Further information on the activities of the league or the Gamaliel Foundation may be obtained by phoning (312) 641-5747 or (312) 826-2610, or by writing: The Gamaliel Foundation, 109 North Dearborn St., Chicago, Illinois 60602.

Similar material on the exploitation of ghetto areas was printed in "How Real Estate Exploitation Helps Produce Ghettoes", in The Building Official, June, 1968, and in a note in the Spring, 1971 issue of Yale Law Journal.

The Contract Buyers League: A View from the Inside

by John R. MacNamara

John R. MacNamara started working in Lawndale as a Jesuit priest, and was one of the founders of the Contract Buyers League and the Gamaliel Foundation. He has since resigned from the Jesuits but is continuing to work with CBL in an advisory capacity.

On June 1, 1967, 12 college students and two Jesuit seminarians moved into two apartments in Lawndale, a black ghetto on Chicago's West Side. Their project was planned to last only for the summer. It resulted from the seminarians' previous part-time work in the area, and the students' desire to contribute actively to the solution of the human problems which result from two closely related forces—poverty and race. No one knew what form constructive assistance might take or even whether progress was possible. The urgency of the problems, not the evidence of solutions, was the driving force.

There were certain guidelines which the participants set out. The first was that there should be no preconceived ideas regarding what needed to be done. The participants felt these problems continued to exist because all too many people would just sit in offices or on college campuses and theorize about the ghetto's needs or, at the most, move in and impose solutions and programs on the community. They realized that all action must arise from the needs of the particular community involved.

The first phase of the operation, therefore, was to be simply a sincere listening period. The workers would hit the streets and listen to the people of the neighborhood (local leaders, laborers, housewives, young people, etc.) in hope of discovering what specific problems faced the people as individuals and contributed to their suffering as a community.

In the second phase, once the workers recognized the problems, they would not attempt to solve the problems...
themselves, but rather would provide services for bringing people together and for gathering information so that the residents of the area could participate in effecting the needed changes. The workers did not feel they had any extraordinary answers. What they did have was time and the understanding that a successful endeavor would require research into the causes of the problems and the cooperation of many people. Consequently they could gather information and bring people together—something the overworked residents of the area did not have time to do. The students and seminarians believed that people who had an understanding of the causes behind the problems would be able to work together and collectively arrive at solutions. Their success would be marked at the point at which they had eliminated the need for themselves—when the machinery for an organized and developing community existed, the people of the neighborhood would be left to steer it and keep it functioning for themselves. Then the students and seminarians would move on.

Ghetto Problems: The Inception of the CBL

The project began with listening. The group painstakingly visited all the families in a 12 block neighborhood to hear first-hand the human problems facing the community. They did hear them, plus repeated stories of almost inhuman exploitation. They discovered that the worst psychological problem of the ghetto was the sense of futility and impotence. People admitted over and over their despair of ever achieving things they had a right to achieve.

For example, the residents complained that they were expected to pay taxes but did not receive the services their tax money paid for. There were no playlots as there were in other parts of the city, and their children were forced to play in the streets or in alleys strewn with broken glass and litter. They complained that garbage was not collected regularly—yet they were criticized by outsiders for being unclean.

They told of paying high rents to landlords living in the suburbs. The study group found that slumlords hire real estate managers whose major skill is manipulating the tenants. Investigation showed that complaints of building code violations were either never filed or were dismissed in court on the basis that the alleged code violations did not exist.

In its preliminary phase the study group focused on such issues. Once convinced that all normal channels for correcting conditions had been tried and had failed, they organized public dramatizations of the conditions. There were a few small gains: the garbage collection was immediately resumed and has continued regularly and a playlot was constructed.

These were victories achieved during the first summer. The students planned to return to their colleges in September, and the disintegration of the project seemed
imminent. I felt strongly that what modest but significant progress had been made would be wasted if the effort were abandoned, and I secured permission to postpone my theological studies in order to continue the project. Mr. MacNamara has since resigned from the Jesuits and is continuing to work with the CBL on his own. (Ed.) Several students worked out academic programs with their colleges in conjunction with Loyola University of Chicago so that they could continue to participate. The project had turned a critical corner.

As it continued to listen, the group discovered that one issue had a stronger negative effect on the lives of the people and the conditions of the ghetto than any other. The issue was exploitation in the sale of real estate. This was to become the main rallying point of the community and the chief concern of the project.

The group decided to conduct an extensive research project concerning real estate practices in changing neighborhoods throughout the city of Chicago. By examining title transactions and public documents in the County Recorder’s office, data were compiled on several hundred buildings. The research project revealed a consistent pattern of exploitation. The best way to describe the situation is to consider the case of one family in detail.

According to county records and the testimony of a real estate speculator and a contract purchaser presented before the Public Welfare Committee of the Illinois House of Representatives at a public hearing on November 15, 1968, Mr. and Mrs. Howell Collins of 3932 W. Congress Parkway in Lawndale purchased their property on contract for $25,500 on September 26, 1960. The speculator had purchased the same building only three days before for $14,000 from a white owner-occupant who was selling because the neighborhood was changing from white to black. The contract which Mr. and Mrs. Collins signed called for a down payment of $1,500 and the balance to be paid over 19 years at a rate of 7% interest, the maximum allowed under Illinois law. Their monthly installments were $226.00, of which $190.00 was applied to principal and interest.*

To demonstrate the extent of the gouging involved in these sales, it will be helpful to draw a few comparisons. Under the terms of the contract, Mr. and Mrs. Collins will pay a total of $44,820 for their building. Of this, $19,320 is interest. If they had been able to purchase the building for $15,000 with the same down payment and the same monthly rate, they would have paid a total of $20,740. Of this, only $5,740 would be interest. Because of the inflated sales price, these contract pur-

chasers were paying interest on a much greater principal. They were not only charged an excess $10,500 on the sales price, but they also were charged $13,480 in excess interest charges. In other words, they were paying a “race tax” of $23,980. Moreover, it should be noted that they would have made their final payment in October 1968 if a mortgage and fair price had been available. Their contract balance, however, as of December 1, 1968, was $17,535.12 with a perfect payment record.

And, because a contract buyer (as opposed to a mortgage buyer) does not have equity until his final payment is made, a purchaser who defaults loses his home and every cent he has paid on the contract.

The activities in the investment world followed a similar pattern. In the Collins case, the records show that the speculator paid $2,000 down and obtained a mortgage for $12,000. The purchasers in turn made a $1,500 down payment to the speculator. Consequently, the speculator’s actual investment was $500. Most speculators anticipated returns of approximately 30 to 40 per cent per annum. In many cases, such as this, the actual cash investment of the speculator was minimal or nonexistent. In some cases, speculators obtained mortgages for more than they had paid for the building.

For example, in Englewood on Chicago’s South Side one speculator did just that—many times over. He sold a building valued at approximately $15,000 to a black buyer for $25,000 with a down payment of $1,400 by obtaining a first mortgage from a local savings and loan institution in the amount of $13,600 and then by providing a second mortgage in the amount of $10,000, the proceeds of which were pure profit for the speculator.

