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THE LEGACY OF

Mary

McLeod

Bethune

A National Education Association Publication





...whose time is come



TRACY SUGARMAN—created the cover illustration
as an interpretation of NCNW's "Project Womanpower"

Today's Goals

Newly defined to reflect changes both in the nation and in NCNW itself. Set forth in the 1966 Capahosic planning meeting at Holly Knoll, Capahosic, Virginia and adopted by the National Convention:

- 1.** To recruit, stimulate and train Negro women for more effective participation in community services and community leadership.
- 2.** To develop independent and cooperative projects for community service and community action.
- 3.** To work for the enforcement of laws and for administrative and legal action to protect civil rights and to combat poverty.
- 4.** To broaden the base of involvement of women of different backgrounds to achieve these goals.

...whose time is come



MARY McLEOD BETHUNE, FOUNDER

An idea whose time is come wields a terrific impact. Mary McLeod Bethune's idea for uniting women to secure justice, the idea on which she founded the National Council of Negro Women, never had more relevance, was never more desperately needed, than in this critical day.

Magnificent Dreamer

Over 30 years ago this wise daughter of slave parents and adviser to three presidents of the United States saw clearly that both the trained and untrained Negro women stood outside the mainstream of American influence and power. Mrs. Bethune called for women in all walks of life to close ranks and join hands in service to themselves, their families, to youth, to their communities. And her closed fist became her symbol of the united planning and concerted action she knew would strike the greatest blow for justice and equality.

Two Minutes to Midnight

This year, aware that time is winding up, a new sense of urgency has pervaded NCNW. Planning and action have called for the active participa-

tion of women at every level in localities throughout the length and breadth of the country.

NCNW's uniqueness and strength consist in its ability to communicate in a meaningful way, ideas and plans to women of diverse interests and settings and to involve them actively in national and community affairs affecting the well being of their families and themselves.

The year's national meetings have interlocked and transfused, carrying information and guidelines to communities, bringing back the facts to tell it as it is among the people who live the problems, making a program of reality for today's world.

Meetings have varied from the regular weekly or bi-weekly assemblies of chartered local NCNW sections to scores of workshops and institutes dealing with local issues in depth, from business sessions and training sessions with volunteers and staff to regional and national meetings.

Already in the summer of 1966, at Capahosic, Virginia, staff, officers, executive committee, standing committees and consultants had dwelt at length during six days and evenings



DOROTHY I. HEIGHT, NATIONAL PRESIDENT

upon NCNW's historic mission and its bearing upon the world today. Goals were restated in terms applicable to a changing society. And study was begun, to be continued throughout coming months, of a purely voluntary organization with a minimum staff in process of becoming an organization employing increasing numbers of professional workers.

The executive committee and standing committees continued to evaluate programs and projects to test their relevance to the needs of the masses in the black community. Always the drive has been to meet local need, and to stay with a situation until action for solution was found. In this way our Mississippi workshops, to mention just one case, laid the groundwork for the establishment of a method by which the very poor could secure home ownership, first step in human dignity, and won for NCNW the praise of Dr. Robert C. Weaver, the Secretary of the U.S. Department of Housing and Urban Development.

Decision for New Direction

In a meeting of the heads of national member organizations we asked our-

selves some pressing questions: How do we connect the talents and skills of almost four million women to serve as catalysts and agents for change in thousands of communities? How can we maximize our potential to meet the tremendous challenge of this age of turmoil and transformation.

Creative Rallying Point

Awareness of the flood of emotions shaking our society has deepened our sense of social responsibility as black people, as women, as human beings. Out of our closeness to the problems of the poverty-imprisoned family, where real change must be felt, we sense the need for a new unity of women to respond to the challenge and to act more effectively, before time runs out.

NCNW provides a creative rallying point to combat racism. In breaking down barriers, building bridges of understanding, and closing the gaps in communication and opportunity in the face of the realities of today's critical situation, NCNW plays a role in which every woman can have a part.

Dorothy I. Height

NATIONAL PRESIDENT

Dialogue at the Summit

National heads of the then 24 national NCNW member organizations received an urgent summons to a "dialogue at the summit" September 24-27 to examine NCNW's united role in a time of crisis. The meeting provided a retreat for the national heads 1) to look at the critical issues of the day, 2) to determine the responsibility of organizations primarily concerned with the Negro woman and her family, and 3) to decide how best to work together in a rapidly changing society.

In the Summit Meeting held at Airlie House, Warrenton, Virginia, a backward look at programs and projects was taken to assess to what extent they were truly relevant to present day needs. The national organizational representatives were agreed on seven major points, namely that:

1. "Basically all of the member organizations were established to deal with the problems faced by black people. These problems are still with us. Our programs need to be sharpened to deal with the confrontation around the whole question of blackness as we face it now.
2. "The basic direction of NCNW is to bring about the kind of fundamental changes in our society which will eliminate the band aid approach and allow black people to walk in social and economic freedom and equality without crutches.
3. "By mobilizing black woman power in America under the one umbrella of NCNW, we maximize the strength of each organization, provide a unified voice to speak to problems, coordinate women's activities and exercise some clout against these problems.
4. "We must examine and look at the whole structure of NCNW and affiliate relationships, streamlining it to make it more functional and more serviceable.
5. "NCNW is to serve as a central resource for research, demonstration, program planning, and program development. We must develop and improve its capabilities to maximize its potential in functioning in these areas so that its resources can be drawn upon by the affiliate organizations as they operate and develop their programs.
6. "NCNW could serve a more innovative role by convening local convocations of women's groups to tackle problems on the local basis.
7. "Through NCNW the maximum strength of each member affiliate is gained as its current activities are coordinated with others."

National -Local Action

The 25 national affiliates and 137 local chartered Sections find in the national headquarters a central resource for program planning, program development and research. Projects initiated by the national body are phased out after having served their purpose as stimulator and guide to continuing

community action. The national body has the flexibility to respond to local leadership with technical assistance to help them help themselves.

Nationally sponsored projects have generated many new local Sections of NCNW and many new direct members. Six of the first 11 communities developed by Project Womanpower had no NCNW Sections at the time. Within a few months, 5 of the 6 had organized enthusiastic new sections.

Through its projects, NCNW brings manifold impact on the organization itself. Projects disseminate to the membership information about cru-

cial events and an analysis of issues confronting the nation. Members involved are helped to explore new ways of working to meet existing needs, to broaden their social perspective, and to understand their kinship with the aspirations of the black community. This personal and organizational growth is an energizer for the Council membership, helping to extend and to sharpen NCNW concern for all parts of the black community, regardless of income or station.

Projects serve as prototypes, too, for national affiliate member organizations and for NCNW Sections. Materials used are made available to all.

“Women—the Crisis in the Black Community— Direction and Decision”

The theme of the 1967 National Convention held in Washington, D. C. reflects the new sense of direction in the mission of NCNW. It had been Mrs. Bethune's idea that women at the bottom of the economic and social ladder and those moving upward needed to close ranks and face their common problems in the black community. And so, in 1967 some of the commitments to action expressed in the resolutions were:

- to upgrade and protect the rights of household workers
- to take affirmative action to assure decent housing, especially for low and moderate income families
- to urge Senate ratification of the Universal Declaration of Human Rights
- to mobilize women for effective political participation
- to achieve civil rights
- to urge expansion of the work of the Office of Economic Opportunity
- to work for liberalized abortion laws
- to appeal the racist handling of the case and advocate protection of the civil liberties of LeRoi Jones
- to protest the unjust and unscholarly portrayal in the book, “Confessions of Nat Turner”
- to alleviate hunger in Africa
- to protect the rights of welfare recipients
- to combat consumer fraud
- to stress education and the development of program in Afro-American Heritage

Closing the Income Gap—Now

In working on economic problems, people's perceptions and attitudes can be as important as facts and statistics. Before the National Convention in November, 1967, delegates answered a questionnaire prepared with the assistance of Mr. Bernard Goss, economist with the Ozark Regional Commission. A current magazine editorial had reported that in 1966, the average Negro family income was \$3,900 as opposed to \$7,200 for a white family, and estimated the size of the "income gap" between Negroes and whites as 24 billion. How can this gap be closed?

How do NCNW women perceive the problem? A survey of opinion in 30 cities yielded these results:

When asked how the figure of \$3,900 seemed to them, the Council women replied that it was too high and not truly representative of the low-income minority group family.

When asked what they saw as the single most important goal for improving the status of the Negro family, the women surveyed overwhelmingly answered "expansion of educational opportunity." They also saw the need for more jobs and supportive services.

Of the government training programs now available, Job Corps was seen as the best and Manpower Development and Training as second. Many were critical of all training programs as not reaching the right people and not providing adequate training for job requirements.

Training for meaningful jobs, better training, and low cost child care support were seen as almost equally important.

NCNW was asked by a great majority of respondents to work with business and with other groups to establish and improve programs. Members were urged to become involved in local programs and, in some cases, set up pilot programs of our own.

The concerns of women in low income families and in the black community in particular have been voiced in testimony as NCNW has been called to appear before Congressional committees. Among the appearances have been those on the Truth in Packaging Bill, Title VII, Equal Employment Opportunity, the Ad Hoc Poverty Subcommittee of the House Education and Labor Committee, the Subcommittee on Employment Manpower and Poverty.

Breaking down barriers created by discrimination is essential to closing the income gap.



A Rural Cooperative Provides Cash Work



Eager Workers Are Quick to Learn



New Skills Mean Jobs!

Staffing

For 30 years NCNW was carried almost entirely by volunteers with a minimum of professional staff. In three years the staff has grown from 5 to 38, and the demand for more direct staff assistance to support voluntary enterprises is greater as issues sharpen and the focus is on community service and action.

The professional staff functions as part of the total NCNW structure by servicing the field, working with volunteers, and by participating in program development. Staff participates in regional and national meetings, cooperates with other agencies and utilizes resources while channelling information to the total organization.



Empathy and Friendliness Make an Interview Easy



Confidence and Success Follow Good Training

Highlights of Program—Now!

Involving Womanpower

For years the woman in the black community has been shut out of volunteer work as consistently as she has been denied employment. No matter how well qualified for leadership and service, she has been all but invisible in community decision making. To stimulate her to action, to recruit and train her, to release her potential as a community asset, is the object of *Project Womanpower* initiated by NCNW a year ago and funded by the Ford Foundation.

With the avowed objective of bringing 6,000 Negro women into volunteer community service, as well as to broaden the base of NCNW membership, *Project Womanpower* has met a warm response as it has moved out to an increasing number of localities, urban and rural. A field staff recruited three or four women of strong potential leadership for each community and brought them together for week-long "Vanguard" training sessions, before sending them back to recruit and train, with staff help, in their own neighborhoods.

Vanguard Training Two week-long Vanguard sessions have been held — the first at Airlie House, Warrenton, Virginia, June 9-16, 1967, involved 37 women. They came from

the deepest South, from the Mid-Atlantic, the Middle West and the North East. Care had been taken to make the selection representative of the broadest possible cross section of population. Both rural and city women were included — housewives, factory women, teachers, nurses, welfare mothers with as many as 15 children, office secretaries and a few older retired women. The age range was 18 to 60 years. Some had worked previously in community service, most had not. But strength appears in surprising places. Like the third grade teacher in the rural South who, bypassed by the local public agencies, held a fish sale, bought \$18 worth of equipment and launched her own successful Head Start program in a little church. She was present as a Vanguard trainee.

At the request of the Women's Africa Committee, four African women facing similar situations in their home areas, attended the sessions.

A whole new experience came to women as they identified similar struggles, shared solutions and discovered new concepts. Workshops included intensive study of consumer problems, cooperatives, child welfare, housing and community development. Presentations on Afro-American history and analyses of the context in which black people live stimulated ideas for future effective programming.

A second Vanguard leaders training

conference was held in Nyack, New York, in March 1968 with 75 women attending and the Far West included, as well as black students from five colleges and universities.

Local Community Training

From their intensified training sessions, Vanguard Volunteers have been recruiting and training still more women. Local institutes and workshops have been held and others are in the planning stage in every section of the country.

Other volunteers are joining as projects are implemented and the participants recruit and involve new women around issues such as housing, poor schooling, lack of instruction in Afro-American history, a welfare union, a credit union and thrift shop, consumer and cooperative ventures, creation of jobs and job training, the mishandling of school lunch programs, a summer play school, a Head Start proposal, community development, vegetable growing, and securing college scholarships.

Rural women felt the heartening impact of belonging to a national organization. In Macon County, Alabama, the institute provided a bridge for rural and urban black women who decided to move into a new reality with cooperatives in candy making and vegetable canning. The newly formed NCNW section was instru-

mental in creating a local play school.

In Mississippi, a woman said that she had never before met with her sisters in this way. Now she had found out that many things done to her were illegal, and that there was such a thing as a "fair hearing." She imparted this knowledge to her neighbors and a welfare rights group was born.

In Lorain, Ohio, a community council has been activated, and surveys made for a community development program in an all black community that has no paved roads, sewage or other utilities.

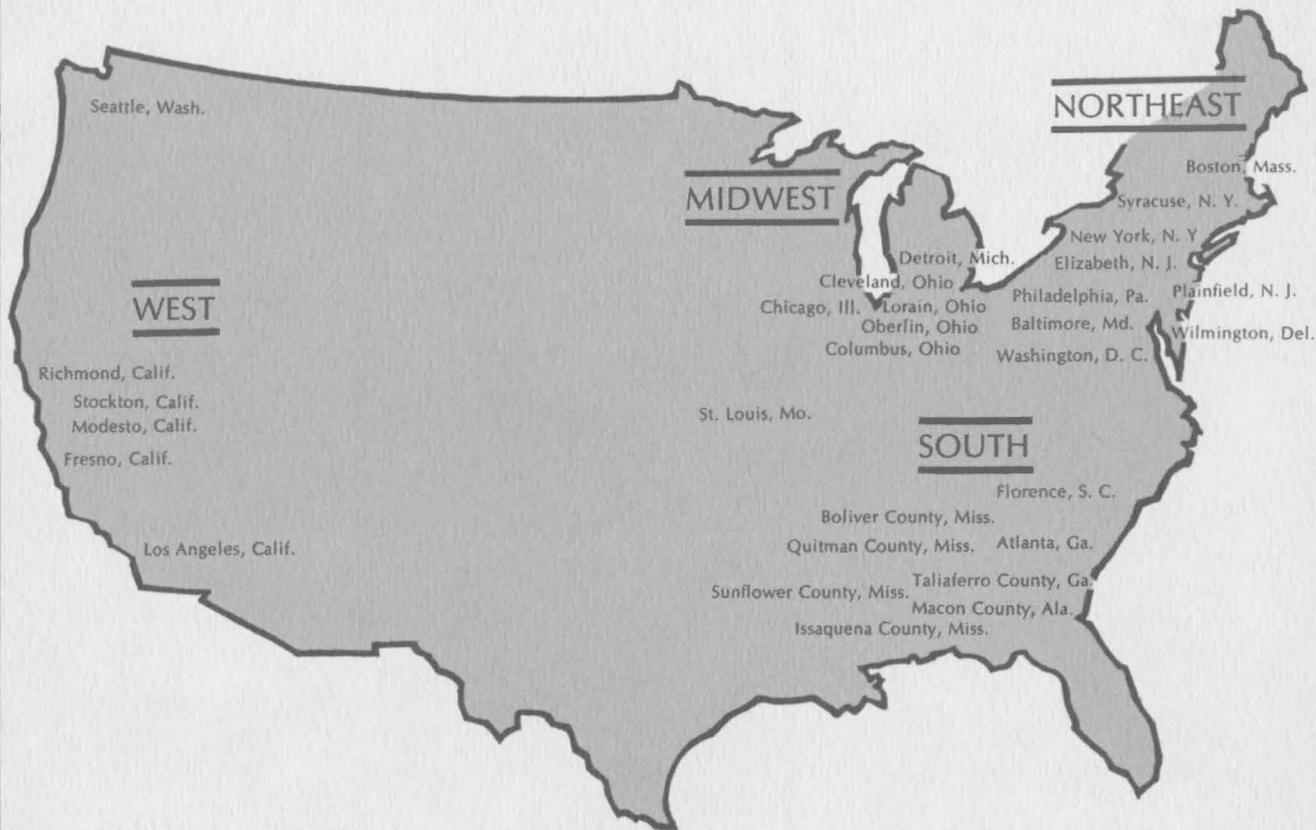
Many of the women trained have set up heritage programs for pre-schoolers, adolescents and adults to develop pride, motivation and an understanding of themselves.

