

Housing Trust Airing Up; Jimcrow Policies Bared

By Claudia Jones

Thirty-seven New York banks and financial companies are facing Federal indictment for monopolistic real estate practices, which include Jimcrow housing. This was revealed by Eric Sevareid, CBS radio announcer, recently, who said the Justice Department has for six months been investigating these corporations, whose operations total \$125,000,000 yearly.

While the Justice Department is putting finishing touches on the case, scheduled to break in the courts soon, Wall Street banking interests are desperately trying to prevent an indictment, it was revealed this week.

The banks being probed have, it is alleged, collaborated to restrict certain racial groups in obtaining decent housing by combining on rental scales and interest rates and by controlling the credit of Negroes, thus blocking them from moving into selected areas which the concerns control.

A central clearing office, called the "Mortgage Conference of New York," located at 14 Wall St. of which Harold Rutgan is head, is charged with such practices. Each one of the 37 members bears a por-

tion of the operating expenses, it is held. They seek, it is charged, to end competition on mortgage loans and interest payments.

Large maps have been seized from all the Wall Street offices, said to show every block in New York City and the exact number of non-white residents in each block. It is estimated by Justice investigators that during the past five years, this group has prevented construction on some 2,000 low cost dwellings in Brooklyn alone.

The real source of restrictive covenants, slum dwelling areas, high rents and sub-standard communities now stands exposed.

A case in point is the Metropolitan Insurance Co.'s Stuyvesant Town, a low-rent housing development restricted to the use of whites

only, begun two years or more ago. Since the protests concerning its policy, the City Council led by Congressman Adam Clayton Powell and Councilman Benjamin J. Davis, adopted an ordinance to refuse to exempt from taxes housing projects which are not open to all citizens. The present exposure shows how this law is being nullified by big banks.

The 37 firms under investigation dominate the 10 billion dollar New York City mortgage market. But now that the facts are to be smoked out into the open it will be difficult, sympathetic observers point out to bring about a grand jury indictment and conviction of the concerns.

It will take strong pressure from the people to break up this powerful mortgage trust.