In addition to the inflated sale price and high interest charged, many buyers across the city were forced to make costly repairs after signing the contract. One couple was told by the speculator that the building was free of code violations. Three weeks after they moved in, a man who identified himself as a building inspector appeared at their door. They then were required to spend another $2,500 to correct code violations. These events are common to the ghetto dweller. In Lawndale more than a half of the buildings are purchased on contract by black buyers. The average additional charges on buildings purchased since 1959 came to $20,000. In one case the additional charges were “only” $10,000; in another case, they amounted to $50,000. Current FHA appraisals bear the same relationship to the price paid by the speculator to the departing white family and the price charged to black purchasers as in the Collins case. Monthly installments generally comprise 35% to 45% of the family’s income. The FHA considers payments of more than 25% to be excessive.

Table I demonstrates the markup in prices of buildings purchased on contract. In every case, the building was sold to Negro buyers within a year after it was purchased by real estate speculators. In most cases, the resale took place within three months. The figures listed in the chart do not include repairs required by building inspectors after the buyer moved in.

At first, it seemed that the blame should be placed upon the speculators alone. But further research indicated that the speculators were not the sole cause of the

*One might ask whether the departing white families or the incoming black families were more the victims of an injustice. But the evidence compiled from county records, independent appraisers and the word of a real estate broker who operated in the area prior to the changeover indicates that the $14,000 paid by the speculator approximated the actual value of the building. Moreover, a recent appraisal of the Collins building by the Federal Housing Administration indicated that its present value is $15,000.
# Table I

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<th>Building No.</th>
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*These figures are based on $1,000 down payments and interest rates of 7% to the Negro buyer and 6% if they were on conventional mortgage.

The plight of black homeowners. Many buyers had taken precautions at the time they were buying. Realizing that they were not experts in the field, they had sought legal advice and were told by their lawyers that they were being treated fairly both as regards sale price and the terms of the contract.

Without overlooking the unethical dealings of the speculators or the ineptitude of some of the lawyers, it must be said that the problem has deeper roots. The blame for this intolerable exploitation of black home buyers falls on many elements of our society.

### The FHA

Of these, the Federal Housing Administration has long been one of the chief offenders. In order to understand the role of FHA, it is necessary to examine some of FHA's purposes and policies. In the 1930's, FHA made extensive changes in the pattern of home ownership in the United States. Up to that time, banks, savings and loan institutions and other mortgage outlets required down payments amounting to one-third of the appraised value of the buildings. FHA's program was designed to provide low-income Americans with the opportunity for home ownership by insuring mortgages up to 97% of the appraised value of the building. In doing so, however, this agency of the federal government promoted racial discrimination. *Housing*, a report of a 1961 study published by the U.S. Commission on Civil Rights, stated:

"The FHA indeed encouraged racial discrimination. Its explanation for doing so was the widespread idea that property value of a residential neighborhood suffered when the residents were not of the same social, economic and racial group." (p. 16)

The report also quoted the FHA underwriting manual of 1938: "If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial groups." The report also indicated that the manual recommended the use of restrictive covenants (stipulation that the property could not be sold to Negroes and other groups), that it contained a model of such a covenant and that it almost demanded restrictive covenants as a prerequisite for obtaining FHA assistance.

In addition to the racial restrictions on eligibility for FHA financing, there also existed an "economic soundness requirement." This requirement restricted loans to buildings whose remaining economic life was sufficiently long to warrant them. These two restrictions made it
virtually impossible for black people to obtain loans because the racial requirement eliminated loans in changing neighborhoods and the economic soundness requirement eliminated loans in almost all black communities because of the age of the buildings.

Finally, an FHA administrative procedure of "red-lining" certain areas of the city was another factor which denied black home buyers the benefits of a nationwide private housing program. This practice isolated certain areas of the city as areas in which FHA mortgage insurance was not available. It was no coincidence that these "red-lined" areas coincided with the black areas.

Recently FHA has begun to change its policies. The requirement of "racial homogeneity" in a neighborhood was eliminated several years ago. In July 1967, after urban riots in many cities, FHA Commissioner Letter No. 63 instructed FHA offices to consider all buildings in "riot or riot-threatened areas" as acceptable risks. "Red-lining" was discontinued in Chicago several years ago.

Generally, FHA was in business to provide Americans with the opportunity of owning a home without large down payments. But it is also clear that the benefits of this program were available almost exclusively to white Americans. Black people who wished to own a home were forced to buy on contract at higher prices. Black dollars, therefore, were not equal to white dollars.

Lending Institutions

A second element in our society which has contributed to the exploitation of blacks in the housing market proved to be the lending institutions. Customarily, banks and savings and loan institutions write off certain areas of the city, often corresponding with the areas in which black people are living. Potential black purchasers in these areas are refused loans, even with substantial down payments. Yet, speculators are able to secure mortgages in these areas, frequently on lower down payments than offered by black buyers.

The lending institutions cite poor credit risks and unsound properties as the reasons for their unwillingness to make mortgage loans to black people. (Experience proves the allegation that black people are poor credit risks to be false.) And the soundness argument explodes when it is realized that the same buildings which are "unsound" economically when a black buyer seeks a mortgage suddenly become "sound" when a white buyer seeks a mortgage.

The report of the National Advisory Commission on Civil Disorders charged that white society creates the ghetto, condones it and maintains it. In looking at the policies of FHA and the lending institutions, we can see how racism has been institutionalized. This is a concrete example of the phenomenon reported by the Kerner Commission.

A final factor which created the conditions for the contract buying swindle is widespread racial prejudice. The black buyer was forced into a very limited housing market, and this limited supply made possible the conspiracy to reap excessive profits from black people. The vast majority of black contract purchasers did not desire homes in areas where they had to face overt prejudice and violence from white neighbors. Consequently, when they shopped to compare housing prices, they were comparing prices only in the controlled markets discussed above.

The grossly inflated cost of contract buying means that husbands must work two and sometimes three jobs in order to make ends meet. It means that wives must work, that family life is all but destroyed and that children must be left unsupervised. For many, contract buying is the lesser of two evils. Couples faced with the choice of continuing to pay exorbitant rents comparable to their current monthly installments or buying on contract choose the latter, hoping someday to own their own homes. The criticism by the white community hurts even more because the black buyers are only too well aware that they cannot afford repairs after putting all their money into the pockets of speculators through grossly inflated monthly installments. It means, too, that they must face embarrassment in admitting that they entered into bad deals, especially when many of them sought out the advice of attorneys when they made their purchases. In brief, contract buying means frustration and despair.

Once the research had been completed, the student researchers felt that it was necessary to make the results available to both the black community and the white community. They began by explaining their findings to contract purchasers in the community in personal interviews in local homes and in public meetings. The researchers started with the black community because they felt it would be better if representatives from the black community would participate in the communication of the findings to the white community. As a result of the sustained effort in communicating these results to the residents of the black community, a rather thorough understanding of the findings evolved within a short period.