The Syracuse, New York, institutes energized women to set up first aid courses to enable women to help victims of civil disorders.

During the disorders in Boston, Vanguard women spearheaded an information service and provided legal and medical services as well as food, clothing and shelter for those in need.

Vanguard students report that through their efforts their college is instituting courses relevant to the heritage and current concerns of black students.

A two year grant of \$300,000 from the Ford Foundation has funded Project Womanpower, which is at work in the following communities:



Encouraging Self-Help

In Taliaferro County, Georgia, where manufacturing had been almost non-existent and where the annual median income for a family of four was \$796, NCNW helped launch a cooperative textile operation by securing a contribution of \$5,200 from the Womack Foundation. Started in an old log school, the enterprise first employed only a handful of unskilled workers, mostly women. Within eight weeks, 18 women were trained in industrial sewing, 3 in screen printing and 3 in plant supervision. Within 6 months employment had risen to 42 and contracts were being filled for New York as well as for local firms. A ready supply of work is now assured at a decent wage and employment continues on the increase.

Piloted through by the Southern Rural Action Project, an arm of the Citizens Crusade Against Poverty, Crawfordville Enterprises is now a going concern. The director has written NCNW headquarters "we are only too conscious of the fact that had we not gotten the initial grant through the National Council of Negro Women all that has happened would probably still be just another dream deferred."

Now Crawfordville Enterprises is an organized effort, mainly by the Negro citizens of once rapidly declining Taliaferro County, to reverse outmigration of human and material re-

sources by developing economic opportunities for productive, satisfying work and creative, meaningful growing and living together in the community. This demands, besides adequately compensated employment, a chance to own and/or control the means of production creating that employment, so that all citizens are free to speak for the kind of services, program, organization, structures, and development in the community of which they are a part.



Lena Horne & Dr. Bennetta Washington
Director Women's Job Corps with Job Corps Girls
from the Charleston, West Virginia Center

Youth See Government at First Hand



Tutoring Encourages Learning How to Learn



Two groups of women were selected for training; a) middle class women with interest and leadership potential for this work, drawn from local NCNW sections and their affiliates; b) women from poor neighborhoods who probably never before had been asked to serve the community as volunteers.

Three demonstration cities were selected: Miami, Florida; Minneapolis-St. Paul, Minnesota and Danville, Virginia. Altogether 117 women were trained. While half were high school graduates and another 25 percent had had some college work, the rest had stopped school anywhere from the seventh to the eleventh grades, and three had not gone beyond the sixth grade. Intensive study under experts was followed by supervised work in local social institutions and community-action programs in some way touching young girls: juvenile courts, settlement houses, school truancy and dropout programs, institutions for the abandoned and neglected. Others have worked directly with youth—delinquent, non-delinquent and pre-delinquent. Youth groups have been organized by the volunteers. The youth, in each case, have become more aware of themselves as individuals. They are ready to take part in community action. They are making a place for themselves in their community.

New and creative ways of reaching and administering to disadvantaged girls are being implemented by staff,



Helping Youth Develop

NCNW has made an intensive effort to train women to serve as volunteers in youth development work with girls, helping prevent and control juvenile delinquency.

Funded by the Office of Juvenile Delinquency of the Department of Health, Education and Welfare, *Volunteers Unlimited* has, during the last year and a half, begun to fill the need for informed volunteers at a time when there is an increased desire by people to become active participants in their communities.

trainees and NCNW members. Unique needs have been identified and trainees are currently providing direct volunteer services in a diversity of community programs which will increase their understanding and skills in facing the challenges of on-going volunteer participation.

Two promotional leaflets and a taped discussion on "The Role of the Volunteer" were prepared for this project and two handbooks for volunteers were revised.

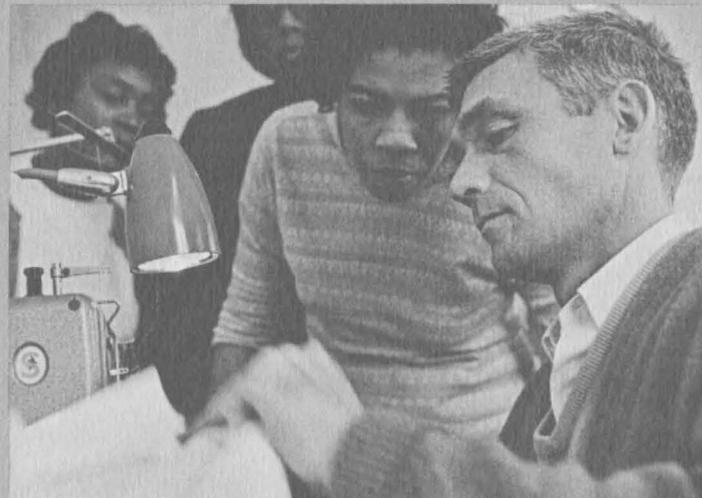
In Danville, where there was a great need for structured recreation, already a youth service corps has been formed. The corps has helped in a voter education campaign. A group of adults and youth have had a work-in at a nearby camp site—the first camping experience for many, older as well as younger.

In Miami, trainees have assisted in recruitment of girls for the Job Corps. Senior trainees are working at a home for children, assisting in tutoring, drama, arts and crafts, personal grooming, films, music, folk singing, and Sunday School work—all crucial needs of the institution as well as areas of special interest to the trainees. During recent civil disorders, the youth group was a positive factor in the disturbed community.

In the Twin Cities, six agencies have been identified for in-service training. A study of the target area has

shown the need to recognize patterns and tendencies of pre-delinquency and to study methods which will reach and help teen-age girls. Recreation work in community churches and in an institution for girls has been started. Some members have attended a series of seminars on Afro-American heritage, with follow-up discussions in their groups.

The trained volunteers have learned to work with youngsters, to channel their energy, to lead from the rear. A volunteer in Minnesota who has had wards of the Juvenile Court in her home said, "I couldn't have done it without the training"



Rural Women Quickly Learn New Skills

NCNW Volunteers Induct Girls for Job Training



A Fresh Start for Girls in Poverty

When a girl who never worked before now earns \$1.71 an hour, not only the girl and her family are happy, but so, too is the volunteer and the organization that helped the girl secure her job training.

NCNW volunteers have been working long hours, often after their own day's employment, or on week ends, searching out girls 16 to 21 who could benefit from the federal government's Job Corps residential training, also the Neighborhood Youth Corps, Area Re-development, and the Manpower Development and Training Program. These women are visiting homes, talking to parents, contacting school officers and social workers, anyone knowledgeable, to find the girls who often are not aware of the opportunities available.

Once the girls are found it is not just a simple matter of recruitment and screening. The picture of broken homes, solo parents, many children, crowded substandard homes, school dropouts, is all too common. Volunteers refuse to be daunted. They have gathered wardrobes and luggage for girls who had none. They have started grooming and family planning courses. They have helped girls overcome health problems that were making some applicants ineligible. In one Texas town volunteers started a literacy course when it was discovered that the reason some fathers were not signing the consent forms for their

daughters was that they could neither read nor write.

Girls not selected by the Corps are referred to other community agencies and often given personal help besides. At Christmas time when Job Corps trainees come home for vacation, volunteers give them a party and when they return after graduation volunteers keep in touch with them and help them find their first job. Placement Follow-up Services have been developed also, to encourage a girl.

Women in Community Service—WICS—is a joint venture initiated in 1964 to frame and carry out effective volunteer service programs against poverty throughout the nation. Cooperating are volunteers from Church Women United, the National Council of Catholic Women, the National Council of Jewish Women, and the National Council of Negro Women. The following figures compiled as of October 1967 show how lives are being freed and changed:

- ✓ Over 289 screening centers in 50 states and in District of Columbia.
- ✓ 22,000 applicants had been referred to the Job Corps.
- ✓ 9,442 young women were enrolled in 18 residential centers and two special centers—one with training emphasis in the medical field and one, in Washington, D. C., a co-ed study work program.
- ✓ 4,000 eligible applicants were waiting for placement.

Some girl graduates now earn \$55 a week, like the PBX operator who formerly earned only 65¢ an hour as a baby sitter. Another former baby sitter who had been paid \$15 for a 48-hour week now earns \$1.65 an hour as an electronics assembler.

More unusual is the starting salary of \$410 a month earned by Betty Patterson of Macon, Georgia, first Job Corps-woman to become an airline stewardess. Daughter of parents who had no more than a seventh grade education, Betty had longed after high school to go to college but had never found the way out of factory work where she earned only \$1.25 an hour.

"I felt I was caught," she said. "I couldn't move...it was like not being able to breathe. It's a horrible feeling..."

But thanks to WICS and the Job Corps and her own persistence in going through eight different airlines interviews before she was accepted, Betty is now the "whole person" she longed to be.

"I'm happy," she says, "but it will mean so much more if it helps give a chance to other girls."

Among the skilled jobs now held by Job Corps graduates are those of cosmetologist, business machines operator, dental technician, chef, dietitian, nurse's aide, clerical and secretarial



Reaching People Where They Are

work, laboratory and X-ray work, data processing.

Not the least of the WICS harvest has been the enriched lives of the volunteers themselves. They have enjoyed the girls and they have enjoyed each other. Avenues of communication have been opened up, both South and North, and have brought great rewards to members of the two races who had no contact or equal exchange before and are learning for the first time what it can mean to work on a common cause together.

The fruits to be gathered are many. And since the Office of Economic Opportunity has raised from 10 to 23 percent the number of places allowed for girls in the Job Corps program, there is room for many more volunteers.

Workshops in Mississippi

In 1964-65 the volatile atmosphere surrounding the summer civil rights projects in Mississippi stimulated NCNW to enlist support to protect the safety of the young people. In the following year, opportunities opened by the anti-poverty legislation and the new sections of the Civil Rights Act were used to strengthen the hands of the people of Mississippi, and of northern communities as well, where communication between the races was lacking.

In Jackson, Mississippi, 53 women from over the state spent two days in November, 1966 in the Mississippi

Women's Planning Session and ended by setting up a series of workshops to be held in 1967 under the auspices of NCNW. The first workshop, held in January 1967, at Oxford, Mississippi, was attended by 43 women, many from poor farm families. Experts from the state colleges and universities and from federal agencies served as consultants. The primary aim was to train Negro women to prepare proposals for public and private funding.

Proposals were designed for: (1) Day Care Centers; (2) Community Centers; (3) School Breakfasts for the State's Needy Public School Children; (4) An Enrichment Program Center at Okolona for Deprived Girls under 18.

With the support of the Board of Trustees of the Okolona Junior College the women have proceeded to develop a unique residential educational center for deprived teen-age mothers. The center will provide day care for their children while the young mothers are being taught the essentials of child care and at the same time trained to become useful workers and citizens.

The warmth of feeling generated by the two-and-a-half day sessions at Oxford is illustrated by a remark of one of the women attenders:

"I've been to conferences on federal programs, but I've never been allowed to do any of the work at them. Here I felt for the first time freedom to speak. Nobody put me down, nobody criticized me. For

the first time I felt what I had to say was something that mattered. Somebody listened. And we did the work."

A second workshop was held for the rural women of Sunflower County with the aim of bringing together various government personnel and the rural poor. This was set up as a "consultation" in which the people told of the kinds of services they needed and the government representatives explained the programs that were available. Sunflower is a county which has a per capita income of \$644 a year and a population of almost twice as many Negroes as whites. The 22 women, aged 20 to 70 years, who came for the two-day conference were women who chop cotton in the fields.

Fully half of them were on welfare. The two-day stipend of \$12 which they received as consultants on local problems made it possible for them to attend.

Eleven other target area women chosen by the Community Action Program joined the group. A shifting panel, made up of some 25 government, welfare and civic personnel from the area, answered a barrage of questions on health, social security, welfare, food stamps, jobs, small loans, poverty. As shyness was dissipated and confidence grew, the women talked freely about their many problems and the communications gap was visibly lessened. At the end a government official asked for a standing ovation to the NCNW staff who

had, he said, conducted "the most objective meeting" he had ever attended. One woman spoke for them all when she laughingly, a little wistfully, said, "I guess I just won't turn in my room key." Thus she expressed the wonder of an overnight in a modern motel with inside plumbing, comfortable mattress instead of corn husks, sheets, polite treatment by the motel staff, the privacy of only two or three to a room—things more privileged people take for granted.

Since *Workshops in Mississippi* began, 23 areas have asked to organize local sections of NCNW. The women feel, according to one of them, that it is "an organization that's not just talking, but talking about the community problems as they are. They are offering the kind of professional help you can get to deal with these problems ... They have made it possible for the grass-roots people to do something—and this is only a beginning—there's no telling what can be done in the future!"

Through WIMS contacts, NCNW has assumed an informal watchdog function and over the past two years has been able to stimulate action on a wide range of economic and civil rights abuses.

For two years running, 1965 and 1966, the work of WIMS with Mrs. Louis G. Cowan was awarded a Citation for "outstanding service to the community" by the Lane Bryant Annual Awards Program.



The Way It Is

Home Ownership for Low Income Families

Underlying all the discussions in the *Workshops in Mississippi*, was the urgent need for decent housing. "When I cook in bad weather," said one woman, "I have to put on my rain coat, hat and boots. If anyone comes to see me, they think I'm on my way out, but I'm just trying to stay dry and get supper for the kids."

Hopeless as the problem seemed, NCNW stayed with it, keeping up contact with the workshop women and their families, with builders and architects, businessmen and agencies, with representatives of the local housing authority and the Federal Department of Housing and Urban Development. First one solution, then another was sought. Finally, the possibilities of innovative Turnkey III crystallized and after weeks of patient hard work, *Project Homes* was developed with the blessings of HUD.

Turnkey I provides for a private builder to construct and "turn over the keys" for a completed development to the local housing authority.

Turnkey II involves interim management and the selection and training of families in their new responsibilities as home buyers.

Under Turnkey III, poor families who qualify for public housing may, if necessary, move into their future home without down payment of cash but with an agreement to give mainte-

nance work as earned "sweat equity" of \$350. As ability to earn grows, cash payments of increasing size may be made, with possible ownership coming that much sooner.

Turnkey III is thus a joint effort between private builders, local housing authorities, and the Federal Housing Administration, with NCNW acting as a bridge between those groups and the poverty stricken community. A grant of \$45,000 in July 1967 from the Office of Economic Opportunity enabled NCNW to provide technical assistance and to serve as catalyst for all concerned.

In September, Secretary Robert C. Weaver of the U. S. Department of Housing & Urban Development announced the first urban Turnkey project to include phase III—home ownership by low-income families. Giving NCNW credit for initiating the pilot Turnkey III project of 200 homes at North Gulfport, Mississippi, he called it a "precedent making development" and said it had been "encouraged, perfected and will be financed by the Department of Housing & Urban Development."

Secretary Weaver said the Mississippi development contained several exciting new elements—the role of the NCNW as the voluntary organization in initiating and coordinating the project, and the Turnkey management and home owners association to be established.

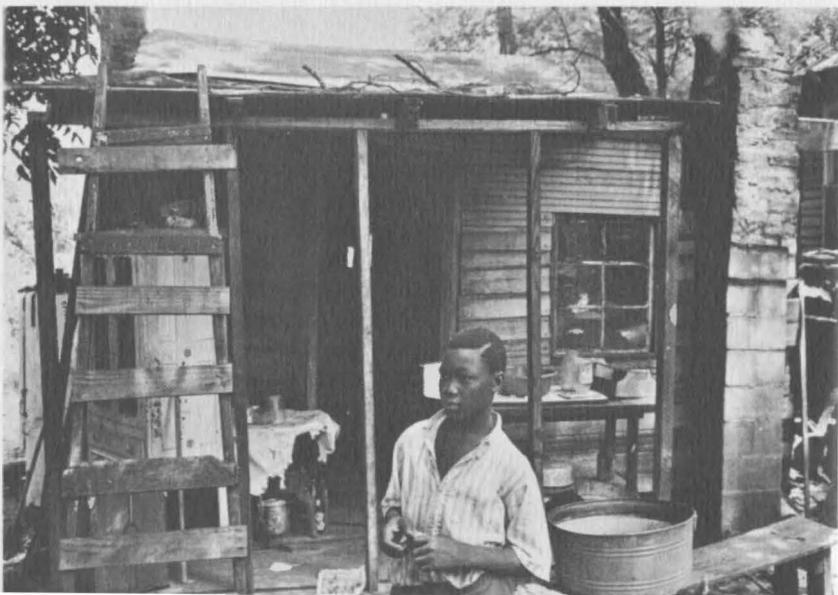
Undoubtedly the most constructive, far-reaching role that NCNW has un-

dertaken in its concern for family life, *Project Homes* brings together people, programs, and interests that cross all lines in our society—government, business, social, ethnic, and economic. By combining these interests, a result is achieved that the whole country seems to be seeking—the pride and dignity of the individual and his confidence in his own worth.

