue hardship.

If a bank under this bill were to deny employment, a loan, a line of credit or a sales contract to a person, it would have to prove its decision was based on facts that did not, in any way, discriminate against the rejected applicant because of his race. Among the penalties that could be imposed on the bank would be the *cancellation of the bank's Federal deposit insurance and its right to handle GI, FHA, and other Government-insured money.* The power granted in the bill goes further. If a small businessman, for instance, has been held in violation of the Federal civil rights law, under the provisions of this bill *the bank can be required to cease doing business with the culprit*, or else lose its FDIC protection for all its customers.

To illustrate, assume a bank extends a line of credit to finance construction of an apartment house. Assume a tenant is denied the privilege of leasing one of the apartments because his credit or character, in the opinion of the management, would make him an undesirable tenant. If the Federal inspector decided this amounted to discrimination, the FHA guarantee could be cancelled.

The agencies *required* to police banks and bankers, under the direction of the Attorney General and the Commission on Civil Rights, are all national banks, the Federal Deposit Insurance Corporation, the Federal Reserve System, the Federal Housing Administration, FNMA, and all similar agencies.

Among the institutions and agencies which would be required to conform to the act and police business and professional establishments are all banks, savings and loan associations, and other financial institutions served by the FDIC or the Federal Reserve System, the agencies administering GI, FHA, FNMA, SBA, and all other loans and programs involving Federal financial assistance. Withdrawal of protection or credit, foreclosure of loans, blacklisting, and similar sanctions may be expected.

LABOR UNIONS AND MEMBERS

To millions of working men and women, union membership is the most valuable asset they own. It is designed to insure job security and a rate of pay higher than they otherwise would receive. As none knows better than the union member, himself, these two benefits are dependent upon the system of seniority the unions have followed since their inception. Seniority is the base upon which unionism is founded. Without its system of seniority, a union would lose one of its greatest values to its members.

The provisions of this act grant the power to destroy union seniority. . . . With the full statutory powers granted by this bill, the extent of actions which would be taken to destroy the seniority system is unknown and unknowable.

To disturb this traditional practice is to destroy a vital part of unionism. Under the power granted in this bill, if a carpenters' hiring hall, say, had 20 men waiting call, the first 10 in seniority being white carpenters, the union could be forced to pass them over in favor of carpenters beneath them in seniority, but of the stipulated race. And if the union roster did not contain the names of the carpenters of the race needed to "racially balance" the job, the union agent must, then, go into the street and recruit members of the stipulated race in sufficient number to comply with Federal orders, else his local could be held in violation of Federal Law.

Neither competence nor experience is the key for