Consequently, the residents began to ask what might be done about the situation. In February 1968 a group of contract purchasers met with the researchers. As a result, a small group of exploited black home purchasers formed an organization called the Contract Buyers League. When contract purchasers from other parts of the city asked to join, the group expanded to become the Contract Buyers League. The organization has expanded to include over 1,000 contract purchasers from the West and South Sides of Chicago.

In keeping with their original guidelines, the seminarians and students decided not to assume a role of leadership in the Contract Buyers League. They decided to retain their own identity and to work with the League, but to remain distinct, as the Presentation Community Organization Project. In June 1968 they changed their name to the Gamaliel Foundation.

The decision was made not to replace the college students who made up most of the Gamaliel Foundation staff with more college students because many of the contract buyers were more knowledgeable about the
intricacies of contracts than a new contingent of college students would possibly be. Therefore, the Gamaliel Foundation employed four black contract purchasers in the latter months of 1968 and opened a store front office on Pulaski Road to provide a headquarters for the Contract Buyers League and adequate office space for the Gamaliel Foundation.

In the fall of 1968 another group presented itself to the members of the Contract Buyers League and staff workers of the Gamaliel Foundation. This group consisted of black contract purchasers who found themselves in a position similar to the people who had bought used residential property from real estate speculators as described above. This new group of contract buyers consisted of purchasers of new homes, principally on the South Side of Chicago. They had been overcharged for new homes in the same manner as contract buyers had been for old homes. For example, one family purchased a new home on 95th Street in April 1967 from a builder who sold more than one thousand homes to black families—all on contract. The purchase price of this single-family dwelling was $29,200. An appraisal based on standard building costs at the time indicated that the fair market value of this property was $22,500 ($6,700 less than the contract price).

If this family had obtained the building at a fair price of $22,500 making the same down payment and monthly payments at the same interest rate, they would have paid for the building in fourteen years and their total cash outlay would have been $31,712. They were to pay $52,650 under the contract.

In addition to overcharging these contract purchasers, the builder refused to allow his purchasers to obtain mortgages—even in a case where the purchaser made a down payment of $10,000. When asked, the builder told prospective buyers that the terms of his contracts were better than mortgages. He also insisted that the contract buyers use companies which he selected for making improvements on their homes and refused to make repairs necessitated by faulty construction. Conference table negotiations were attempted with the builder of these new homes. The result was the builder's adamant refusal to consider any renegotiation of contracts.

The group of new home buyers joined the Contract Buyers League.

When the Contract Buyers League was first organized, the members—together with the members of the group which became the Gamaliel Foundation—decided the best place to begin would be to consult with lawyers. But after presenting the problem to approximately 30 lawyers, no legal remedies had been suggested. It was decided that the members of the Contract Buyers League would have to seek renegotiation of the contracts by trying to deal with the speculators directly. If that failed, they were prepared to apply pressure through demonstrations.

In an effort to settle the matter, the Contract Buyers League softened its original negotiating position regarding fair price several times. But the negotiations failed.

The League members then decided to visit their neighbors and picket the speculators’ offices. Care was taken to assure that picket lines composed of members of the Contract Buyers League, the staff of the Gamaliel Foundation and the supporters from the white community were orderly and conducted within the framework of the law. Fact sheets describing the issues in detail and providing appropriate documentation were distributed. An atmosphere of cooperation existed between the members of the Contract Buyers League and the Chicago Police Department. The League notified the police in advance about any demonstration and agreed to follow police orders, with any disputed order to be submitted later to the Human Relations Section of the Police Department.

On one occasion, the members of the Contract Buyers League had decided to picket a speculator in Cicero, Illinois. Fearing a disturbance, the members of CBL decided to take extra precautions ahead of time. The U.S. Attorney for the Northern District of Illinois assigned a special group of FBI agents to the scene at the request of members of the Contract Buyers League. In addition, several lawyers volunteered to be on hand at this demonstration in case of police irregularities. Fortunately, the Cicero demonstration was conducted without incident.

Many people told members of the Contract Buyers League that demonstration efforts would not be successful. The experience of the Contract Buyers League has been that properly executed demonstrations, tightly controlled, can be successful. The activity brought all of the speculators to the bargaining table and some made considerable concessions. Unfortunately, the Contract Buyers League was still not able to reach agreement with the majority of the speculators.

In the summer of 1968 the Public Welfare Committee of the Illinois General Assembly conducted a public hearing. Real estate speculators and representatives of the lending institutions were invited to attend this summer hearing but failed to respond. Consequently, the Public Welfare Committee decided to hold another hearing in November 1968 and to require the testimony of the real estate speculators and representatives of the lending institutions. As a result of these hearings, members of the legislature and the Chicago Bar Association began to provide legal protections for low income and unsophisticated home purchasers. In view of the limited success during ten months of negotiations and picketing, the members of the Contract Buyers League realized that more was needed.

In a press conference held at the Contract Buyers League office on November 20, 1968, Charlie Baker, CBL chairman, announced plans for the withholding of monthly payments. Mr. Baker's press statement included the following remarks:

"Ten months is a long time to walk. Ten months is a long time to talk without results. Two hundred twenty dollars a month is a lot to pay when you have to work two jobs in order to pay it. Our patience is running out.

"In spite of our discouragement, we intend to remain non-violent. Nevertheless, we feel that it is necessary to step up our tactics. The only power we have is economic power—our monthly payments. Each of us will withhold
his payments effective December 1, 1968. All of us will make out money orders to ourselves each month which will be held on deposit.

"We have considered all aspects of our action. Since we have offered our tenants a 25% rent reduction when we renegotiate, they are with us and do not intend to pay their rents to the speculators. So if they try to collect rents from our tenants, it will not work. If the speculators try to take the buildings back, we assure the speculators that they will not sell them again to black people. We feel sure that white people are not interested in buying the buildings, unless they think they can cheat black people out of money. We can also assure the speculators that they will never rent these buildings to black families. The speculators need not fear that the buildings will burn down—we don't want them to collect money on the insurance we have paid over the years.

"We have heard enough about return on the speculators' investments. Until our dollars are equal in value to the speculators', this doesn't mean a thing. We are tired of walking and talking without results and of all the speculators' delaying tactics. The only thing that can keep us from going through with the "Holdout" is a commitment from a speculator to renegotiate his contracts on CBL terms."

The decision of the contract buyers to withhold their monthly payments met with extensive approval throughout the Chicago community. One of the most significant endorsements came in a Chicago Sun-Times editorial entitled "End Home-Contract Gouge" on November 23, 1968, three days after the CBL announcement. This editorial read, in part, as follows:

"Although the holders of the contracts probably have the letter of the law on their side and could enforce their contracts in the courts, we urge them to negotiate. The buildings involved were often bought by speculators at low prices from white families fleeing changing neighborhoods, then immediately sold at tremendously inflated prices. Most of the speculators have already made a reasonable profit from these transactions, even though their contracts may have years to run.