The North Gulfport pilot project consists of 200 detached 3, 4 and 5 bedroom homes and contains centers for day care, recreation, meetings and other community services. The Executive of the Mississippi Regional Housing Authority No. VIII who is supervising the development of the units says the Turnkey III method "could revolutionize the public housing program in this part of the country."

Already a dozen other places have similar projects in view. An extension of the original OEO grant will enable NCNW to respond to some of these.

We do the best we can



Forgotten Rural Road

Community Service Institutes

Building bridges of understanding is not a new task for NCNW. What is new is the present exacerbated situation with a deepening gulf between black and white.

The Executive Committee authorized the establishment of the Commission on Community Cooperation to provide a means of bringing to bear the maximum expertise in intergroup relations and community action in providing creative activities with women who have been socially isolated.

Community Service Institutes were the first of the new educational programs designed to reach the wives of blue collar workers, clerical workers and civil servants such as firemen and policemen. Women in different ethnic, religious and occupational groups with minimal previous community commitments have been encouraged to face the realities of community life and to take a hand in community affairs. Many testify that now they feel less threatened by social change.

Fear of the strange and the unknown has been conquered as women have been trained, knowing that they were being prepared to do specific work. The Community Service Institutes have opened hearts and minds to the aspirations of people in groups other than those with whom a particular woman was familiar. The women have

begun to work together in new ways to improve education and recreation for everybody's children.

Twice a week for six weeks, the first of two successful Community Service Institutes were held in Newark and in Paterson, New Jersey. About 50 women, both black and white, participated in each. Every woman committed herself to ongoing community action.



Telling It Like It Is!

Adult Classes Help People Use Their Potentialities



Consumer Education and Protection

NCNW works to bridge the gap between middle class groups and individuals with consumer know-how and the low-income people who most need help. Lack of cash, inability to establish credit, a pattern of restricted buying from door-to-door salesmen and local merchants, and the absence of knowledge of how and where to buy—all combine to make the low income consumer pay more for lower grade merchandise.

NCNW works to provide consumer services specifically directed to the needs of today's poor. While many of these services were established years ago to increase the buying power of the poor, too often now they, like the people they were designed to serve, have become middle class. How to adapt operations to a changing economy and clientele in a rapidly changing culture is today's challenge.

NCNW works with low income groups recognizing that people are neither willing nor able to delay buying until they have cash. In a pilot program the Indianapolis Section of NCNW ran a successful all day consumer workshop titled "Make Your Dollars Stretch" on Saturday June 17, 1967.

Among the 130 people present, were two Congressmen and a State Senator. A third of the participants were men and women from the low income areas. Representatives from 13 civic and voluntary organizations, churches, schools and labor unions participated and underwrote the expenses of the

workshop. Three simultaneous work groups dealt with credit buying, comparative shopping and "Why the Poor Pay More." Judging from the response, positive community action will take place to ameliorate the problems of the consumer in Indianapolis with emphasis on teamwork between those of every economic background.

NCNW has been actively engaged this past year in meetings of the Ad Hoc Committee of National Organizations of the President's Committee on Consumer Interests and welcomes the upgrading of the committee to Cabinet level.

Conferences on Tight Money, Truth in Lending and Truth in Packaging and Labeling have been attended and progress reports and pertinent literature have been sent to NCNW Sections, together with data concerning the Consumer Assembly 1967 and the proposed National Consumer Federation.



Checking Price and Quality

Consumer Workshop



Household Employment

With non-white women comprising 64 percent of all household workers, it was inevitable that NCNW would play a leading role in the development of the National Committee on Household Employment, formed in February 1965 by the Council and eight other organizations to coordinate efforts to improve the economic and social status of private household workers. The citizens' group worked closely with the Women's Bureau, U. S. Department of Labor, helping conduct community-by-community interviews with employers and employees to establish and promote standards in both working conditions and job performance. NCNW's developing program to improve the human and working relationships in household employment calls for strong support and active participation by Council women the nation over to upgrade household employment.

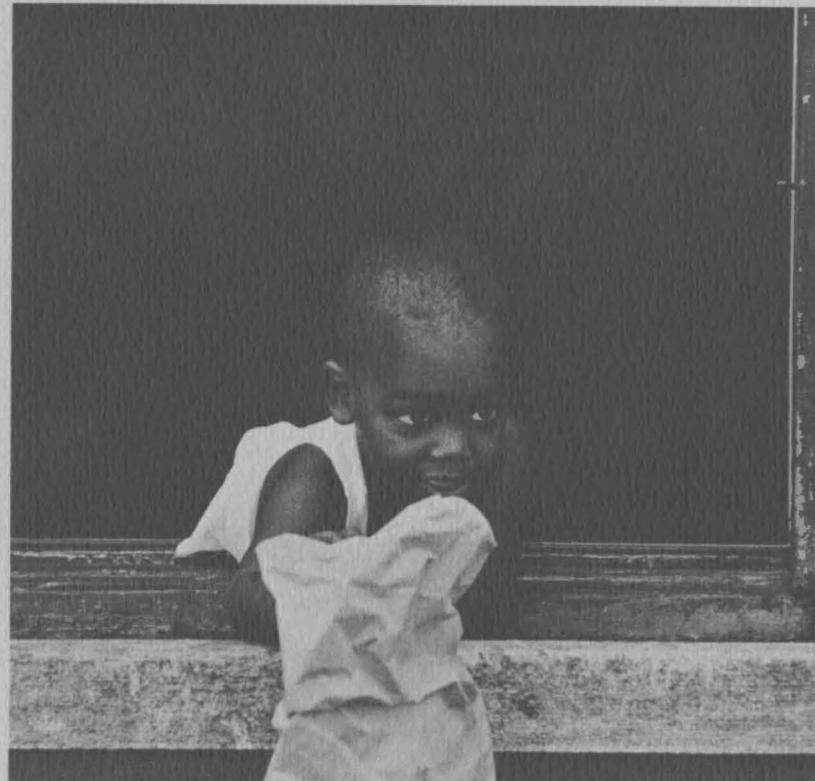
Negro women pace setters in the field were recognized by NCNW special awards made at the National Convention. Mrs. Ann Rodgers, President of Village Maid Service, Inc. was cited for her role in developing a business servicing Chicago luxury apartment dwellers and providing better wages, better working conditions and other benefits to Village Maid Service employees.

Wilmart, Inc. was cited for the innovative training program for household workers developed by Mrs. Ellaleen Williams and Mrs. Gertrude Martin of Washington, D.C. Wilmart, Inc. in a year's demonstration has shown that when opportunity is available, women will train for household and related services and employers can be brought to pay higher wages for skilled workers.

Feeding Hungry School Children

Some two years ago the National Council of Negro Women in cooperation with the National Board of the YWCA, the National Council of Jewish Women, the National Council of Catholic Women and Church Women United, formed the National Committee on School Lunch Participation and initiated a study of the National School Lunch Program, with particular emphasis on the availability of free lunches for children whose parents do not have the financial resources to provide for the purchase of lunches.

Volunteers from the sponsoring organizations who aided in the survey of the school lunch program in 45 communities across the country and the interview of some 39 State School Lunch Directors find one conclusion basic to an action program: Free lunches must be made available to every child who cannot afford to pay!



Scholarships for Civil Rights Workers

NCNW's three-year-old scholarship program has helped finance college and post-graduate study for 72 young men and women whose education had been interrupted by civil rights activity. The scope of this educational aid continues to grow.

Franconia College in New Hampshire, for instance, has launched a special educational program of its own, working with NCNW and seeking financial support to enroll increasing numbers of Negro civil rights workers, both at the campus in Franconia and in a special pilot research-demonstration project designed to give students on-site college education at home in a milieu familiar to them, thus saving them the strain of adjusting to a strange environment. If the pilot proj-

ect for 20 to 30 local students proves successful, the temporary campus in Southwest Georgia probably will become a permanent one and be enlarged.

However handicapped by a disadvantageous start, these students are deeply in earnest and eager to get a good education. "I wouldn't want you to bring the discussions down to my level," says one girl, "because I want to widen my capacities."

Says another girl, "When I finish school, I want to do journalistic work in the South. I plan to help the Negroes in the South by focusing a light upon their conditions, potentials and aims."

A teacher says of one young fellow: "He has such tremendous motivation that he'll never let a teacher off the hook until he gets all he can out of him."



The Students Are Deeply in Earnest

"We, the Women"

Cornelia Otis Skinner, the noted actress and author, consented to narrate an important series of ten radio spots addressed to the potential woman volunteer.

The series, arranged under the joint auspices of the parent organizations of Women in Community Service, Inc. dealt with one umbrella theme: that women have an important, creative role to play in improving human welfare in our communities—a story not now coming through in the broadcast media.



NCNW Cooperates with Other Organizations

Leadership in Civil Rights

NCNW has represented the voice of women in the battle for equality and against racism. The president of the NCNW has worked with the leadership of the civil rights movement in determining strategies through the Council for United Civil Rights Leadership. NCNW has been an active participant in the Leadership Conference on Civil Rights which strengthens and coordinates labor, religious and community organization support for effective legislative and administrative action.

Sometimes an agreed upon position is expressed. For example, June 13, 1967, the president of NCNW joined with leaders of seven civil rights organizations in a meeting held under the auspices of the Metropolitan Applied Research Center (MARC). They addressed themselves to the national

unrest and especially noted the neglect of officials in Cleveland and what seemed to be efforts to incite disruption. In a statement to the press the leaders pointed out that these were "the volatile products" of "persistent discrimination." They reaffirmed their belief that any community, however troubled, can and must become a stable and progressive community affording full opportunities, respect and dignity to all of its citizens, and pledged themselves anew to work cooperatively to this end.

Our interests have been presented in meetings at the White House, before Congressional Committees or special commissions such as the consultation with Katherine Peden, the woman member of the National Commission on Social Disorders.

The Battle for Equality Against Racism



Organizational Cooperation

NCNW plays a vital role in the activities of many public and private agencies as they relate to the welfare of the Negro woman and her family.

Outstanding among the affiliations maintained are the National Committee on Discrimination in Housing, the National Committee on Household Employment, the National Council of Women of the United States, the International Council of Women, the Pan Pacific and the Southeast Asia Women's Association, the American Negro Leadership Conference on Africa, and the Leadership Conference on Civil Rights.

To bring its affiliates in touch with the wealth of resources for strengthening the quality of their public services to children, youth and families in the black community, the NCNW became a member agency of the National Assembly for Social Policy Development.

Capitol Hill

NCNW has answered many calls to appear at hearings before committees of both the House of Representatives and the Senate. Always our united voice has told what we know first hand from the daily lives of our women and their concerns on such measures as: Anti-Discrimination in Employment, Juvenile Delinquency Control and Prevention, Truth in Pack-

aging, Interstate Travel, Housing & Urban Development, Rat Control, Equal Opportunity in Employment, Anti-Poverty, Educational Exchange Program.

International Visitors

What the Negro woman is doing, how she contributes to voluntarism, how she copes with the situation in a racist society continue to be points of major interest to visitors from many lands and especially from the darker peoples. Throughout the year both volunteers and staff at national headquarters and in the field cooperate with the U. S. Department of State, the Women's Bureau and private organizations is providing opportunities for encounter with international visitors. Whenever possible, visitors are included in the regular workshops or training sessions of NCNW.

"Women Who Care," a sensitive film portrayal of the way women volunteers are working to help girls 16-21 years of age get a fresh start through the Women's Centers of the Job Corps under the Anti-Poverty program presents two most effective WICS volunteers—one from NCNW and one from the National Council of Jewish Women. Produced by the United States Information Agency, this film will be shown around the world.



Volunteers Receive Award on WICS Day



National Affiliate Representatives Undergird "Project Womanpower"

Unesco

1967 concluded the term of the NCNW representation as a member of the United States committee for the United Nations Educational, Scientific and Cultural Organization. The values of the two terms of participation will be built upon in the years ahead.

Status of Women

Women in the black community have entered every field of work into which American women have moved. Yet, every analysis shows the non-white women still at the bottom of the bottom. The only group in worse condition is the non-white teen age girl. Thus, the work of the Advisory Council on the Status of Women is vitally important to NCNW. Forty-six states now have commissions on the status of women. The conferences and consultations have been enriched by the contributions of Negro women. So great is the need for women in the black community to know themselves and to confront each other that the ground has been set for state meetings clearly and sharply directed to "the Black Women in our State."

International Conferences

The Harvard Divinity School and the Joseph P. Kennedy Foundation sponsored the International Conference on Abortion held September 6-8, 1967,



First Job Corps Graduate to Become an Airline Stewardess

in Washington, D. C. Men and women from the fields of medicine, law, religion and public interest were invited with the intent of making the same quality of approach as had been begun on ecumenical matters.

The Ditchely Foundation in December, 1967, invited 15 persons from the U.S.A. and 15 persons from England to a week end at Ditchely House, Oxfordshire, England for a consideration of Anglo-American concerns with racism in society.

The President of NCNW was invited to both of these international conferences.



Miss Lena Horne and Mrs. Samuel Zales Inaugurate a Major Life Membership Campaign to Insure an Increasingly Enlightened Future of Service and Action.

"...I leave you Love. I leave you Hope. I leave you the challenge of developing confidence in one another. I leave you a thirst for Education. I leave you a respect for the use of power. I leave you Faith. I leave you racial dignity. I leave you a desire to live harmoniously with your fellow men. I leave you finally, a responsibility to our young people."

—Mary McLeod Bethune



Mary McLeod Bethune founded NCNW in 1935



BETHUNE MEMORIAL

LINCOLN PARK
WASHINGTON, D. C.

With required approval of design and location given by the Federal Fine Arts Commission and the National Planning Commission, plans for the Mary McLeod Bethune Memorial, authorized by Congress, move into their final phase. This first memorial to a Negro to be erected on public land in the nation's capital will stand in one end of the redesigned and refurbished Lincoln Park which is dramatically situated on the eastern axis of the Jefferson Memorial monument and is part of the broad plans for beautification of Washington.

At one end of Lincoln Park is the statue of Abraham Lincoln with a slave in broken chains which was erected by emancipated citizens in 1874. The Bethune sculptural tableau, consisting of the great leader leaning on her cane and passing on her legacy to a boy and girl, will stand at the opposite end as a symbol of the contribu-

tion of the descendants of these emancipated citizens over the century.

The memorial sculpture is the work of Robert Berks, New York sculptor. It will stand 12 feet high when completed and around its base carries a quotation from Mrs. Bethune's legacy of love, hope and faith to her fellowmen.

The architectural design reaches out toward the Lincoln statue and moves into a focus of vistas from every street approaching the park. The setting provides a monumental background for outdoor concerts, dramas, forums and other cultural activities as well as recreation areas for children. It is the work of Hilyard R. Robinson, Washington architect, and establishes a beautiful memorial setting of durability and dignity.

On September 22, 1965, a Joint Resolution of the 89th Congress, signed by President Lyndon B. Johnson, granted a two-year extension to give more time to the NCNW then deeply involved; along with other organizations, in civil rights activities. The authorization to erect the memorial stipulates that it is to be done "without cost to the Federal Government." A vigorous drive for funds is under way to meet this stipulation. Women on the "Committee of 400" have accepted goals of \$1000 each and are setting new records of achievement.

THE WHITE HOUSE
WASHINGTON

September 21, 1965

Dear Miss Height:

It was with a great deal of pleasure that I signed today Senate Joint Resolution 89, extending for two years the existing authority for the erection in the District of Columbia of a memorial to Mary McLeod Bethune.

