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6346 #2 – Effects of CRA on Average Americans

Guest: John C. Satterfield

Morphew: A prominent attorney from Yazoo City, Mississippi who recently served as president of the American Bar Association, active in Methodist Church

Morphew: How would the CRA affect the average American?

Satterfield: Well take perhaps first the homeowner. Under the various provisions of the act, there is no need of discussing the details on this relatively short program, it would mean that federal inspectors would police the handing by every homeowner, his realtor, his contractor, everyone who worked with him, the land bought for the building of a home, the construction of the home, the occupancy of the home, renting of rooms of the home, and the sale of that home. And it would be subject to the provisions of this act. He would be required to sell to whom the federal inspector said he should, to rent to whom the federal inspector said he should. His contractor would be required to use in the construction the employees the federal inspector told him to.

Morphew: How does that affect the working man, say, the member of a labor union?

Satterfield: Well, this act would destroy, whether it is the original act or the substitute suggested by the Judicial Committee of the House now pending, it would destroy seniority in unions if the authorities granted to carry it out. That is, in unions, as is evidenced by Secretary Werks (sp??) regulations with reference to apprenticeship programs which were distributed on the 20<sup>th</sup> day of October of this year, would be required to give preference to Negroes and turn down all white applicants until they had reached what might be called a racial balance. The same way with reference to the employment by contractors, contractors employing union members, could be required. To employ nothing but Negroes until they reached a certain racial balance which was fixed

by the federal inspector. It would simply mean that for racial minorities that those who have been, that have acquired over a long period of time, seniority in unions or seniority in their apprenticeship program would lose it, and the federal government would enforce it by every means possible and there are plenty of means, including injunction, fine, imprisonment, blacklisting, withdrawing of contracts and other sanctions in this bill.

Morphew: How would it affect the farmer?

Satterfield: Well, I'm from a farming state. I doubt if there are any farmers in the United States that do not participate in some of these programs. Now these are the programs which would be affected: the Farm Credit Administration including Federal Land Banks, banks for cooperatives, Commodity Credit Corporation, Solar Conservation Service, Rural Electrification Administration, Forestry Service, agricultural research, extension service, agricultural marketing service. Every program in the field of agriculture where federal financial assistance involved is affected. It would mean that federal inspectors would be policing every farmer in the United States that participates in any of these, or parallel programs, requiring him and determining for him who his ??? would be, who would drive his trucks, who he would employ, and who would receive any benefit from these programs directly or indirectly. As a matter of fact, in the substitute that is suggested by the House Judiciary Committee that has been called a moderate bill but is much more immoderate, much harsher and goes much farther within its area than the original bill, under that bill \$10 million is being set up for the first year that it goes into full effect, 2 ½ million for the original year before it goes into full effect, for federal policing inspectors to be employed to go into all of these areas and bring about the federal desires through the use of these federal inspectors.

Morphew: What about the impact on financial institutions?

Satterfield: Well, it's a fact in my mind the public has no conception of what would and could be done under the authority granted in this act. Now this would cover every bank that's a member of the federal reserve system, the federal home loan system, all institutions, every bank served by the Federal Deposit Insurance Corporation (the FDIC), all FHA, VA, PHA loans, in fact every financial institution in the United States that has any kind of contract with any institution or agency of the United States government, that's practically all of them. It would affect their depositors, it would affect their borrowers because authority is given in this act to place into the contracts whereby these institutions become a part of the federal reserve system or handle these other federal programs, to require their borrowers and their depositors to carry out the dictates of federal personnel in the field of employment, in the field of those who receive the benefit therefrom. For instance, in the public accommodations area, it includes a complete supervision and regimentation as to who will be served and how they will be served.

Morphew: So a restaurant owner looking to take out a loan for improvement on the restaurant then the bank would have to make sure that the restaurant is operated within the bounds of federal requirements...

Satterfield: Well, now that would apply to restaurants, but also Title II would apply directly to the restaurants without the intervention of the banks, but if I was a small businessman, had no restaurant or public accommodation, and obtained a loan from a bank to carry on a business having nothing to do with public accommodations, then under the authority granted in this act, the bank could require me to sign a contract that I were to follow federal dictates in the personnel employed and the way I employed them. It's not limited to public accommodations, the authority covers every business that obtained loans from any bank in the United States that's part of the federal reserve system or the FDIC, the Federal Deposit Insurance Corporation.

Morphew: How would it affect state and local govts, particularly the conduct of elections?

Satterfield: Through a combination of specific provisions and the use of power, which is almost unlimited by the authority given to the federal executive under this act, the federal government would take over contrary to the provisions of the Seventeenth Amendment, not affected by the Fourteenth Amendment, the fixing of qualifications for voters under the act pending in the Senate, introduced by the administration a political attorney general, if we had one, could go into any area, register ten thousands of voters upon allegations made by him without proof and their votes would count even though later it was proved his allegations were not well founded. It's the first step for complete federal control of all elections. In schools under the financial power given and the federal financial systems, the federal government could dictate the method of treating, not only students in the schools, but they would have the authority to provide that all federal assistance, lunch programs, the building of buildings, the billion or more that has been recently set aside for Aid to Higher Education, would be cut off and institutions blacklisted unless they followed the federal dictates, and in my opinion, that would include not only the treatment of students, the requirement of racial balance if desired by the federal government, the transfer of Negroes to white schools, white students to Negro schools, any race involved, but it also, in my opinion, could include the requirement of the teaching of textbooks which were approved by the federal government. And they could require, there should be no teaching contrary to its dictates which would mean the control of the personnel or the teachers in those schools by the federal government.

Morphew: So if this bill were adopted, there would be no area unaffected by it?

Satterfield: That is very true. For instance, in the legal field nearly every attorney handles certain law practices that has to do with federal contracts, federal institutions, federal programs, almost any building contract handled by an attorney has to do with a federal program like FHA, VA, and so forth. And they could be required to come within the terms of the act and could come under the authority and action of the federal inspectors.

Morphew: Why now for the 'big push' for the CRA's adoption?

Satterfield: Well, that is easily demonstrable because on February 28, when the President gave his message on civil rights and April 4 it was introduced by ????, chairman of the

Judiciary Committee of the House, it contained only 2 provisions: the continuation of the Commission on Civil Rights and provisions on voting. Then when these massive demonstrations began, were encouraged by the Justice Department and were assisted in many instances by representatives of the Justice Department it was apparently felt by the federal executive, there was enough public concern, that there could be then advanced a push for massive federal power that would never be considered under any circumstances. My judgment is, this has been under preparation for months and years and it was thought that this would be the psychological time to be able to pull the wool over the eyes of the American people to hide this wolf in sheep's clothing so that the great majority of the people would never know what was actually being done until it was too late and to obtain its passage in that way.

Morphew: And if you oppose it, you're branded a racist or a bigot.

Satterfield: That's right, when in truth and in fact, that's what is being done. In truth and in fact there's no more than 10 percent of this legislation is actual civil rights. Ninety percent is a complete grasp for federal power and federal regimentation of homeowners, landowners, citizens and children, farmers, in every phase of life, employees, union members, throughout the entire United States.

Literature is offered re: the CRA by Morphew.