"This kind of transaction goes well beyond the bounds of good business practice and reasonable return on an investment."

The contract sellers, many now joined together in the Real Estate Investors Association, should come to terms with the Contract Buyers League. Many individual contract holders have already done so, reaching agreements that appear to be eminently sound.

"Under the letter of the law, the contract holders may still be able to collect the full amount of their contracts, or evict 1,000 contract buyers after the first of the month. We cannot believe this would be in the best interests of the business community or of the Real Estate Investors Association, itself. It certainly would not be in the best interest of the community at large."

The withholding of payments began as announced on December 1, 1968. Members of the Contract Buyers League had money orders in the amount of their monthly payments made out to themselves and then deposited with the Contract Buyers League. In the first month of the withholding, 327 families withheld payments amounting to $63,000. By the end of the second month, 597 families had joined the effort. Within three months, they had withheld a quarter of a million dollars.

The members of the Contract Buyers League decided at the time of the withholding campaign to submit their problem to the judicial process in the hope that justice could be achieved through the legal system. They obtained the services of two of the city's outstanding law firms—McCoy, Ming and Black and Jenner and Block—on a volunteer basis.

Two lawsuits were filed in the federal district court in January 1969 and assigned to Judge Hubert L. Will. The first lawsuit was filed on behalf of black contract purchasers of used residential property in Chicago. The second lawsuit was filed on behalf of black contract purchasers of new construction property in Chicago. The latter case was reassigned to Judge J. Sam Perry in the spring of 1970. Both lawsuits filed in January 1969 contain the same basic allegations.

The complaints allege that the defendants—consisting of sellers, lenders and others—exploited and furtheed the custom and usage of residential racial segregation in the city of Chicago and charged discriminatory prices to black contract purchasers; that, in so doing, they violated the provisions of the Thirteenth and Fourteenth Amendments and the Civil Rights Act of 1866, by subjecting the contract purchasers to a form of involuntary servitude during the terms of their contracts and by preventing the contract purchasers from having and exercising the same right as is enjoyed by white citizens to purchase and hold real property.

Both cases have progressed slowly. But both cases have resulted in two significant decisions. In the spring of 1969 Judge Will ruled that the cases are to be heard as class actions, thereby covering all purchasers who bought homes from the named defendants. Shortly thereafter, Judge Will denied the defendants' motions to dismiss. He further ordered the publication of a notice announcing the class action which appeared in The Chicago Daily Defender, The Chicago Sun-Times, The Chicago Tribune and Chicago Today on Monday, June 2, 1969.

Since that time, the long, tedious process of legal discovery has been progressing slowly. In spring of 1970 Judge Will ruled that a statistically proven random sample of 475 of the 3,000 plaintiffs in the used property case would be acceptable. This "sample" is designed to demonstrate a profile of the activities of the defendants. Significant progress has been made in gathering the data for the sample and preparing it for computerization. In the new property case, the transfer to Judge Perry and countless other problems have delayed discovery. It is expected that both cases will be tried starting in September, 1971.
In an effort to demonstrate their good faith, the members of the Contract Buyers League decided to resume making the monthly payments to the contract sellers in April 1969 when Judge Will indicated that he could not enjoin the sellers from instituting and carrying out eviction proceedings in the state courts against those who were withholding their payments. But within a very short period of time a number of difficulties presented themselves, difficulties which pointed out that lawsuits alone were insufficient means for achieving justice.

Once the members of the Contract Buyers League had resumed making payments in April 1969 the sellers immediately ceased talking about out-of-court settlements and began to engage in a variety of delaying tactics in the courts. Many contract purchasers were subjected to great pressure because the sellers now demanded that previously overlooked delinquencies be amortized and threatened to use state court proceedings to effect evictions.

It became clearer and clearer that it would take many months, perhaps even years, to resolve the matter in the courts. At the outset, Judge Will indicated that the case could be tried in the spring of 1969. Soon it became uncertain that the case would be disposed of even by the end of 1970. Many members of the bar predicted that ultimate resolution would require five to ten years.

A delay of justice can be a denial of justice, for the "justice" afforded the CBL is clearly inadequate. Judge Will appears to have affirmed the truth of this statement. When ruling on the application of the Statute of Limitations in the CBL lawsuits, he wrote as follows:

"It has been determined that the first count of this complaint states a claim for violation of the Civil Rights Act of 1866. Only the most parochial view of the Civil Rights Act would identify its ultimate intention to be simply the restoration of any monetary loss suffered on account of race. The abolition of slavery was to be a redemption of human dignity. The indignity alleged to have been suffered in this case cannot be confined to the dates of execution of the various contracts, but can be understood only in relation to the continuing activity whereby the alleged indignity continues to be inflicted and exploited."

Judge Will appears to have recognized that the tendering of each payment is a repetition of the indignity. Yet the contract purchasers were expected to make the exorbitant monthly payment called for by the contract for many months, perhaps even years, until the court's ultimate decision. In the event of a favorable final decision the purchasers would have suffered the indignity described by Judge Will with every payment tendered during the intervening period.

Even more important than the indignity is the actual hardship suffered. Under the Housing and Urban Development Act of 1968, Congress recognized that excessive housing payments cause hardship. Consequently, Congress enacted legislation for subsidy payments to make up the difference between 20 per cent of a family's income and the required monthly payment under a mortgage for principal, interest, taxes, insurance and mortgage insurance premiums for certain low income families. In other cases, where FHA mortgages are available, the monthly payments cannot exceed 25 per cent of the family income. Apparently, Congress felt that housing allocation in excess of 25 per cent of income makes maintenance of a decent standard of living difficult or impossible.

Table II provides a comparison of income and basic living costs for several contract purchasers. The housing expenditure includes only the monthly payment called for by the contract. It does not include expenses for improvements and repairs, which are very high for most contract purchasers. The income figure includes the rentals but does not reflect the collection difficulties which some contract purchasers are experiencing or losses resulting from vacancies.

The first flaw in the judicial process is delay and the hardships that create. The second flaw in the judicial process which concerned the Contract Buyers League was the inequality of remedies available to contract purchasers as opposed to contract sellers. The contract buyers had a remedy consisting only of an expensive, long, uphill and uncertain legal battle. The contract sellers, on the other hand, had a statutory remedy against contract purchasers who did not meet their payments. It provided for a summary proceeding in which the contract buyers were barred from raising any defenses arising out of the nature of the contract. The summary proceeding available to the sellers was inexpensive, speedy and certain. And the sellers were readying themselves to take advantage of this inequality.

This statutory "remedy" was established by the Illinois legislature's Forcible Entry and Detainer Act of 1826. In an effort to protect the right to possession, the legislature, recognizing the importance of the time element, saw fit to give to the contract seller an advantage over the contract buyer. The contract seller was given an additional statutory remedy, summary in nature, which virtually nullified the buyer's common law rights.