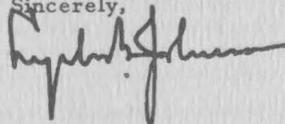
The important contributions to this nation made by Mrs. Bethune are known to so many. Permanently memorializing her, I think, is of particular significance at this point in our history.

As you know, this Administration stands for many of the ideals which Mrs. Bethune espoused. The overriding importance of education was stressed by Mrs. Bethune through her great works, and is at the foundation of the Great Society. The treatment of all Americans with fairness and equality was basic to Mrs. Bethune's beliefs, as it is to your President.

May I extend my hopes for the continued success of the National Council of Negro Women and the many outstanding programs they have developed to assist our nation. This memorial will serve to remind all of us of a great lady who served her nation well.

With warm good wishes.

Sincerely,



P.S.

She was my dear friend and a great inspiration to me for many years -

Miss Dorothy I. Height
President
National Council of Negro Women
600 Lexington Avenue
New York, New York

N



Eleanor Roosevelt Was an NCNW Life Member



"Unity of Purpose—Unity of Action," Symbolized by Mrs. Bethune's Closed Fist.

FINANCIAL STRUCTURE

NCNW is supported by the annual dues from national affiliates, individual members dues, life memberships and Fair Shares of the National budget allotted each Local Section, Junior or Young Adult Section. The National Finance Committee recommends the policy.

Special projects that promote ideas and raise funds are a source of support. The Brotherhood Food Festival with its Theme of "Creating Symbols of Brotherhood" is an outstanding example.

Tax Status

Since receiving tax exempt status December 1, 1965, under Section 501 (c) (3) of the Internal Revenue Code NCNW has been the recipient of many individual contributions, foundation and government grants.

Audit

Finance management is guided through the Finance Committee and Treasurer by the auditors, Tedder and Healey, Certified Public Accountants, 1010 Vermont Avenue, N.W., Washington, D. C.

National Council of Negro Women, Inc. Treasurer's Report—1967

Expenditures—Program Area of Work

General Fund

Expenditures incurred to operate the National Headquarters Offices and to perform services to communities throughout the United States. These expenditures include general office expense, travel, consultant fees, conferences, research, preparation and publication of materials, recruiting, training, preparation of reports, etc.

"Workshops in Mississippi"—incurred in holding workshops to close the communication gap between rural and urban poor, government & civic personnel working on a wide range of economic and civil rights abuses.

"Commission on Community Cooperation"—providing programs to reach women isolated from the mainstream of community life and encourage them to participate in community service.

\$108,706.11

National Projects not financed by General Fund

"Project Womanpower"—incurred in holding vanguard training sessions and institutes to recruit and train 6,000 women for community service and action to meet the crucial needs of the black community.

148,441.79

"Volunteers Unlimited"—incurred in maintaining three demonstration cities—Minneapolis-St. Paul, Minnesota, Miami, Florida and Danville, Virginia—training women to work with girls in a program geared to juvenile delinquency prevention. Volunteers have been placed on boards of education, in the juvenile courts, settlement houses, school truancy and dropout programs. Institutes have been held in each city.

118,112.88

"Project Homes"—incurred in initiating Turnkey III in the rural south. As part of the War on Poverty, NCNW has provided the technical assistance and served as a bridge between private builders, local housing authorities, HUD and the community to make home ownership a reality for low income families.

16,755.95

Mississippi institute—incurred in holding institute in Sunflower County, Mississippi.

5,040.00

Project cooperation—incurred in providing a radio series which addresses the audience first as citizens, then as women, and stresses the theme that women have as much responsibility as men in shaping the world to come and in coping with today's problems.

2,111.59

Sources of Financing

General Fund

Income from memberships, dues, direct contributions and other budgeted responsibility	\$ 72,691.22
"Workshops in Mississippi"	14,756.68
"Commission on Community Cooperation"	19,000.00
Income from investments	854.64
Miscellaneous income	1,199.87
Appropriations from current reserve	203.70
TOTAL	\$108,706.11

National Projects not financed by General Fund

"Project Womanpower"	\$201,057.17
"Volunteers Unlimited"	188,005.00
"Project Homes"	16,755.95
Mississippi institute	5,040.00
Project cooperation	3,000.00

This report is an analysis of income and expenditures by major program areas. A detailed statement of income and expenditure is available on request. Tedder & Healey, Certified Public Accountants, 1010 Vermont Ave., N.W., Washington, D. C. 20005

NATIONAL EXECUTIVE COMMITTEE

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Mrs. Odessa L. Skeene, Brooklyn, N. Y.
Mrs. Edith Starks, Deland, Fla.
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PAST PRESIDENTS

Dr. Dorothy B. Ferebee, Washington, D. C.
Mrs. William Thomas Mason, Norfolk, Va.

*Deceased

National Council of Negro Women, Inc.

Member National Organizations

Alpha Kappa Alpha

Mrs. William Hale,
Supreme Basileus
Langston, Okla.

Chi Eta Phi

Mrs. Leota P. Brown,
Supreme Basileus
Jamaica, N.Y.

CME Church Women's Connectional Missionary Council

Mrs. Phyllis Bedford, President
Youngstown, Ohio

Daughters of IBPO of Elks of the World

Mrs. Nettie B. Smith,
Grand Daughter Ruler
New York, N.Y.

Delta Sigma Theta

Mrs. Frankie Muse Freeman,
National President
St. Louis, Mo.

Eta Phi Beta

Mrs. Annette I. Clardy,
Supreme Basileus
Detroit, Mich.

Iota Phi Lambda

Mrs. Mahala S. Evans,
National President
Chicago, Ill.

Lambda Kappa Mu

Mrs. Marie G. Leatherman, President
Detroit, Mich.

National Achievement Clubs

Dr. Alma Illery, President
Pittsburgh, Pa.

National Association of Fashion & Accessory Designers

Mrs. Henriette Vincent, President
St. Louis, Mo.

National Beauty Culturists League

Dr. Katie Whickam, President
New Orleans, La.

National Grand Court, Heroines of Jericho, FAAY, Masons, U.S.A.

Mrs. Hettie J. Trent, National Grand
Most Ancient Matron
Beckley, W. Va.

Phi Delta Kappa

Mrs. Mabel S. Bouldin,
Supreme Basileus
Chicago, Ill.

Sigma Gamma Rho

Dr. Lorraine Williams,
Grand Basileus
Washington, D. C.

Supreme Grand Chapter, Order of Eastern Star

Dr. Julia C. Fitzpatrick,
Most Worthy Grand Matron
Detroit, Mich.

Tau Gamma Delta

Mrs. Elmer Fischer,
Supreme Basileus
Detroit, Mich.

The Chums, Inc.

Mrs. Constance Winters
St. Albans, N.Y.

The Women's Convention, Auxiliary to the National Baptist Convention, U.S.A., Inc.

Mrs. Mary O. Ross, President
Detroit, Mich.

United Beauty School Owners & Teachers

Dr. Marjorie S. Joyner,
National Supervisor
Chicago, Ill.

Women's Army for National Defense

Mrs. Louvonia H. Brown, President
Chicago, Ill.

Women's Auxiliary to the National Dental Association

Mrs. F. D. Moore, President
Chicago, Ill.

Women's Auxiliary to the National Medical Association

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Women's Home & Foreign Missionary Society of the AME Zion Church

Mrs. Emma B. Watson, President
Pittsburgh, Pa.

Women's Missionary Society, AME Church

Mrs. Anna Heath, President
Washington, D. C.

Zeta Phi Beta

Mrs. Mildred Cater Boone Bradham,
Grand Basileus
Jacksonville, Fla.

Local NCNW Chartered Sections

ALABAMA

Macon County
Mobile

ARKANSAS

Little Rock
Pine Bluff

CALIFORNIA

Bakersfield
Bay Area of Southern
Calif.

Compton

Compton Young Adult

Contra Costa

East Bay Area

East Bay Area

Young Adult

Fresno

Fresno Young Adult

Long Beach
Los Angeles
Lost Angeles—Eastside
Los Angeles Young
Adult

Pasadena

Pomona

Rialto

San Diego

San Fernando Valley

San Francisco

San Francisco Young

Adult

Southeast Los Angeles

(Watts)

Vallejo

View Park—Los Angeles

COLORADO

Denver

CONNECTICUT

Bridgeport Young

Adult

Greater Bridgeport

Hartford

DELAWARE

Peninsula

Wilmington

DISTRICT OF COLUMBIA

Washington

FLORIDA

Corinthian

Daytona Beach

Deland

Greater Miami

Northwest Central

Miami

St. Petersburg

Tampa

GEORGIA

Atlanta

Brunswick

Union Point

ILLINOIS

Chicago

East St. Louis

INDIANA

Indianapolis

KENTUCKY

Louisville

LOUISIANA

Baton Rouge

New Orleans

Shreveport

MARYLAND

Baltimore

MISSISSIPPI

Greenwood

Gulfport

Issaquena County

Jackson

Moss Point

Okolona

Oxford

Quitman County

Sunflower County

Vicksburg

MICHIGAN

Detroit

MINNESOTA

Twin City

MISSOURI

St. Louis

NEW JERSEY

Bergen County

Middlesex Somerset

Montclair

Montclair Junior

Morris County

Newark

Newark Junior

Passaic County

Plainfield Scotch Plains

Rahway

Roselle Linden

The Oranges

Vauxhall

NEW MEXICO

Albuquerque

NEW YORK

Bronx

Brooklyn

Brooklyn Young Adult

Long Island

Manhattan

Manhattan Young

Adult

Nassau County

North Bronx

North Queens

North Queens Young

Adult

North Shore Staten

Island

Suffolk County

Syracuse

Washington Heights

Washington Heights

Young Adult

Westchester

NORTH CAROLINA

Durham

Greensboro

Raleigh

Wilson

OHIO

Cincinnati

Clark County

Cleveland

Columbus

Cuyahoga County

Dayton

Greene County

Hough

Lorain

Xenia

OREGON

Portland

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Philadelphia

Pittsburgh

SOUTH CAROLINA

Charleston

Florence

TENNESSEE

Memphis

Nashville

TEXAS

Dallas

Houston

San Antonio

Temple

VIRGINIA

Danville

Danville Junior

Nansemond County

Newport News

Norfolk

Richmond

Roanoke

Smithfield

Southampton

Southside

Williamsburg

Yorktown

WASHINGTON

Seattle

A Lasting Gift

You can perpetuate your interest in helping the Negro woman and the Negro family achieve justice, equality and human dignity by adding this simple provision to your will:

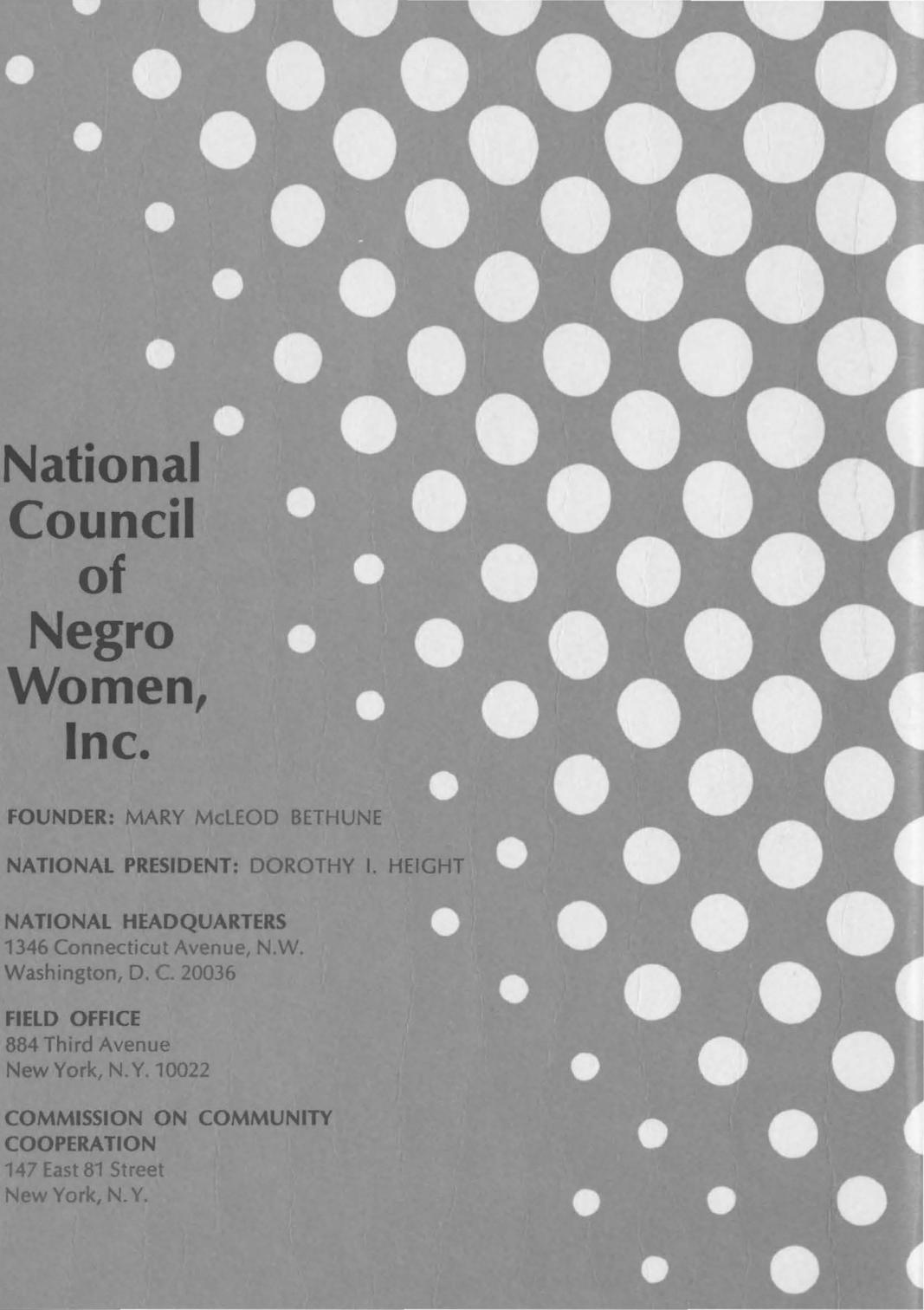
I give, devise and bequeath to the National Council of Negro Women, Inc., 1346 Connecticut Ave., N.W., Washington, D. C. (here insert the amount of money or describe the personal property or real estate) to be used for its general purposes.

Bequests of money, securities, real estate, personal property or the residue of an estate, made to the National Council of Negro Women, Inc., are deductible for income, estate or gift tax purposes.



A Lasting Gift-photo by BERNARD GOTFRYD

Forgotten rural road - photo | by TONY ROLLO—Newsweek
We do the best we can-photo



**National
Council
of
Negro
Women,
Inc.**

FOUNDER: MARY McLEOD BETHUNE

NATIONAL PRESIDENT: DOROTHY I. HEIGHT

NATIONAL HEADQUARTERS
1346 Connecticut Avenue, N.W.
Washington, D. C. 20036

FIELD OFFICE
884 Third Avenue
New York, N. Y. 10022

**COMMISSION ON COMMUNITY
COOPERATION**
147 East 81 Street
New York, N. Y.



wash Post 9/15/74 p A2



Mrs. Ford Urges Recruiting Black Women to Key Posts

By Dorothy Gilliam
Washington Post Staff Writer

In her first organizational meeting before a group of predominantly black women,

luncheon before about 100 women representing women's volunteer organizations. The women's two-day meeting to discuss housing and food is

going to lead the way and lead the country down the path for equality—not only racial equality but sexual equality. You have a great commitment

WOMEN AND CREDIT: AN OVERVIEW

Remarks By
Eugene H. Adams
Chairman of the Governing Council
American Bankers Association

before the

Indiana Bankers Association
French Lick, Indiana
June 13, 1974

A year ago this month, at Bal Harbour, I spoke to the Florida Bankers Association about women and credit, and I believe I was able to give the Florida Bankers some new thoughts and ideas on this sensitive subject.

Today I would like to update those thoughts and some of the statistics I used at that time. Careful consideration of the ramifications of credit to women is not limited to Florida. Nor, certainly, are discriminations in credit against women limited to Florida or any other state or states. It is a subject to which bankers everywhere are addressing themselves, and I believe they are finding the facts and figures are eye-openers indeed!

The extension of credit has become a major element in providing access to the economic mainstream of American life. We pay for large items and small through the use of credit: Those who can obtain loans are able to buy houses and cars; bank-cards and other credit cards pay for gasoline, drug store purchases and vacations, to name but a few items.

The boom in consumer credit -- other than home loans -- is largely a phenomenon of the post-World War II era. Outstandings have increased from \$5.7 billion in 1945 to \$157.5 billion in 1972, for all lenders.

During this same time period, the status of women in the United States has changed dramatically. For example, during the 20-year period from 1952 to 1972, the percentage of U. S. families with a female head of the household grew from 9.4 per cent to 12.2 per cent, a jump of about one-third. Meanwhile, the "traditional family" with husband as worker and wife at home, shrank from 65 per cent to 50 per cent of all U. S. families.

So, we have had two significant trends: the expanding importance of credit in our society and the changing status of women. But, have these movements been successfully coordinated?

Judging from much of the testimony at hearings conducted by the National Commission on Consumer Finance two years ago, the answer would have to be no. These hearings and others held by the Congress and a number of state governments provided a forum for discussion and focused attention on the issue of women and credit.

Today we are seeing the results, as state laws on equal credit opportunity are enacted and similar bills are introduced on the national level. To date, the District of Columbia and at least 14 states, including Indiana, have passed laws which prohibit discrimination in credit by reason of sex, or by reason of marital status. In Washington, several legislative proposals for equal credit opportunity have been introduced in Congress, including one which was passed by the Senate last summer.



On May 14 of this year, Senator William Brock of Tennessee proposed a bill which specifically would outlaw credit discrimination on the basis of sex or marital status. Just two days later, Congresswoman Lenor Sullivan introduced a proposal which promises equal credit opportunity regardless of race, color, religion, national origin, sex, or marital status. In Congresswomen Sullivan's words, the bill would "tear down barriers to the extension of credit . . ."

For our part, we bankers are re-emphasizing our commitment to meet the needs and convenience of the community. More specifically, we are striving to understand and provide for the growing credit needs of women in today's society.

Last June, when I talked to the Florida Bankers Association about women and credit, I stressed facts about women in the labor market. Let me cite a few of those statistics:

- Women comprise about 44 per cent of the nation's work force.
- A woman who remains single can be expected to work 45 years, a longer work-life than the average man.
- If a woman does get married, she is likely to work. In 1972, about 55 per cent of all husband-wife families had both spouses working.
- One-third of all mothers with pre-school children work. One-half with school-age children return to their careers.
- In 1972, well over half of all divorcees and widows between the ages of 20 and 65 were working or looking for work. Moreover, a divorced woman who is working at the age of 35 can be expected to work for at least 20 more years, and a 35-year old widow will probably continue to work for 27 years.

The American Business Women's Association, in its February 1974 issue of "Women in Business," commented as follows: "The belief that women are less interested in the monetary aspects of a job has long served as a rationale for paying women less than men and for assigning a low monetary value to 'women's jobs.' 'Women don't need as much money as men,' is the thinking, 'so why pay them as much?'" The article goes on to say: "Is it really true that women work only for pin money? No. According to the Bureau of Labor Statistics, 65 per cent of the 34 million women who work do so for pressing economic reasons. Another 23 per cent are married to men who earn less than \$7,000 a year."

These statistics and others vouch for the fact that women -- single, divorced, married and widowed -- are a stable part of our nation's work force. Their growing participation certainly appears to be a dependable source of income on which to base a loan.

Again let me stress that I believe banks are moving in the right direction in this area. We want to make decisions based on the credit-worthiness of the individual, not on some arbitrary standard; if a woman is going to repay a loan, we welcome her as a customer.

However, I also believe that a general statement of intent, such as this one, and a general policy of equal credit opportunity are not enough. We must examine ways in which women, or at least some women, feel they are being denied access to the economic benefits of living in America. Unless we understand what these women are saying, unless we understand an individual's perception of credit discrimination, we will miss the message.

I know that we bankers have already addressed many of these grievances. We understand and agree that some past decisions on credit-worthiness were based on outdated ideas; and we are working to assure that future decisions accurately reflect today's realities.

For example, we recognize that, when credit is denied a worthy applicant, the repercussions often extend beyond that one denial. Assume that a woman who is head of a family is denied a mortgage: Her family may be forced to live in cramped quarters; she will be unable to use the home to build up equity; and she cannot use the loan to establish a credit rating as a basis for further credit. By the same token, denial of a car loan may mean less earning power, because the individual loses mobility needed to interview for jobs and cannot accept employment unless public transportation is adequate.

Because credit decisions affect our lives so greatly, let's spend a few minutes examining ways in which some members of society feel credit is being wrongfully denied them. Though the subject may be familiar, this review and compilation may trigger additional insights or solutions to problems.

Now-- What are some of the more common complaints concerning the extension or denial of credit to women?

First, some women say that different standards are used to measure their credit-worthiness than are used for men. They cite numerous examples: A woman and man are employed in the same type of job, have equal tenure, earn the same salary, have the same financial obligations and each applies for credit. The woman is turned down, the man granted the loan.

Or consider the woman executive, who is working her way to the top of the organization ladder. She has more than proven herself, yet she reports that she cannot obtain the same line of credit as a man earning much less.

These women say they should be judged on their ability to pay back a loan, or more precisely, on the five C's of credit-worthiness: character, capacity, collateral, capital and conditions. Moreover, they believe that being female does not alter the "conditions" factor of this formula, making them greater risks than men.

Unfortunately, there is a dearth of actuarial information concerning women and loans. We just do not have adequate figures which would indicate the risk involved when loans are granted to women. However, I would venture to suggest that much more valid criteria exists for judging loan risk than sex or marital status. Income, length of employment, previous credit history and financial obligations provide some valuable guidelines. If some of us persist in believing that sex and marital status are meaningful criteria, we need to develop the statistics to substantiate that belief.

A second issue cited as discriminatory is the practice of discounting a wife's income when issuing credit. This practice grew out of the fear that a woman, especially one who becomes pregnant, might leave the job market.

I've already cited statistics which show that a large number of women return to work when their children are quite young. Often, no disruption in pay is incurred, as maternity benefits pay full salary while these women are on leave. The family income is affected only to the extent that there is a new baby who must be fed and clothed.

Indeed, the birth of a child may strengthen a couple's commitment to making mortgage payments. It is then that they will need the space and other conveniences of a house more than ever, and the planning of a family may have been the initial impetus for obtaining the mortgage. While we bankers have a responsibility to explain the magnitude of a financial undertaking, the final decision about relying on a wife's income may more appropriately be made by the couple.

Third, women charge that their credit ratings often end when they get married. Frequently women change their accounts into their husband's name voluntarily, or are asked to do so by the company issuing credit. If these women continue to work, they may directly contribute to the families' credit rating. Yet, upon divorce or the death of their husband, their loan worthiness may be evaluated anew -- as if they had never paid a bill. To add insult to injury, some women have been held responsible for a husband's bad credit rating, though they would not have benefited if he had been a good risk.

In the case of a recently widowed woman, her problems may be compounded by the absence of a line of credit. And the divorced woman may lack the loan history with which to obtain financing for a car, and thus may be isolated, unable to gain entry into society because she lacks transportation.

On the other side of the coin, arguing against maintenance of separate records for man and wife, are the costs of dual record-keeping. Somewhere between the social costs imposed on women and the economic costs imposed on credit institutions, there must be a middle-ground which would lead to a more equitable solution to this problem. A woman who marries should not become a non-person as far as credit rating is concerned.

A fourth area of concern is the application of stricter standards to a credit applicant when the wife is the primary breadwinner rather than the husband.

This brings to mind an interesting story about people's perception of reality. A woman employed by the American Bankers Association applied for a car loan. She was told that her husband would have to sign the loan form. She asked why, and was informed that husbands had to sign wives' loan applications. It was only upon further inquiry that she discovered that wives had to sign husbands' loan forms also. The rule involved spouses, rather than members of one sex. The original, incomplete explanation created the erroneous impression of discrimination against women.

Though this story had a happy ending, some tales alleging stricter loan standards when a woman is the principal means of support, do not. When stricter standards are applied to women, whole families may suffer. Perhaps the most obvious example is the minority family.

The Federal Home Loan Bank Board recently set forth guidelines which warned savings and loans that discounting or disallowing a working wife's income might violate a 1968 housing law aimed at preventing racial discrimination in home financing. The Board said, ". . . a larger proportion of minority group families rely on the wife's income to afford housing and other necessities." Thus, when women's salaries are discounted or disallowed, a disproportionate share of the black families in the country are affected.

Again, I wonder if statistical evidence would support the premise that families where the wife is the primary means of support are necessarily less credit-worthy than those in which the man brings home the larger paycheck.

A fifth concern centers on requests for information about a family's means of birth control. This clearly is personal and should not be subject to inquiry. Such questions serve only to alienate potential customers, while providing little information about the risk involved in making a loan.

A sixth issue which women describe as discriminatory is the refusal of some mortgage institutions to consider the application of an unmarried woman, regardless of her income. The single woman should be allowed to choose her own life style, which may include owning a house; home and marriage are not necessarily synonymous. Moreover, if this single woman does marry, her husband may very well earn more than she does, since women currently earn about two-thirds as much as men with similar educational backgrounds. In other words, marriage would probably increase her credit-worthiness, rather than detract from it.

A seventh area in which women believe they receive unfair treatment is the refusal of credit institutions to grant loans based in whole or part on court-ordered support payments, or a steady part-time job. Yet, this income may be stable and can prove the difference between decent housing, for example, and sub-standard lodgings.

These, then, are some of the credit issues as women see them, and as I understand them. And while you and I continue to promote the general concept of equal credit opportunity, we must also address ourselves to these specific problems which women perceive as obstacles blocking them from receiving fair consideration for loans. Moreover, we must make sure that our commitment is understood by all levels of the banking community.

As Madeline McWhinney, the president-designate of the proposed First Women's Bank of New York told the ABA marketing convention this year, "No matter how many statements management makes, a bank handles its women customers according to the attitudes of the men on the floor, men who may somehow believe that women are simply bad credit risks." Miss McWhinney also stated, ". . . though statistics are by no means complete, there are indications that women may be better credit risks than men."

I would like to change Miss McWhinney's emphasis a bit. Let's re-examine the validity of using sex or marital status as an indicator of credit-worthiness at all. Isn't it possible, in fact probable, that other actuarial statistics are much more meaningful? And, then, of course, there is that all important measure, character, which may not be reflected in the statistics.

Moreover, society will continue to change, and we cannot wait for all the data to be gathered before deciding whether to make a loan. We must not be so cautious that we fail to meet the needs of today because we are too

engrossed in the assumptions of yesterday.

To sum it up, the community expects a lot from you and me. We are expected to be sociologists, judges, philosophers and statesmen. At a time when experts are struggling to identify changing attitudes and needs, bankers are being asked to act on the basis of these new realities.

Clearly, though the task may be difficult, we must continue to re-define credit-worthiness if future needs of the individual and the nation are to be met.



NATIONAL COUNCIL OF NEGRO WOMEN, INC.

NATIONAL HEADQUARTERS
1346 CONNECTICUT AVE., N.W.
WASHINGTON, D.C. 20036
TELEPHONE: 202/223-2363

August 13, 1974

Forty years ago, Mary McLeod Bethune, daughter of slave parents, educator, and advisor to four Presidents of the United States, called for women in all walks of life to close ranks and join hands in service to themselves, their families, youth and their communities. Mary McLeod Bethune's idea for uniting women to secure justice, the idea on which she founded the National Council of Negro Women, never had more relevance than in this day, when women throughout the nation are raising their collective voices demanding their rights as persons in all areas of life.

To fulfill this idea of unity of women, I have asked you, as Presidents of major National Women's Organizations, to come together to develop collective strategies concerning two basics of life - Shelter and Food. As women carrying major national leadership responsibility, we need to look at these dual areas of elementary survival, examine the problems they present, and move toward their solutions.

It is for this purpose that you are invited to participate in a meeting of Presidents of major National Women's Organizations on September 14 and 15 in Washington, D.C. Enclosed is the proposed agenda as well as travel/hotel information and a list of invited Presidents. In addition you will find some general information on housing and hunger.

As this may be the first time some of us have met together, I am requesting from each President, information about your organization. This can be either a statement, or brochure of your purposes, goals and programs. We would appreciate receiving 100 copies prior to the meeting for inclusion in each President's kit.

Let us consider the strength and combined resources of the organizations this meeting represents and contemplate how our collective action might be focused on these issues. There is much wrong with society today and we want to talk about it. There is weakness in our separateness as Women's Organizations, and we want to talk about that too.



Let us view this coming together as a launching pad for unleashing the full force of power created by WOMEN UNITED.

If this be the mood of participation, the time and sacrifice of your coming will have been justified and the rewards to our constituents and to America will be many and highly visible.

Come, therefore, as one with a mission.

Sincerely,

Dorothy I. Height
National President

DIH:cr
Enclosures



ncnw

THE NATIONAL COUNCIL OF NEGRO WOMEN, INC.



COMMITMENT • UNITY • SELF-RELIANCE



Since its inception, the NATIONAL COUNCIL OF NEGRO WOMEN, founded by Mary McLeod Bethune in 1935, has encouraged black women to assume leadership roles and serve as catalysts for social change. A coalition of 25 national organizations and involved individuals with an outreach to 4 million women throughout the country, it has utilized the diversity of its membership to increase the internal strength of the black community. It has sought to mobilize women from all walks of life, ages, political persuasions and economic and social backgrounds to address themselves to the problems which plague all of the deprived people of this nation. NCNW programs are based on a philosophy of commitment, unity and self-reliance. The energy of its womanpower has been harnessed to fight such chronic inequities as racism; inadequate and substandard housing; hunger and malnutrition; insufficient child care centers; drug abuse; inhumane detention centers and prisons; exploitation of the poor; the lack of economic opportunities in the rural south, and demeaning working conditions for household employees.

ncnw

IS COMMITTED TO:

- stay in the forefront of the fight to eliminate hunger and malnutrition in America
- combat racism and bigotry
- mobilize its collective leadership and utilize this combined strength to effect constructive social change
- involve black women of diverse economic and social backgrounds in activities relevant to the well-being of their communities and in training for effective leadership
- disseminate information about the contribution of black women to the arts, sciences and professions
- support new and existing programs affecting education; health, employment; child-care; drug abuse; consumer education, protection and exploitation, and civil and human rights
- take the initiative in making certain equality education is a reality for all children
- assume an active role in the quest for the economic empowerment of the black community
- develop innovative programs designed to strengthen family life; increase self-determination in family planning, and assure self-sufficiency and self-respect



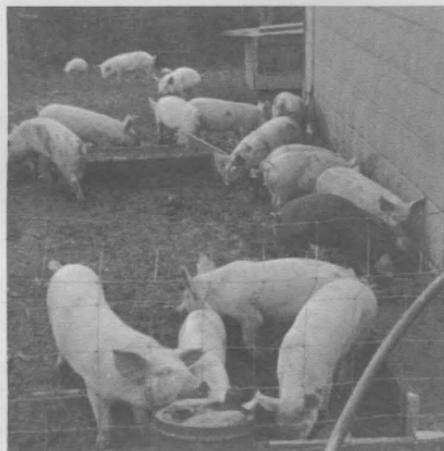
MARY McLEOD BETHUNE

NCNW PROGRAMS

NCNW translates its philosophy of commitment and self-reliance into action through its programs by:



launching a national campaign against hunger and malnutrition beginning in three of the poorest counties in the nation—Sunflower and Bolivar Counties in Mississippi, and Macon County, Alabama—helping to feed the poor through Food For All, Inc.



operating on a premise of "self-help is the best help" and assisting women in impoverished communities to raise their own hogs, chickens and vegetables.



establishing economic self-help projects, especially in the rural south, i.e., a garment factory in Doddsville, Mississippi, and through assisting Liberty House, Jackson, Mississippi, a marketing cooperative owned by a conglomerate of poor people's co-operatives.



servicing as an initiator and team participant in the development of Turnkey III—a program providing home ownership opportunities with public subsidy for low income families—and with the aid of a grant from the Ford Foundation making technical assistance staff available and thereby extending the service to reach some 36 rural and urban communities in 10 states.



creating a center for teen age mothers and developing a unique day care program utilizing the facilities of the former Okolona Junior College, Okolona, Mississippi, and establishing the Fanny Lou Hamer Day Care Center, Ruleville, Mississippi.



developing a Center for Career Advancement in cooperation with Pace College, New York and HEW (the Department of Health, Education, and Welfare), which may well become the prototype for a national skills upgrading program.



helping disadvantaged girls gain a new start in life through the Job Corps as volunteers in Community Service (WICS), in cooperation with the Department of Labor.



working in cooperation with eight other organizations to improve the economic and social status of private household workers.

functions

NCNW appears before governmental and private groups to represent the concerns of women and girls on matters affecting the general welfare of the nation—and that of the black community in particular.