The Forcible Entry and Detainer Act was applicable only to real estate contracts. It prohibited the contract purchaser from raising any defenses and effectively denied him the right to trial by jury since the judge would direct the verdict in these cases. The reason for the existence of such injustice in the law can be explained only in terms of history. It can never really be justified.

In other contract situations than real estate, such a procedure is not permitted. In fact, even if the parties to a goods sale had agreed to such a procedure and set it out in the terms of the contract, it is possible that a court would hold such terms unconscionable and therefore unenforceable, as under Uniform Commercial Code, §2-302, which is in force in Illinois. That article has governed contracts for goods other than real estate for many years. It states in part:

"If the court as a matter of law finds the contract or any clause of the contract to have been unconscionable at the time it was made the court may refuse to enforce the
Table II

<table>
<thead>
<tr>
<th>Buyer No.</th>
<th>Number of Dependents</th>
<th>Monthly Payment</th>
<th>Net Income From Principal Job and Rentals</th>
<th>Percent of Net Income From Principal Job and Rentals for Housing</th>
<th>Monthly Grocery Expense</th>
<th>Food Cost Per Day Per Person</th>
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</thead>
<tbody>
<tr>
<td>No. 1</td>
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<td>165</td>
<td>300</td>
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<tr>
<td>No. 2</td>
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<td>110</td>
<td>1.22</td>
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<td>No. 3</td>
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<td>32%</td>
<td>60</td>
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<td>200</td>
<td>.61</td>
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<td>5</td>
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<td>494</td>
<td>44%</td>
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<td>.75</td>
</tr>
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<td>.87</td>
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<tr>
<td>No. 11</td>
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<td>38%</td>
<td>150</td>
<td>1.67</td>
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<tr>
<td>No. 12</td>
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<td>475</td>
<td>37%</td>
<td>195</td>
<td>.81</td>
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<tr>
<td>No. 14</td>
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<td>210</td>
<td>520</td>
<td>44%</td>
<td>160</td>
<td>.75</td>
</tr>
</tbody>
</table>

contract or it may enforce the remainder of the contract without the unconscionable clause as to avoid any unconscionable result."

But there was no such remedy for the contract buyers of real estate.

Another aspect of the judicial process which concerned the Contract Buyers League was the "ivory tower" nature of the process as it dealt with the problems of black people. Black contract purchasers were bringing very human problems before the courts. Without questioning or challenging the integrity, sincerity and obvious good will of many members of the bench, it can fairly be said that the experience of the majority is such that they are intimately familiar with the style of life and business operations of litigants such as the contract sellers. This is not true with respect to the life style of the contract purchasers. This type of experience does have an effect upon the manner in which men think. It seems to have been operative when Judge Will set up guidelines for the resumption of payments in the Contract Buyers League cases. While he provided that the sellers deposit a portion of the payments into a special account so that money would be available for rebates if called for by the ultimate decision, he also insisted that all delinquencies be amortized. It cannot be said that these guidelines were governed by experience alone, but familiarity with the life style of black contract purchasers would have made it difficult not to provide some measure of immediate relief for purchasers. What I suggest is not that members of the bench should be passionate advocates but rather that experience does affect decisions.

Thus, in June 1969 the members of the Contract Buyers League were attempting to find immediate solutions for the problems of time and unequal remedies. They realized, after discussing the matters with attorneys (their own and others), that the solutions did not lie within the scope of the lawsuits they had filed. They knew they had to find a creative, peaceful and effective solution.

The members of the Contract Buyers League concluded in July 1969 that the only viable alternative was some sort of peaceful demonstration. The CBL decided that the only effective demonstration would be to begin withholding monthly payments again.

The principal question which worried the contract purchasers was what effect this action would have both on Judge Will and on the lawsuit pending in the federal court. A related question was what effect a court order to resume making payments would have. The answer came on June 17, 1969, when one of the sellers reported to Judge Will that a purchaser had failed to make any payments for two years. The seller was asking that Judge Will order the contract purchaser to make the payments. Judge Will's response was that he had not ordered any contract purchasers to make payments and that he did not have the authority to do so. But he pointed out that the defendant had a right to bring an action in the state court under the Forcible Entry and Detainer Act. It became clear to the members of the Contract Buyers League that their withholding action would not constitute contempt of court and that Judge Will's reaction would be to tell the defendants that they had their own remedy in the state courts.

The problem of providing immediate relief for con-
tract purchasers who needed it could be solved only if the amounts to be deposited in the Contract Buyers League Holdout Fund were less than the monthly payments called for by the contract. Therefore, the members of the Contract Buyers League decided that each individual contract purchaser would have to decide whether he would deposit the full monthly payment called for by the contract or an amount equal to 25% of the take-home pay of the principal wage earner in the family (plus the amount received from the rental if the property had units available for rental). The members of the Contract Buyers League were aware that it would be to their advantage to have the largest amount possible held on deposit at the time that the contracts are finally renegotiated. But the 25% figure would allow many families to start living a more normal, more human life.

The members of the Contract Buyers League firmly believed that the withholding of payments would cause many of the defendants to resume talking about settlement. The contract sellers had immediately begun to talk about settlement when the members of the Contract Buyers League first withheld their payments, and the sellers’ willingness to talk virtually ended once the contract purchasers had resumed making their monthly payments in April 1969.

While the new withholding action was primarily designed to afford immediate relief and to lead to the resumption of settlement discussions, it was also designed to attack the constitutional problems of the unequal remedies under the Forcible Entry and Detainer Act. The League’s goal was to have that act declared unconstitutional, or to have the courts determine that the law was being misapplied when it denied the contract buyer the right to raise defenses in an eviction proceeding. This constitutional question came before the Circuit Court of Cook County in an action for a declaratory judgment on the constitutionality or application of the Illinois Forcible Entry and Detainer Act brought by all threatened contract purchasers. Circuit Court Judge Edward Egan heard the arguments and refused to make a declaratory judgment on the grounds that the declaratory judgment sought involved an issue of law, not an issue of fact. He held that his power was limited to entering declaratory judgments on issues of fact.

Legal remedies were clearly inadequate, but the Contract Buyers League was determined to take every precaution to prevent the eviction of families. Another provision of the Forcible Entry and Detainer Act meant that a contract purchaser who wished to appeal a decision under the act had to post a bond to do so. The amount of the bond, as determined by the trial court, usually consisted of the delinquency amount plus a year’s payments, court costs and attorneys’ fees.

This was another failure of the judicial process. The contract buyers could not submit their problem to full legal scrutiny. They were not in a position either to raise defenses or to afford the high initial cost of the bond. In this situation, black people found themselves in the contradictory position of being told by the white community that they should submit their problems to the judicial process and obtain justice through law and order, while at the same time being unable to afford the bonds which are necessary to do as the white community directs. The only way by which black contract purchasers possibly could submit this problem to the judicial process was if the appeal bonds were provided from outside their community.