NCNW sends representatives to major national and international conferences and maintains an Official Observer at the United Nations.

The NATIONAL COUNCIL OF NEGRO WOMEN is affiliated with the National Council of Women in the United States, International Council of Women, the Pan Pacific and South East Asia Women's Association, the American Negro Leadership Conference on Africa, the National Assembly for Social Policy and Development, the Leadership Conference on Civil Rights, and the United States Committee for the United Nations Educational, Scientific and Cultural Organization (Unesco).

the Mary McLeod Bethune memorial



Under the authorization of Congress and the President of the United States, NCNW is in the final phase of a drive to create a living memorial to Mary McLeod Bethune in Lincoln Park, Washington, D. C. It will be the first memorial to a black American erected on public land in the nation's capital. In addition to paying tribute to Mrs. Bethune, who recognized the need for black people to join hands for concerted action, it will symbolize the black man's contribution to American life. Upon completion, the site will provide an educational, cultural and recreational area for all people.

membership

The NATIONAL COUNCIL OF NEGRO WOMEN invites women and girls of all races, ethnic origins and economic and social backgrounds to become members of the organization. It welcomes those who wish to address themselves to the concerns of the black woman and her family.

Men are encouraged to participate as Associate and Life Members.

financial support

The NATIONAL COUNCIL OF NEGRO WOMEN is dependent upon voluntary contributions to further its work. The generosity of concerned individuals, foundation gifts, and special grants from the Federal Government have enabled NCNW to develop independent and cooperative projects for community service and community action. However, it must continue to have widespread financial support if it is to fulfill its commitments.

Returning the attached form with your gift will insure that NCNW's efforts to help your neighbors achieve dignity, justice and equality will be reinforced.

Enclosed is my gift of \$ _____
 I pledge \$ _____
 to be paid by _____ (Date)
 NAME _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____

Please make check payable to the NATIONAL COUNCIL OF NEGRO WOMEN, Inc., 1346 Connecticut Avenue, N. W., Washington, D. C. 20036. Contributions are fully tax deductible.



THE NATIONAL COUNCIL OF NEGRO WOMEN, INC.

1346 Connecticut Avenue, N. W.,
Washington, D. C. 20036

Founder:
MARY McLEOD BETHUNE



President: DOROTHY I. HEIGHT

NATIONAL AFFILIATES

- Alpha Kappa Alpha Sorority, Inc.
- Chi Eta Phi Sorority
- CME Church Women's Missionary Council
- Delta Sigma Theta Sorority, Inc.
- Eta Phi Beta Sorority
- Grand Temple, Daughters of Elks
- Iota Phi Lambda Sorority
- Lambda Kappa Mu Sorority
- National Achievement Clubs
- National Association of Fashion and Accessory Designers
- National Beauty Culturists League
- National Council of Puerto Rican Volunteers
- National Sorority of Phi Delta Kappa
- Sigma Gamma Rho Sorority, Inc.
- Supreme Grand Chapter, Order of Eastern Star
- Tau Gamma Delta Sorority
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- Trade Union Women of African Heritage
- United Beauty School Owners and Teachers
- Women's Convention, Auxiliary to the National Baptist Convention, USA, Inc.
- Women's Auxiliary of the National Dental Association, Inc.
- Women's Auxiliary, National Medical Association
- Women's Home and Foreign Missionary Society, AME Zion Church
- Women's Missionary Society, AME Church
- Zeta Phi Beta Sorority, Inc.

ADVISORY BOARD (In Formation)

- | | |
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NATIONAL COUNCIL OF NEGRO WOMEN, INC.
NATIONAL HEADQUARTERS

1346 Connecticut Ave., N. W. — Suite 832 — Washington, D. C. 20036

Add my voice to the rising tide of concerned individuals and register me as a link in the great national coalition of organizations mobilized for community action and volunteer service. Attached is my check for \$_____.

TYPES OF MEMBERSHIP

- | | | |
|--|--------|---|
| <input type="checkbox"/> Annual | \$5.00 | <input type="checkbox"/> \$200.00 Life Membership (payable in \$50.00 installments) |
| <input type="checkbox"/> Young Adult | 2.00 | <input type="checkbox"/> 10.00 Contributing |
| <input type="checkbox"/> Junior | 1.00 | <input type="checkbox"/> 5.00 Associate (Men) |
| <input type="checkbox"/> Rural | 2.00 | <input type="checkbox"/> 200.00 Associate Life Membership (Men) |
| <input type="checkbox"/> Direct Annual Membership Through An Affiliated Organization | \$2.00 | |

Name _____ Date _____

Address _____

City _____ State _____ Zip _____

Organization Affiliation (if any) _____

Local Section (if any) _____

(All contributions are tax deductible)

Date _____

Received of _____
the sum of \$ _____ for _____

Solicitor _____

Address _____

(This is a temporary receipt. When your membership reaches the National Office, your card will be issued.)

OPERATION COPE



A
Family
Learning Center

A faint circular stamp is visible in the background, containing the text 'SCOTT R. 1910 C. 1910'.

What Are Its Aims:

Operation COPE seeks to intervene positively in the life style of female, heads of households who are having difficulties in coping with family living, by:

- involving each participant in an adult basic education process that will provide them with a better ability to communicate and compute.
- helping the parents acquire elementary "coping mechanisms" that will increasingly enable them to handle the pressures of educational deprivation.
- involving the enrollees in training that will prepare them to be more effective parents and citizens.
- offering para-professional staff members adequate opportunities to establish a solid foundation for future career growth and upward mobility.
- involving the parents in learning enterprises that will broaden and enrich the scope of their family life.
- providing the participants with the added support of a network of National Council of Negro Women volunteers who would bolster the Learning Center's operation.
- establishing opportunities for the enrollees to acquire needed services through the project's linkages with other community agencies and organizations.

What Learning Can Be Shared:

The first major component of COPE, the "Family Living Skills" covers the women's own self-awareness, growth and development of herself and her children, and information on health, nutrition, money management, consumer skills and family planning.

The Basic Education component deals primarily with motivation for organized learning, advancing computation and communication ability, assessing educational needs and referral to appropriate continuing education programs for progress toward the GED certificate. Effective participation in school-community boards and organizations is the goal of the citizenship component.

How It Operates:

An operational objective of the program is to establish informal group sessions in a relaxed, neighborly atmosphere. COPE therefore, places emphasis on learning situations with realistic and attainable successes as well as providing laboratory experiences in family living, basic education, and citizenship.

In addition to the "Family Learning Center" which is housed at the National Council of Negro Women's House in the urban renewal section of Northwest, Washington. Operation COPE is attempting to establish cooperative linkages with on-going multi-service agencies to host these programs.

These "satellites" strengthen the operation from several aspects:

- proximity to the clientele
- recruitment can be done in communities by local volunteers
- travel for trainees is cut or eliminated
- strong linkages with on-going community programs are established.

The National Council of Negro Women's Adult Basic Education undertaking endeavors to integrate its efforts with other demonstration adult education programs and to form linkages to existing service-oriented agencies meeting the needs of family shared problems. COPE solicits participation in the planning, administration, and operation of the program by participants, community representatives, and local adult educators.

What It Is:

Operation COPE is a Special Experimental Demonstration Project, funded by the U. S. Office of Education under the Adult Education Act. The program is sponsored, in the District of Columbia, by the National Council of Negro Women.

Who It Serves:

COPE is "tooled up" to serve 180 female, solo parents, 35 years of age and under, who are economically, culturally, and educationally disadvantaged. Women who lack a high school diploma or equivalency certificate, and generally have sufficient difficulty coping with life that they need extensive assistance with family living skills, basic education, and effective parenthood and citizenship roles, are eligible for this program.

Why It Is Needed:

There are an estimated 7,800 functionally illiterate females residing in disadvantaged sections of the District. Statistics infer that 65% of them are solo parents. Obviously the overwhelming majority of these are Black.

The National Council of Negro Women feels that the continued existence of large groups of educationally disadvantaged parents in our nation is societally hazardous from several aspects. The most obvious is the waste in human resources incurred when numerous Black adults are incapable of full productivity because of educational handicaps. Even more disastrous is the cultural jeopardy in which the children of such parents are inadvertently placed.

The National Council of Negro Women was founded in 1935 to take concerted action for the advancement of the black woman and her family. Today, NCNW links 25 national women's organizations and includes women of diverse backgrounds bound together in a common resolve to effect basic community change.

Founder:

Mary McLeod Bethune

President:

Dorothy I. Height

NATIONAL COUNCIL OF NEGRO WOMEN Operation COPE

1346 Connecticut Avenue, N.W., Suite 832
Washington, D. C. 20036
TELEPHONE: 202/223-2363

MARGARET GATES is an attorney and Co-Director of the Center for Women Policy Studies, a Washington, D.C.-based group doing research, technical assistance projects and litigation related to the economic and legal status of women. She has taught the course "Women and the Law" at the George Washington University Law School and is the author of the law review article on Women and Credit which was mailed to you with other introductory material.

**MEET
CAROL
BURRIS**

YOUR WOMAN IN WASHINGTON

Pres.
In 1970, Carol Burris began work in our nation's capitol lobbying for the Equal Rights Amendment (ERA). Since May, 1971, she has worked full time pressing for legislation that reflects the needs of women, and secures in law our rights as citizens of the United States.

WOMEN'S LOBBY, INC. . . .

. . . was incorporated in August, 1972 and is registered as an official lobby. Carol Burris has brought together a corps of volunteers who work with her to convince legislators to respond more fully and actively to the need for congressional action on legislation which affects the lives of all women.

These women now form the nucleus of Women's Lobby, Inc., serving as registered professional lobbyists. Their efforts are furthered by women who are members of the Board of Sponsors and Friends of the Lobby.

The Equal Rights Amendment had languished in Congress for 47 years. With its passage in 1972 to their credit, Women's Lobby, Inc. conducted a series of other successful campaigns lobbying for additional important legislation.

HIGHER EDUCATION ACT OF 1972 *Passed*

Extends Equal Pay Act to include all teachers and university professors regardless of sex.

HEALTH MANPOWER ASSISTANCE ACT *Passed*

Outlaws sex discrimination in federally-funded medical and dental schools.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION ACT *Passed*

Gives court power to EEOC in its pursuit of enforcement of the Civil Rights Act.

PENSION REFORM ACT OF 1974 *Passed*

Ensures the widowed spouse of receiving all pension benefits, private or public.

In addition, lobbyists were instrumental in effecting an extension of the powers of the Civil Rights Commission to cover women. The Child Development Act of 1972, which was lobbied for, was to have provided for universal child care. It was passed by Congress but vetoed by the President. An extension of the minimum wage coverage to domestic workers (98% of whom are women) was also vetoed by the President. Cutting across all economic, social and political lines, Women's Lobby, Inc., a non-partisan organization, fulfills a dual pragmatic function — making the voice of women heard within our government — and assuring that legislation passed is responsive to the needs of women.

The immediate goals of the organization include child care legislation and reform of laws dealing with pension, social security, tax, credit and welfare.

WOMEN'S LOBBY, INC. . . .

. . . has had a good beginning. And more work needs to be done. There are new roadblocks in the way of women's struggle for basic human rights. The Equal Rights Amendment, though passed by the Congress, has yet to be ratified by the necessary 38 states. The Women's Equity Act, which will implement the ERA nationally, awaits passage. There are other needs which must be met — broader coverage under minimum wage, availability of credit without regard to marital status, an end to discrimination in education.

And there is the threat posed by a highly organized, heavily financed national campaign to overthrow the Supreme Court abortion decision by means of a constitutional amendment. Such amendments have already been introduced in both houses of Congress. Hearings are underway and pressure is being felt by all members of Congress.

Attempts to undermine the progress of equal rights legislation for women are a daily occurrence. Women must continue to be represented on Capitol Hill!

WOMEN'S LOBBY, INC. . . .

. . . is a growing organization of people involved in human rights legislation. Support is necessary if we are to continue to succeed with the large tasks that lie ahead.

We need you.

We need your financial support. With your help, we can have a continuing impact upon Washington legislators. From \$25 to \$2500 — every bit is needed by Women's Lobby, Inc.

Please join us. Today.



WOMEN'S LOBBY, INC.

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*For further information regarding Women's
Lobby, Inc., write Carol Burris in Washington.*

WOMEN & HOUSING

You are invited to serve as a Commissioner on an ad hoc Commission on Women and Housing, being convened in our city. The purpose of the Commission is to provide a representative voice of women in the community as we document, through public hearings and workshops, discriminatory acts against women in the housing market.

The National Council of Negro Women, under a contract with the Office of Equal Opportunity, Housing and Urban Development, developed the Women and Housing project and will implement it in cooperation with other National and Local Women's Organizations, in five cities throughout the country.

A key element of the program is the formation of an ad hoc Commission on Women and Housing in each city. The accompanying information sheet provides a background on NCNW, details the objectives of the project, and defines the composition and role of the Commission.

I have accepted the responsibility of Local Convener for NCNW and wish to add my personal invitation to you to serve as a Commissioner. Your name has been suggested as one whose leadership is vitally needed as we seek to address the discriminatory acts against women that have for so long kept us from fair and equitable participation in housing.

If you wish additional information, please contact me at the address below. Your early acceptance would be greatly appreciated.

Sincerely,

Local Convener for NCNW
Women and Housing

Enclosure



Women and Housing

A project in 5 cities designed to document discriminatory practices against women in the housing market.

Ad Hoc Commissions
on Women and Housing

A community based voice of women in 5 cities composed of representatives from National and Local Women's Organizations.

REPLY FORM

ORGANIZATIONAL REPRESENTATIVES FOR ATLANTA, GEORGIA

Please complete the following information:

Name of Organization _____

Address _____

Staff Contact _____ Phone _____

President _____

Address & Phone _____

SUGGESTED ORGANIZATIONAL REPRESENTATION

Please provide alternate names

Name

Name

Address

Address

Name

Name

Address

Address

Please mail reply form to: National Council of Negro Women
1346 Connecticut Ave., N. W.
Washington, D. C. 20036
Attention: Women and Housing



Women and Housing

A project in 5 cities designed to document discriminatory practices against women in the housing market.

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ORGANIZATIONAL REPRESENTATIVES FOR NEW YORK, NEW YORK

Please complete the following information:

Name of Organization _____

Address _____

Staff Contact _____ Phone _____

President _____

Address & Phone _____

SUGGESTED ORGANIZATIONAL REPRESENTATION

Please provide alternate names

Name

Name

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Address

Name

Name

Address

Address

Please mail reply form to: National Council of Negro Women
1346 Connecticut Ave., N. W.
Washington, D. C. 20036
Attention: Women and Housing



Mrs. Ford Urges Recruiting Black Women to Key Posts

SEP 15 1974

By Dorothy Gilliam

Washington Post Staff Writer

In her first organizational meeting before a group of predominantly black women, Betty Ford yesterday said she had urged her husband to ap-

luncheon before about 100 women representing women's volunteer organizations. The women's two-day meeting to discuss housing and food issues, was sponsored by the National Council of Negro Women. About three-quarters

going to lead the way and lead the country down the path for equality—not only racial equality but sexual equality. You have a great commitment and I know you will . . . carry through."

Then she stood in a receiv-



Mrs. Ford receives a bust of educator Bethune from NCNW President Dorothy Height. She is then greeted by NCNW's Ruth Sykes and school board member Barbara Simmons.

LABOR

First Lady Ford Vows To Help Black Women

By E. Faanie Granton

Appearing before more than 100 women, most of whom are presidents of national women's organizations, First Lady Betty Ford assured them in brief remarks that she has urged her President-husband to appoint women to top policy-making offices in his Administration.