In view of the bonding problems just described, the Contract Buyers League decided in July 1969 that it would attempt to raise money for bonds in the white community. The CBL felt that this effort would enable the members of the white community in a position to do so to respond by submitting themselves to the same risks and uncertainties black people live with every day. It would be an opportunity for the white community to enable black contract purchasers to take advantage of their “right” to submit their problems to the full scrutiny of the judicial process. Of the $350,000 pledged to the Fund, $250,000 had been pledged by Jesuits across the country. Of this $250,000, the Chicago Province of the Society of Jesuits had pledged one fifth of their own useable assets—$100,000.

In announcing the Chicago Province pledge, the Very Reverend Robert F. Harvanek, S. J., provincial superior of the Chicago Province Jesuits, said:

“We take this action because we believe both in the capacity of the American judicial system to rectify its legal procedures and because we believe in the fundamental and basic justice of the decision to withhold payments pending final solution of the case by the courts. If we were to lose this money, it would cause a serious hardship to us because the money is needed to train our men.”

If the litigation were successful, the money would be returned to the contributors; if unsuccessful, the funds would be used to pay off the judgment so that the funds which the contract buyers had withheld and deposited in escrow could be used for getting a new start.

Between July and December, $350,000 was pledged to the Guarantee Bond Fund. Since this was not nearly enough to cover the individual bonds set by the courts in the Forcible Entry and Detainer cases during that time, the members of the Contract Buyers League voted that no bonds should be posted unless there was sufficient money pledged to post individual bonds for all contract buyers faced with eviction as a result of the withholding of payments.

In January 1970 the attorneys representing the Contract Buyers League proposed that all the appeals of eviction cases should be consolidated and offered to the Supreme Court of Illinois with a bond in the amount pledged to the Guarantee Bond Fund. The Supreme Court of Illinois refused this offer. With this development, it was clear that bond funds were no longer needed and the money which had been pledged was released.

Shortly after the members of the Contract Buyers League began withholding payments for the second time, the sellers began to press for evictions. The first cases came to trial in late August. By the end of September, the sellers had instituted eviction proceedings against 261 of the 552 families who were withholding. Each day, the dockets of the Circuit Court of Cook County were filled with contract buyer cases. Each day, the judges entered orders against the contract buyers and
The families are not indigent; they have elected to withhold their homes. Each day the judges demanded that the contract buyers advance two years' payments (approximately $5,000 per family) if they wished to appeal the decisions.

Because of the large number of cases it was necessary to enlist the services of four additional law firms to assist contract buyers in dealing with the injustices of the eviction law; these were Patner & Karaganis, Mayer, Brown & Platt, McDermott, Will & Emery, and Leibman, Williams, Bennett, Baird & Minow. Though the attorneys were unsuccessful in persuading the judges to allow the contract buyers to raise defenses to set more reasonable appeal bonds, they did obtain extensions in the time that contract buyers would have before vacating their homes. As a result, the first date on which a withholding contract buyer could be evicted was Tuesday, October 7, 1969.

As the date of the first evictions approached, the people of the Contract Buyers League decided to dramatize the plight of the contract buyers. They made plans to have a group assemble outside the office of Chief Judge John Boyle at 9 A.M. on Monday, October 6. Approximately 400 contract buyers were present and Judge Boyle met with a delegation for over an hour. During the course of the conference, the League presented Judge Boyle with a memorandum addressed to all the judges of the Circuit Court of Cook County outlining their problem. The memorandum concluded with the following paragraphs:

"Every day this past week, you Judges of the Circuit Court of Cook County have ruled against us. We are losing unjustly. You have not only ruled that we must be evicted and lose everything we have paid in on our homes, but you have made it impossible for us to appeal your decisions because you have set appeal bonds so high—for example, a family with a $600 delinquency must post $7,500 in order to be able to take advantage of full judicial review of their case. One of your judges has been raising the amount of the bond each day. It is clear that the law has joined the ranks of the real estate men in oppressing us. Following the procedure you have set this past week, 552 black families from the Contract Buyers League will be set out in the streets before Christmas.

"In the interest of justice and in the interest of saving what is good in the judicial process, we are here today to ask that all evictions be stopped and that you apply the law in such a way so that both sides can present their whole story."

As the members of the Contract Buyers League approached Judge Boyle on this October morning, their position was strengthened both by the orderliness of the crowd—they had their own marshals to keep open aisles in the Civic Center hallways—and by an outstanding lead editorial in that morning's edition of the Chicago Sun-Times. The editorial, entitled "Justice for Black Home-buyers" read in part:

"These are not ordinary eviction cases. The 261 families are not indigent; they have elected to withhold monthly payments on home purchase contracts because the constitutionality of the contracts is being tested in a nationally important case in the federal court. Some 4,000 black families are party to the suit. They charge that some 50 white speculators in homes grievously overcharged them because of their race, sometimes double fair market value. The case originated with families from the West Side Lawndale area but it is now a class action that could affect every home sold on a discriminatory contract.

"Home-buyers seeking a redress of fundamental grievances should not be penalized by the slowness of the legal machinery. Local courts should be as much concerned about home-buyers' rights as speculators' rights. Why should home-buyers put up an appeal bond as well as putting their payments in escrow?"

"We hope Judge Boyle can provide a Solomonesque ruling that goes beyond the narrow limits of the current eviction law."

There was an immediate stay of all evictions for twenty days, which was followed by further court-ordered delays. As a result of these stays and of negotiations carried on with the office of Cook County Sheriff Joseph I. Woods, there were assurances by the end of November that no evictions would be carried out before January 5, 1970.

But in spite of these assurances, the sheriff's deputies staged a surprise attack on Thursday, December 11, and evicted Miss Elizabeth Nelson from the home where she lived with her deceased sister's nine children. The deputies arrived while Miss Nelson was at work and completed their work within a few hours. However, several members of the Contract Buyers League and neighbors immediately moved her belongings back into the home.

In October, November and December motions were made before Judge Will asking him to enjoin the evictions during the pendency of the Contract Buyers League litigation. Judge Will indicated that he would be willing to enjoin eviction in "hardship cases" but did not classify as hardship cases those contracts calling for monthly payments amounting to 35% to 45% of a family's monthly income, even though such contracts required husbands and wives to take extra jobs. Every attempt to persuade Judge Will to act proved futile. Frequently his courtroom oratory and demeanor led contract buyers to believe that he was approaching the issue with a closed mind. He even appeared to be mistaking the Contract Buyers League complaints about the slowness and inadequacies of the judicial process as personal attacks on his manner of handling the cases before him.

In December the attorneys for the contract buyers presented a motion in the federal court in which they asked that a special three-judge panel be convened in order to rule on the question of the constitutionality or application of the Illinois Forcible Entry and Detainer Act. The three-judge panel was convened but decided not to rule on the question because they claimed their jurisdiction was unclear. They asked the lawyers for further briefing on the jurisdictional question.

The Contract Buyers League, independently of their attorneys, distributed a special memorandum to the three-judge panel, the lawyers and the press. The attorneys for the Contract Buyers League were dis-
tressed by this memorandum because they felt that they were being criticized.