Mrs. Ford spoke at a luncheon meeting in Washington, D. C., which was called by the National Council of Negro Women (NCNW) to discuss such pertinent issues as housing and the food crisis. She was presented a carved bust of the late educator Mary McLeod Bethune, founder of NCNW, and later chatted with each of the participating women during a break between the group's meetings.

In conversations with the women, Mrs. Ford assured them that she would continue to urge her husband to give women an opportunity to participate fully in exer-

cising their rights as American citizens.

During one of the meetings, Dr. Gloria Toote, assistant secretary of the Dept. of Housing and Urban Development, gave documented information on housing discrimination practices, which will be used as a basis of a series of upcoming hearings in five cities, where witnesses who have been denied their rights in housing will voice their complaints.

On the second day of the weekend meeting, Dr. James P. Carter of Meharry Medical College gave the keynote speech on the domestic and international food crisis. Kenneth Schlossberg of the Senate Select Committee on Food and Barbara Williams of the Coalition on Human Needs spoke on mobilizing the Food for People Network.

The entire conference was a workshop to discuss and devise ways leaders of national women's organizations can stand in the forefront of the movement to improve two basics of life—housing and food.

Jet Oct. 3, 1974



Editorials

Washington Star-News

Opinion

A-10

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FRIDAY, AUGUST 23, 1974

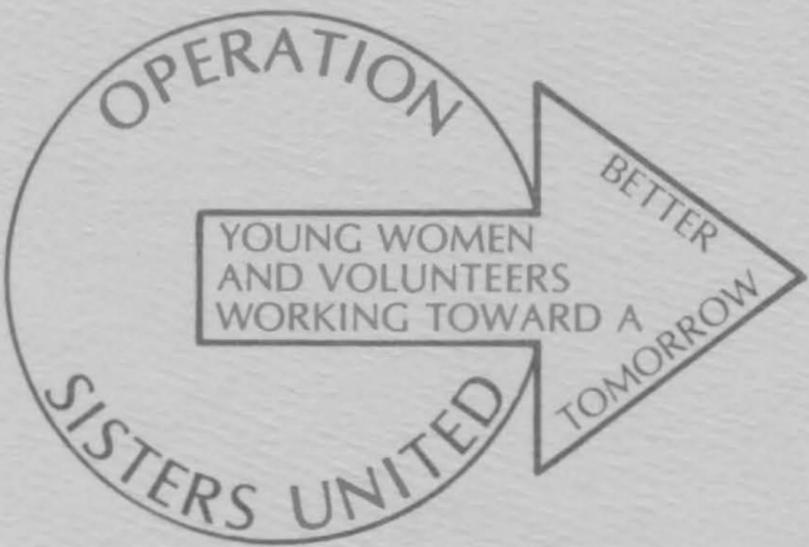
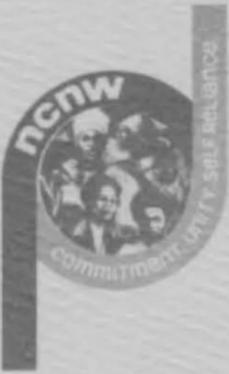
Smith Hempstone: *The Specter of Famine*

Historians of the future will remember 1975 as the first

SOME AGRONOMISTS, such as Borlaug, the father of

dled to enough for 27 days (the lowest level in 20 years), and a

tives cut off the American contribution to International



Non-Residential Detention Alternative
For Girls 11-16



Diane:

From the time she was 13, Diane was back and forth to the Juvenile Court, for being habitually disobedient at home and school. She was charged with running away, unlawful entry, grand larceny, disorderly conduct and stealing. When the probation officer referred Diane to Operation S.U., she was 16 years old, a 7th grade dropout having been discharged from several public schools as well as from a special school for disruptive students. She lived with a working mother, her grandmother, an aunt and cousin. A born leader, bright but sassy, Diane needed someone to help her define her future goals and to encourage her to continue her education.

Diane was matched with an NCNW volunteer who was able to provide the constructive role model of an interested, warm, successful career woman. After participating in group counselling sessions, Diane was placed in a special tutoring program. After five months in Operation S.U. she was tested by the public schools and was enrolled in the 10th grade of a local high school. She was released from probation in October.

She is beginning to take leadership in constructive activities and has gained the respect of her friends and classmates. Diane is working towards her high school diploma and looks forward to college and a career in Drama.

Lee:

The aftermath of group street fighting resulted in Lee shooting a girl in the leg. At 15 years of age, Lee found herself involved with the Juvenile Court which placed her on probation and referred her to Operation S.U.

Lee was an 8th Grade student in a local junior high school, showing average academic performance, poor conduct and a history of truancy.

She is one of five children ages 24 to 10. Both parents are in the home, however her mother is sickly and her father is mostly unemployed. Her mother expects her to work and help support the family.

Although enthusiastic and active in Operation S.U. group counselling sessions, she appeared "up" one day and "down in the dumps" the next day. Her volunteer, who visits Lee's school daily, by virtue of her job, played an active role in supporting Lee in improving her appearance, school attendance, and behavior. Her grades shot up dramatically. She began to confide in her NCNW Volunteer, whose warmth interest and understanding, plus the assistance given by staff and group counsellors helped Lee through several emotional crises.

Lee wrote a play for her English class about school dropouts and young people in trouble with the law. She invited her volunteer and the staff to attend. She has requested special tutoring services to help her advance to the 11th grade in September '74 and is looking forward to attending college then to law school.

Diane and Lee are two of the thirty girls referred to operation S.U. during its first nine months of operation. NCNW launched this pilot project in November, 1972, under a grant from the Law Enforcement Assistance Administration. The pilot District of Columbia project was designed to provide the Courts with a rehabilitative detention alternative for female juvenile offenders. The success of this model program has been demonstrated. Efforts are now being made to establish similar programs in cities across the nation through NCNW local sections and affiliates.

After an interview with the youth and her parents, the S.U. staff matches each girl with a NCNW volunteer who has been trained at an intensive Volunteer Training Workshop. The girls are required to see their volunteer at least two times a month. The one-to-one volunteer

relationship with the girls is supplemented by a variety of weekly group counselling services. Among the services provided are:

Counselling — informal between S.U. volunteer and girl;

— group, individual and crisis intervention counselling by psychiatric social worker;

Education — to help girls identify educational and training needs in preparation of careers, including field visits to talk with women on their jobs;

Recreation — exercise, modern dance, arts and crafts;

Cultural Enrichment and Heritage — to encourage an appreciation of cultural heritage for development of positive self image;

Health — to provide grooming, weight control and community health counselling;

Referral — for special problems of girls or families to school of social work interns and social agencies for needed services;

Placement — the staff matches the girl referred by the court with the trained volunteer;

Follow-up — is done by bi-weekly reports from volunteer to staff and monthly reports from staff to the probation department of local court;

Orientation — training program for S.U. volunteer with bi-monthly group discussions;

— personal interview of girl and parents by staff to determine problem areas and to help S.U. volunteer establish individual rehabilitation goals;

Volunteer Outreach — membership of the 25 affiliate organizations of the National Council of Negro Women.

The setting for the D.C. Model Project is the Council House, located in Northwest Washington, D.C., where a "community living room" provides an informal setting for many of the group activities.

The great majority of detention alternative programs have been designed to serve males. Alternatives for female offenders do not exist in proportion to the numbers of women in the criminal system. N.C.N.W., in establishing Operation S.U., is meeting a crying need for truly supportive programs for girls that diminish the likelihood of repeated offenses.

We have found that when young girls turn to delinquency, there is frequently no one to give them proper guidance and encouragement to direct their energies toward positive behavior patterns. To offer these girls opportunities for further growth, through friendship that they can depend on, with volunteers of all ages, backgrounds and walks of life, on a one-to-one basis, deters many from further involvement in delinquent activities. Having lived with the conditions that create the pain and frustration from which delinquency grows, NCNW members have a deep and unique understanding of what is needed.

In addition to the rehabilitative impact on the girls, the increased understanding of the criminal and juvenile justice systems acquired by community volunteers, and the unique relationship established between Operation S.U. and the courts has provided a useful model for developing detention alternatives for girls within the juvenile justice system and which is relatively easy to duplicate in other cities across the nation.

For further information, write or call:

Operation Sisters United
430 M Street, S.W.
Suite N-206
Washington, D.C. 20024
202-484-3773

Director:

Joan A. Burt, Attorney at Law

Program Coordinator:

Janice Bowie, Social Worker

Secretary:

Deborjha G. Blackwell

The National Council of Negro Women was founded in 1935 to take concerted action for the advancement of the black woman and her family. Today, NCNW links 25 national women's organizations and includes women of diverse backgrounds bound together in a common resolve to effect basic community change.

Founder:

Mary McLeod Bethune

President:

Dorothy I. Height

NATIONAL COUNCIL OF NEGRO WOMEN

NATIONAL HEADQUARTERS

1346 Connecticut Avenue, N.W.

Washington, D.C. 20036

Telephone: 202/223-2363

TIME

"MARY McLEOD BETHUNE 1875-1955"



**"Her legacy to her people...
and the nation."**

Policy is changing. Is practice catching up?

Sharyn Campbell had to sign away her maternity rights to get a mortgage.

To receive a car loan of \$800, she had to have her unemployed student husband co-sign, and the loan was issued in his name.

Two department stores would not issue credit cards to her in her own name.

When she wanted to buy a home in the \$40,000 price range, which would have required counting the joint income of the Campbells, the mortgage broker suggested she submit an affidavit on the method of birth control she was using to ensure approval by the Veterans Administration. She refused and instead agreed to sign a sworn affidavit that she wouldn't have any children.

Sharyn Campbell is an attorney. So, currently, is her husband.

She is also the coordinator of the National Task Force on Credit of the National Organization for Women (NOW).

And she believes that the number of women who have experienced discrimination in lending and resented it is large.

Most managing officers of financial institutions will deny that they discriminate.

But what is often a matter of policy may not necessarily be a matter of practice, as would be indicated by the growing number of women registering their woes with organizations such as NOW, testifying in Congress or spewing their stories to the press. Names of financial institutions are being used, and suits are being brought in court.

The \$15 billion deposit Manufacturers Hanover Trust Co., New York, has been sued for allegedly discriminating on the basis of sex or marital status in its mortgage lending policies. In New Jersey, \$199 million deposit Franklin State Bank agreed to a consent decree under which the bank promises to treat married persons on the same basis as single persons when making unsecured loans.

In a policy statement issued early last month, the Federal Home Loan Bank Board became the first of the financial regulatory agencies to take action. It conceded that discrimination on the basis of sex or marital status is not specifically prohibited by the Civil Rights Act, but that it may in fact violate the equal protection guarantee of the Constitution as well as "impede the achievement of the objectives of federal laws intended to promote sound, economical home financing. . . ."

The Board also frowned upon the practice of considering only the income of the primary wage earner, favoring, instead, "underwriting which reasonably evaluates the credit-worthiness of each applicant based on a realistic appraisal of his or her own past, present and foreseeable economic circumstances. The determination as to whether primary income or additional income qualifies as effective for credit purposes should depend upon whether such income may reasonably be expected to continue through the early period of the mortgage risk.

"Automatically discounting all or part of the income of a working wife, or other income from bonuses, overtime, or part-time employment, will cause some applicants to be denied financing without a realistic analysis of their credit-worthiness," the Board said.

TURN ON THE LIGHT

Discriminatory practices in lending against women were brought to national attention in May 1972 when the National Commission on Consumer Finance, a bipartisan body created by the Consumer Protection Act to study consumer credit, held its hearings.

Rep. Leonor K. Sullivan (D, Mo.) sat on the Commission and "found that a thoroughly convincing case was made by the witnesses that discrimination against women was at that time widespread throughout the credit industry. Much of it was based on plain, ordinary stupidity by credit office personnel rigidly applying standards of credit-worthiness based on outmoded concepts of women's role in the economy."

Sullivan allowed that some state laws still in effect (dealing with alimony, support, community property) were also at fault.

"As a result of the hearings, many major creditors identified as maintaining archaic and indefensible policies in refusing credit to women in their own names began to restudy and revise their policies," she said.

Last fall, Sullivan was again presiding at hearings, this time as head of the House Subcommittee on Consumer Affairs, which held hearings on the 85 recommendations of the Commission.

"Despite modern trends and moderate industry efforts toward self-reform, discrimination against women continues today due to the failure or refusal of the various segments of the credit industry to re-examine their assumptions and respond to the increasingly vocal demands of women consumers across the nation," Campbell testified before Sullivan's committee.

"During the last two years women have become more sensitive to the fact that, because of their sex and/or marital status, they encounter numerous problems when applying for credit accounts . . . and residential mortgage loans," she said.

Among these cases Campbell cited:

- Kathryn Kirschbaum, mayor of Davenport, Iowa, was denied a BankAmericard because her application did not have the signature of her husband. She didn't think it was necessary.
- A married couple applying for a mortgage with an income adequate for the loan was told the wife's income could not be counted because she was still in her childbearing years — this, despite her steady eight-year employment history and her four months accrued sick leave, which could be used in the event of a difficult pregnancy. (No children, however, were planned.)
- A single woman and her male colleague, both earning the same salary, applied for a travel and entertainment card at the same time. Although the man had an eight-month work history and the woman a one-year work history, the man received his card within six weeks and the woman was turned down with the explanation of "insufficient length of employment."
- A Virginia editorial assistant with a larger income than her husband's was told that her income could be considered in determining their eligibility for a mortgage only if she and her husband could prove that (a) she was not just a secretary with no career potential; (b) they were practicing birth control; (c) her husband would agree to an abortion should she become pregnant anyway; (d) she would agree to her husband's vasectomy should she have to discontinue taking birth control pills.

The pattern of discrimination was summarized by the report of the National Commission on Consumer Finance in December 1972:

- (1) Single women have more trouble obtaining credit than single men. (This appeared to be more characteristic of mortgage credit than of consumer credit.)
- (2) Creditors generally require a woman upon marriage to reapply for credit, usually in her husband's name. Similar reapplication is not asked of men when they marry.
- (3) Creditors are often unwilling to extend credit to a married woman in her own name.
- (4) Creditors are often unwilling to count the wife's income when a married couple applies for credit.
- (5) Women who are divorced or widowed have trouble re-establishing credit. Women who are separated have a particularly difficult time, since accounts may still be in the husband's name.

MORTGAGE DISCRIMINATION

Specifically in mortgage lending, charges of discrimination are not difficult to document. They seem to be rooted not so much in malice as in long-standard business practice.

Few empirical studies of prevalent practices exist, but one piece of data appeared in a study done by the Federal Home Loan Bank Board two years ago. In one question, associations were asked what credit they would allow for a working wife's income if she were age 25, had two school-age children and worked full-time as a secretary.

Some public interest groups felt the question was loaded because the children were of school age and the wife had a full-time job which had required some degree of training. Judging by responses to some of the other questions, the associations chosen for the survey had relatively liberal lending policies as measured by their willingness to participate in federal subsidy and insurance programs.

Nevertheless, 25% of the respondents said they would count none of the wife's income, well over half reported they would count 50% or less of the income and 22% indicated they would give full credit to her income.

Testimony given before government committees and the remarks of association executives illustrate the credit problems of married women. So does underwriting theory.

The textbook used to train many lending officers in the business, *Lending Principles and Practices*, suggests the following in a credit analysis: "If the wife works, her income is another uncertain factor, depending upon her age, type of employment and the number and ages of any children. Even if she can be expected to continue working, expenses arising from her employment — such as housekeepers, transportation and additional taxes — should be deducted."

Other facets of implementation were variously delineated by association officers in interviews conducted just before the Board issued its policy statement on sex discrimination.

"Our major concern is the consideration of the age of the wife, family status, number of children, their ages and the responsibilities in the future. An important factor is the stability potential for the maintenance of the income, particularly where credit is tight," says Thomas F. Greuling, senior vice president, Home Federal Savings, Chicago.

"We would be concerned about making a loan when the wife is the primary breadwinner and in the first three to five years of marriage," he added.

"We look at the overall picture, at the stability of the major wage earner," says Elizabeth Graham, executive vice president, Pee Dee Federal, Marion, S. C.