The significance of the memorandum was not that it had any effect on the court but that it did spell out for CBL supporters and others a number of the difficulties which faced the contract buyers. This memorandum read, in part as follows:

“For some time, people have been telling black people that they should seek redress for their grievances by going through the courts. Our experience over the last year is such that we are beginning to believe that it is impossible for black people to get justice through the judicial system. For us, things get worse when we try to get "justice" in the courts. . . .

“We have full confidence in the lawyers who are representing us, and we are appreciative of the enormous contribution that they have made by contributing talent and man-hours. Nevertheless, we are aware that their resources are limited and that they cannot devote more time than they are doing to the completion of the discovery process. Because we do not have money, we cannot hire the additional lawyers which would be necessary in order to get to trial more quickly. This aspect of the judicial system alone is working to our disadvantage and making it difficult for us to get justice in the courts.

“The second aspect of the system includes the lawyers who are representing the defendants. Their hard-nosed tactics and their use of all ‘the clubs’ provided by law for the buyers are working against us. In addition, their insistence in bringing up a multitude of issues which are not directly related to the main issue of the suits that we have brought is a factor which delays again and again a speedy resolution of the main issue of our cases.

“The third element of the judicial system which is working against us is the legal framework within which we are operating. We do not understand how it can be said that the law protects everyone. We have a complaint against the contract sellers in that they overcharged us for our homes. They have a complaint against us because we have not been making payments since July 1. For our complaint, the only way we can get justice through the courts is by going through a long, drawn out, uncertain legal battle which will last until at least 1973. The kind of proof that is demanded of us is so extensive and complicated that it goes far beyond what reasonable people would demand in order to prove an injustice. The sellers can get a remedy for their complaint in a matter of a few weeks, evicting us from our homes and taking all the money we have paid in thus far. This may be the law but it is certainly not justice. We do not have equal protection under the law and people like the Collins family cannot raise the defense of an unjust price.

“In order for us to appeal the decisions of the state court judges ordering us to be evicted from our homes, it is necessary for us to post outrageously high bonds. . . .

“From what we have said so far, it should be clear that we see that the law is oppressing us for three reasons:

“1. The only remedy for our complaint is a long, drawn out, complicated legal battle

“2. The Forcible Entry and Detainer Act robs us of our constitutional rights

“3. The bonds required make it impossible for us to get justice in a way that we could if we were rich people.

“The fourth aspect of the judicial system which works against us black people is the fact that the judges who rule in our cases are limited human beings. None of the judges who hear our cases is familiar with the experience of living in the neighborhoods we live in and the pressures we live under. Some judges talk in such a way that we get the impression that they are unwilling to grant us relief because of hurt pride or some other similar reason. For example, one state court judge said that he was not concerned about social problems. Justice for most of the judges before whom we appear seems to be an ivory tower matter completely divorced from human reality. What we are saying is that it appears to us that the judges who hear our cases approach the matter with a pre-fixed frame of mind which makes it impossible for us to get justice. . . .”

The failure of the various legal attempts to resolve the problems presented by the eviction law left members of the Contract Buyers League discouraged, but determined. They were discouraged because each of the judges seemed to be attempting to “wash his hands” of the matter in Pontius Pilate fashion. Judge Egan had backed away from the issue by questioning his power to decide it. The state court judges in the individual eviction cases all claimed that their hands were tied. Judge Will kept insisting that the buyers had their remedy in the state courts. And the three-judge panel had questioned its jurisdiction and avoided timely decision by asking for further work on the jurisdictional question.

Nevertheless, the contract buyers were determined that they were not going to allow the apparent insufficiency of court remedies to stop them. They were determined to remain nonviolent. And now they were determined to outsmart the sheriff when he came to evict them once the moratorium on evictions ended in early January.

Plans were made for meeting the sheriff on Monday, January 5, 1970. Several hundred CBL members and supporters met at various locations in the threatened area on the South Side. Word came around noon that the sheriff’s men were proceeding to the home of Leon Harper. The CBL strategy was to have so many people in and around the home that it would be impossible for the movers to do their work. About 25 deputies arrived at 1 P.M., briefly surveyed the situation and departed. Within a half hour, the CBL communication system reported that the sheriff’s deputies had proceeded to the home of Joseph Gibson, four miles away. The CBL group then rushed to the Gibson home where they found a few pieces of furniture that had already been moved outside into the twelve degree weather. Moments later, however, the CBL supporters, following the lead of Mr. Gibson, entered the home, replaced the furniture and evicted the sheriff’s men. For the next two hours, the frustrated deputies and city police conferred on a plan of action. In spite of the vigorous determination of the CBL group, everything had happened quickly and with-
The Sheriffs squad picked the cheek-carrying, helmeted deputies, and the three Moss foster phone to find the Moss property cordoned off by home of Johnnie and Doris Moss. Mr. and phone Sheriff Joseph Woods assembled a force of some large deputies and movers at the 12th Street beach where they received instructions and checked out their equipment, and Detainer Act on March 10th. Mr. and Deposit the remainder of the monthly payments with the Clerk of the Court. The League also proposed posting a $250,000 bond. The Supreme Court turned down all these offers but did agree to an accelerated briefing schedule and decided to hear arguments on the question of the constitutionality of the Forcible Entry and Detainer Act on March 10th.

In spite of all these efforts, however, the eviction threat became reality on Thursday, January 29, at the home of Johnnie and Doris Moss. Early in the morning, Sheriff Joseph Woods assembled a force of some 200 deputies and movers at the 12th Street beach where they received instructions and checked out their equipment, including gas masks and truncheons. Accompanied by a large contingent of city police, they then proceeded by buses to the Moss home at 8539 South Prairie. Mr. and Mrs. Moss were both at work when the Sheriff arrived. The three Moss foster children refused to open the door. The Sheriff's squad picked the lock and cut the telephone lines. Keith, the oldest son, rushed to a neighbor's phone to alert CBL headquarters and to call his father. CBL members, supporters and newsmen soon arrived to find the Moss property cordoned off by lines of truncheon-carrying, helmeted deputies, and piles of furniture in the front yard.

Before the three-hour eviction process ended, a force of 16 private security guards hired by Universal Builders installed themselves in the Moss home. As the deputies departed, the angry CBL on-lookers surged to the front of the house, determined to evict the guards and reinstate the Moss family. Windows were broken and boarding battered down. During the confusion, three pistol shots fired by security guards were heard coming from inside the house. Joe Gibson, a CBL member, calmed the crowd and reassured the security guards that no harm was intended them. The guards soon agreed to vacate the house and were greeted by cheers as they walked out the front door, leaving the house to CBL.

An enthusiastic group put all the furniture and belongings back into the house in about thirty minutes. A collection was taken up for the Moss family, a glazer was called to replace broken windows and a work crew remained at the house the entire day to help straighten out the home.

Immediately after the Moss eviction, Sheriff Woods announced that he would never again send a 200 man army and spend $25,000 of the taxpayers' money on an eviction which would be effective for only thirty minutes. He also stated that all evictions would halt until the courts took action against the families who had been reinstated by CBL after the evictions. The response of the contract sellers to the sheriff's statements was the filing of a $7,000,000 damage suit charging him with failure to discharge his responsibilities.

Evictions were, nevertheless, halted until mid-March. The arguments on the constitutionality of the Forcible Entry and Detainer Act were heard before the Supreme Court of Illinois on March 10th. Despite the matter pending before the Supreme Court, the evictions began again in the last two weeks of March. Five attempts were thwarted by CBL efforts. On Monday, Tuesday and Wednesday, March 30, 31 and April 1, CBL suffered serious setbacks when the first twenty-one families were evicted. In a carefully contrived plan, the sheriff and the city police cordoned off an entire block at a time and proceeded to evict all the CBL withholding in that block at the same time. Security guards and special police remained on guard on a 24-hour basis.

After the eviction of 21 families from their new homes on the South Side, CBL decided that a new strategy was needed. On Monday, April 6, 500 CBL members and supporters met outside Mayor Daley's office to appeal for a halt in the evictions. The Mayor agreed to intervene and talks between CBL leaders and lawyers and the officers and lawyers of the principal South Side builder proceeded during the next two days. An agreement was formulated on April 9 which relieved the pressure of evictions on the many CBL families who went along with the agreement.

Under the terms of the agreement, the contract buyers of new homes who were withholding payments would relinquish the money withheld and resume regular payments. The builder would post a substantial cash bond, halt the evictions, reinstate the contracts and permit evicted families to return to their homes. In addition, Police Commissioner James Conklin subsequently announced that the city police would no longer participate in evictions.

Up to this time, all eviction attempts on the South Side involved purchasers of new homes. In April, several evictions were attempted on the West Side involving contract purchasers of old homes, including Charlie Baker, CBL chairman. In each of these cases, the families were promptly moved back in by CBL members and supporters. Criminal trespass charges were brought against the evicted families.

As this issue goes to press (May 1971), only one trespass case has gone to court; in that case, the contract buyers were found not guilty.

The eviction of families in old homes stopped when Judge Will, indicated that he would dismiss withholding from the federal lawsuit if they continued withholding. CBL members began seriously considering halting their payment strike. CBL families were faced with the choice of keeping the approximately $2,000 which each of them had withheld thus far and being dismissed from the lawsuit or resuming their payments under a plan whereby some of the money paid in would be withheld from the sellers under court order. The latter choice would stake their holdings on the possibility of the judicial process working in their favor to save them approximately $8,000 to $10,000 per family. With surprising unanimity, the CBL families chose the latter. They indicated that they would prefer to take their chances on working within the legal system because the potential
savings were greater and the results would benefit people similarly situated throughout the country.

On the legal side, CBL has won two legal victories. The first occurred on April 15, 1970, when the Supreme Court of Illinois, in a landmark decision, reinterpreted the Forcible Entry and Detainer statute and held that a buyer may defend against eviction and forfeiture of his purchase payments by showing he was defrauded. While this victory was significant because of its far-reaching implications, it did not have immediate practical results for the contract buyers who were withholding payments because the Court had decided only one of the two constitutional issues presented. The Court had not decided the question of the statute's bonding provisions. Re-argument on the appeal bond issue is to be made before the Court in May 1971.

The other victory was a favorable ruling by the U.S. Supreme Court in October 1970, which allowed 85% of the 3,500 CBL plaintiffs in the two suits to retain their status as plaintiffs. The Supreme Court upheld the rulings of Judge Will and the Seventh Circuit Court of Appeals which stated that the Statute of Limitations could not be so applied as to bar plaintiffs who had made payments after January 6, 1964.

Other Developments

After the Contract Buyers League and the principal builders of new homes on the South Side reached an agreement in Mayor Daley's office on April 9, approximately 30 South Side families purchasing new homes expressed dissatisfaction with the settlement and with the CBL leadership and decided to continue the payment strike and to operate independently of the main CBL organization. This group has subsequently suffered further evictions and various other difficulties.

In addition, members of this group attempted to interfere with the discovery work being conducted by the CBL lawyers in connection with the new property case. Nine members of the splinter group filed a $10,000,000 lawsuit on August 25, 1970, against the Contract Buyers League leadership, lawyers, supporters and advisers as well as John Cardinal Cody, the Roman Catholic archbishop of Chicago (who never supported CBL). The complaint referred to a warrant deed executed by the Catholic Bishop of Chicago conveying certain South Side property to an affiliate of the principal builder involved in the contract sales of new homes on the South Side. The complaint alleges that the Catholic Bishop of Chicago retained a beneficial interest in these properties. It further alleges that the CBL lawyers, supporters and advisers were acting to protect the interest of the Catholic Bishop of Chicago when they urged the contract purchasers of new homes to resume monthly payments in accordance with the agreement over which Mayor Daley presided. The CBL filed their answers to this suit, but to date no further action has been taken.

At a regular Wednesday meeting of the Contract Buyers League on August 26, 1970, the people of CBL expressed the unanimous opinion that it was most unfortunate that the splinter group had separated itself from the Contract Buyers League and had allowed its dissatisfaction to reach such proportions. It was felt that the activity was not only detrimental to the achieve of the overall goals of the Contract Buyers League but also confused CBL supporters and friends because of the publicity surrounding the activities of the splinter group. At the same time, however, the people of CBL unanimously decided that any attempt to retaliate with respect to the splinter group's interference or the allegations of their lawsuit would be unwise. The splinter group continues to exist today on a limited basis.

Achievements, Support and Endorsements

The experience of the Contract Buyers League has demonstrated to its members that initiative, careful planning and hard work could bring them a long way. As of September 15, 1970, approximately 100 contracts had been renegotiated out of court saving the families involved nearly $1,000,000.

In addition to the already noted successes in having the Forcible Entry and Detainer Act reinterpreted and establishing a Guarantee Bond Fund, a number of other achievements are noteworthy. Before the Contract Buyers League secured the assistance of the outstanding law firms mentioned above, a group of fifty lawyers volunteered their services and helped with some of the complicated legal aspects of renegotiation prior to the inception of the civil rights lawsuits. The financial community, including several of the major banks in Chicago, joined to provide mortgage money at reasonable interest rates for those who successfully renegotiated their contracts. A group of businessmen is providing some financial aid, administrative services and expertise. A large number of civic and religious groups have helped in various forms, particularly by providing volunteers to work in the Contract Buyers League office. The groups have helped further by sending members to join in the picket lines with the contract purchasers.

A prominent endorsement came in the form of a "amicus curiae" brief filed by the Attorney General of the United States in March 1969. The brief supporting the Contract Buyers League marked the first time in the history of our country that the Department of Justice intervened in a lawsuit at the trial level. Subsequently, the Justice Department filed another "amicus" brief supporting the contract buyers in the Seventh Circuit Court of Appeals. In addition, the Justice Department claims that it has initiated projects to attack the problems suffered by contract purchasers in several other