If a woman is of childbearing age, Pee Dee Federal counts 40% to 50% of her income.

"We're more conservative here," Graham says.

In Albuquerque, N. M., American Savings counts all of a wife's income if she has worked at least five years.

"The only time we count 50% is when a girl 19 to 20 years old who has only worked a year applies for a loan with her husband," says Senior Vice President Mary E. Michael. "We would treat a man with those qualifications in the same manner."

In 1971, the *Washington Post* surveyed many mortgage lenders regarding the consideration of the wife's income and found that "In recent marriages (less than five years) or when the wife has been working only a short time, no recognition is given to the wife's income. Also, with young married couples, no matter what their background, the wife's income is not recognized.

"If the wife is classified as a professional and between the ages of 26 and 35, a lender may give half credit to her income. Over 35 years, it is customary to give full credit. If the wife is in a non-professional occupation, usually no allowance is made for her income up to age 35, half allowance between 35 and 42, and full credit beyond that age."

Divorced or widowed women also run into problems.

"If alimony is the only income, it's a little more touchy; but on occasion we have made the loan," says Aggie Angerer, branch manager, First Federal Savings, Phoenix.

She tells of women who come to her office with a chip on their shoulder.

"They say we probably won't give them the loan because they've been turned down so often," says Angerer. "We have to change their thinking."

Even single women, whose number in the ranks of homeowners swells yearly, have some difficulty getting loans.

"In the case of a single woman, we weigh the factor of her ability to meet maintenance requirements in the case of making a home — as opposed to a condominium — loan," says Greuling.

Sen. Bill Brock (R, Tenn.) asked in Senate testimony: "How many otherwise credit-worthy single men, when applying for a home loan, have ever been questioned about their carpentry, plumbing or electrical ability? The assumption that men could perform these tasks while women could not is just the sort of discrimination based on sex that we are talking about. A judgment based on the ability of either applicant of either sex to pay for necessary maintenance would be much more to the point."

ON WHAT BASIS?

Many of the solutions to the problem of discrimination lie in the careful study of the principles of underwriting. One of the more inexact sciences, lending is based on criteria established on past experience. For that reason, perhaps, new trends do not take effect quickly enough. In the woman's fast changing role in society, the obsolescence of traditional lending criteria can become particularly glaring.

Some lending criteria, in fact, have been attacked not only for being socially outmoded, but for promoting a "cobweb of myths" unsupported by research on statistical risks.

One outmoded concept is that single women will get married and stop working.

Citing U. S. Department of Labor figures and the *New York Times*, Rep. Bella Abzug (D, N. Y.) noted that "Most single women are employed. Although many of these women will eventually marry, that decision is being postponed. In 1960, 28% of all women between the ages of 20 and 24 had never been married. By 1970, this figure increased to 37%. If this woman remains single, she can expect to work longer than the average man."

Another assumption is that married women get pregnant and leave the work force.

Quoting from Census Bureau data, Abzug told the Subcommittee on Consumer Affairs of the House Banking and Currency Committee that "Women between the ages of 18 and 24 expect to have only 2.1 births. The length of time between the first and subsequent births is declining from the 1965 average span of from two and one-half to three years.

"Thus we can see that young wives are having fewer children, closer together in age. In addition, many mothers of preschoolers are staying on the job. In 1969, 44% of all mothers with children under the age of six were working."

Elaborating, Abzug said, "Well over 40% of American families have both husband and wife working. Married women with no children are likely to be in the labor force: 72% of all childless wives between the ages of 20 and 24 and two-thirds of those between the ages of 25 and 34. Half of all married women with school-age children are in the labor force."

Testifying in Congress about the concern of lenders with family planning, Sharyn Campbell said, "If a married couple decides that one party should terminate employment to raise children and that their mortgage payments could not be supported by one salary, it seems safe to assume that they will take appropriate measures to meet or reduce expenses before the baby is born and one income is discontinued. In any event, there are many people to whom parenthood and profession are not mutually exclusive.

"Creditors must reexamine or merely disregard their assumptions about women. It is not within the proper realm of credit evaluation to determine the future life choices of virtual strangers."

Another outmoded concept is that women whose marriages have ended are poor credit risks.

"Lenders cannot justify their discrimination against divorced or separated women or widows by claiming that their incomes decline or they do not work as long as men," said Abzug.

From Labor Department statistics, she added, "Divorced women who are working at age 35 can be expected to work another 29 years. A widow working at age 35 can expect to work for another 27 years. These women work out of economic necessity. As of March 1971, 70% of all divorcees, including those who were not family heads, and 50% of all separated women were in the labor force. In fact, divorced women with pre-school children had twice the labor force participation of married women."

Witness after witness before the Congressional Joint Economic Committee testified that lenders do not seem to comprehend the important economic role played by women in many families.

Public policies and business practice are still based on the assumption that only a minority of women work outside the home and that those who do are working primarily for "pin money." Most people think a woman works for only a few years of her life to afford a little extra. However, the average time of employment is now 25 years.

Five million families in this country are headed by women, and many middle- and low-income families rely on the woman's income. Three-fourths of all the women who work have either no husband or a husband whose income is under \$7,000.

"In fact, the lower- and middle-income families most need to count the wife's income in order to enjoy the tax advantages and benefits in community stability and community identification associated with home ownership," Senator Brock told the Housing Subcommittee.

NO RELATIONSHIP

Of the few studies done in the field, not one relates a wife's income to mortgage delinquency or foreclosure risk. A study by Leon Kendall for the U. S. League, *Anatomy of the Residential Mortgage Market*, 1964, indicates that as the percentage of family income earned by the husband decreased, the likelihood of a loan being delinquent decreased slightly.

A 1970 study by John Herzog and James Earley for the National Bureau of Economic Research, New York, *Home Mortgage Delinquency and Foreclosure*, found no demonstrable relationship between marital status and mortgage loan risk.

The study showed that loans, if they are defaulted, default in the first five years of marriage, especially in the second through fifth years.

"If I were a lender, I would have to draw the conclusion from this report that I should not be so concerned with the long-term employment pattern of women but with the short-term credit-worthiness of this particular loan or mortgage applicant," says Steven M. Rohde of the Center for National Policy Review, a privately funded organization concerned with civil rights and urban problems. The center is based at Catholic University of America Law School in Washington, D. C.

Adds Bella Abzug: "It is interesting to note that beyond the proverbial three Cs — character, capacity and collateral — the lending institutions have not shown much hard data about their criteria of credit-worthiness nor have they specified what is the chief determinant of poor risk loans."

One of the big obstacles toward fair treatment of women, and especially wives, in the mortgage lending field has been the policy of government agencies.

Until 1965, the Federal Housing Administration did not count the wife's income when insuring home loans.

Then the policy was changed to what Rohde termed "a beacon of light," especially because it "takes pains not to discriminate against younger couples, where discrimination against women has generally been most severe because of the increased likelihood that the wife might get pregnant."

The FHA manual now sets as basic standards such measures as "circumstances indicating that such income may normally be expected to continue through the early period of the mortgage risk" and "confirmation of employment indicating good possibilities for continued employment."

With regard to pregnancy, the manual states, "The principal element of mortgage risk in allowing the income of working wives as effective income is the possibility of its interruption by maternity leave. Most employers recognize this possibility and provide for maternity leave, with job retention, as an inducement of employment. With strong motives for returning to work, any failure to do so after maternity leave would probably be due to causes which would be unpredictable and would represent such a very small percentage of volume that it could be accepted as a calculated risk."

One of the more difficult areas involved the Veterans Administration guaranteed loan program. Written standards in themselves were restrictive and indicated that the wife's income would be counted only in special cases. Thus, numerous incidents of affidavits swearing to the method of birth control used or the willingness to have an abortion in case pregnancy occurred took place.

"These unconscionable invasions of privacy apparently were prompted by the belief that such submissions were necessary to convince the VA to approve the loan," says William L. Taylor, director, Center for National Policy Review.

Last February, the VA issued a bulletin stating that it does not require nor condone the practice of soliciting statements on a woman's capacity to bear children or birth control plans.

In September, field offices of the VA were notified that a spouse's income would be counted equally with the veteran's in making determinations as to income.

"The factor of reliability of spouse's income (the previous policy) led to a number of questions and minor problems as to interpretations of this, so we decided to eliminate it," a spokesman said.

When the secondary market programs were being created and their credit and property underwriting criteria formed, the Federal National Mortgage Association set a rule on counting the wife's income at 50%. Several public interest groups banded together and held a meeting with FNMA officers.

"Interestingly enough, at this meeting FNMA officials claimed that their 50% guideline was actually quite generous when compared to the typical policy of mortgage lenders," says Rohde.

New regulations were issued in December 1971 with the following language: "The key determination to be made is whether the circumstances reasonably indicate that the income, jointly or severally, will continue in a manner sufficient to liquidate the debt under the terms of the note and mortgage."

Rohde calls the language "vague" and capable of misinterpretation.

The Federal Home Loan Mortgage Corporation, which consulted public interest groups during the drafting process, has come up with regulations Rohde calls "satisfactory."

The guideline reads: "If there are two borrowers, both of whom have full-time employment, a determination should be made as to whether both will probably work for several years (normally at least 20% of the mortgage term)." The possibility of temporary leave, such as maternity leave, is not a basis for discounting any portion of the borrower's income.

Rohde emphasizes that how the agencies actually implement in practice the policies they have adopted on paper and in their public statements will be a determinant of the success of the programs.

WHAT TO DO

The course of remedial action to eliminate discrimination in home finance can begin at several levels.

The National Commission on Consumer Finance recommended that "States undertake an immediate and thorough review of the degree to which their laws inhibit the granting of credit to credit-worthy women and amend them, where necessary, to assure that credit is not restricted because of a person's sex."

The Commission's report noted that its hearings "have caused many credit grantors to reexamine their policies with respect to the existence of discrimination. . . . Competition among credit grantors would remedy many of the problems set forth."

There is at present no federal law which prohibits creditors from discriminating on the basis of sex. There are several bills pending in Congress, and an increasing number of states are enacting laws prohibiting sex discrimination, but many are "not comprehensive enough," according to Attorney Margaret J. Gates.

She and Jane R. Chapman, co-directors at the Center for Women Policy Studies, testified before the Joint Economic Committee that the solution "may be more complicated" than the National Commission on Consumer Finance predicted.

They suggested that congressional hearings should be held to determine if federal legislation is needed and how it should be enforced. They also suggested that "More women must be convinced of the importance of establishing a credit record and maintaining it throughout life as a necessary step toward becoming an independent economic entity."

Finally, they suggested that the credit industry maintain data to develop credit criteria and undertake research on the performance of past accounts.

To avoid the damage of association reputation and perhaps to forestall more legislation in an already heavily regulated business, managers would do well to promote programs of affirmative action of their own.

Verbal and written communication to loan officers is encouraged. A program of checks should be maintained to determine if nondiscriminatory standards are being applied.

Credit-scoring forms should be checked to ensure that they aren't discriminatory. Marketing programs can be aimed at women borrowers.

Financial institutions may discriminate against women, but the men at the top are not responsible, the president of the New York State Bankers Association, Howard Cross, told the New York Assembly.

"I know what our bank policy is, but I don't know whether it's carried out," he said.

"The banking industry has not established performance standards for itself," Constance Cook, a Republican member of the New York State Assembly, said. "Once having them, it must effectively enforce those standards. The business is being challenged more frequently now, and these challenges arise more out of its own inertia, I believe, than out of malice aforethought."

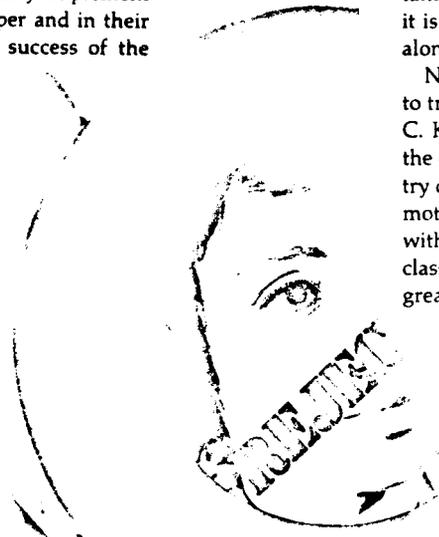
Characterizing the growing consciousness of women, especially in the field of credit, Gates says, "I think the movement is growing to mammoth proportions. Two years ago most women assumed that this was the correct order of things. Now we get hundreds of letters from even unexpected sources."

NOW does not believe that women ought to be granted credit merely because they are women, says Campbell. "It is not important that women obtain credit in order to spend more money. But it is important that women obtain credit to establish themselves alongside men as adult individuals in the credit world."

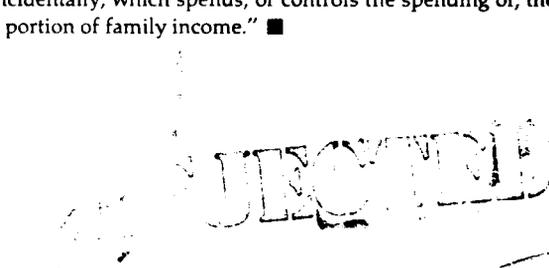
Noting the new development in payment systems, the ability to transact business without having money change hands, Arthur C. Kellman, chairman of the Commission on Human Rights of the city of White Plains, N. Y., testified that "The banking industry cannot have it both ways. They cannot, on the one hand, promote the use of credit as a way of life and, on the other hand, withhold or restrict credit from an entire class of people—a class, incidentally, which spends, or controls the spending of, the greater portion of family income." ■



Widow with professional status, sizable income and permanent employment was refused travel and entertainment card.



Married woman applied for credit card. Acceptance letter was sent to husband. Upon her protest, she received an apology but was told the account would be in his name because he was responsible for her debts.



Woman divorced eight years, \$10,000 annual income and two cars, refused FHA mortgage although her monthly rental payments were more than the mortgage payments would be.

(over)

Women charge housing bias

By RICHARD BEN CRAMER

Annapolis Bureau of The Sun

Annapolis—About 20 women packed a House committee hearing yesterday to tell about their trials in obtaining housing—sex discrimination and the single girl.

Some of the testimony concerned the complicated questions of constitutionality, "steering" by real estate brokers and tenants' rights to all-adult apartment projects.

Simple arguments

and the Apartment Builders and Owners Council of the Homebuilders Association of Maryland appeared in opposition to the bill.

Bruce Campbell, appearing for the apartment builders, simply urged the committee to

Credit Discrimination Against Women: Causes and Solutions

Margaret J. Gates*

I. INTRODUCTION

It is true that many women are unmarried and not affected by any of the duties, complications and incapacities arising out of the married state, but these are exceptions to the general rule. The paramount destiny and mission of women are to fulfill the noble and benign offices of wife and mother. This is the law of the Creator. And the rules of civil society must be adapted to the general constitution of things, and cannot be based upon exceptional cases.¹

Although the "general constitution of things" has changed since the Supreme Court denied Myra Bradwell admission to the bar, the above rationale concerning married women is regularly used, if not articulated, in denying women equal credit opportunity. In the face of hard evidence to the contrary, many creditors assume that virtually all women will marry, have children, leave the work force, and therefore fail to meet their financial obligations.

When women marry they become economic nonentities in the eyes of the credit establishment; when they are subsequently divorced or widowed they emerge as unknowns in an increasingly credit oriented society. This pattern occurs whether or not a wife works outside the home or is, in fact, the principal wage earner in her family. The current campaign for equal credit opportunity acknowledges that the wife who does not work outside her home is nevertheless an equal partner in the economic unit of her marriage, but it recognizes that unless she has property or income of her own

she will not be considered creditworthy.² It focuses primarily on the working wife because a woman who works for wages, often in addition to caring for a home and children, should have the same opportunity to obtain credit or a loan as does a man.

This article deals both with the laws that cause credit discrimination against women and with those that have been and could be formulated to solve the problem. It first explains the nature and importance of the problem, then discusses the apparent legal and economic bases of the discrimination, and finally explores the adequacy of existing and proposed remedies.

II. THE PROBLEM

The availability of credit to women is vital to the upgrading of their economic status because it determines their access to education,³ homeownership, entrepreneurship, and investment, as well as their ability to provide for the more immediate needs of their families.

It is the married, or formerly married, woman who appears to be the prime victim of sex discrimination in credit. As a result, the female-headed household and the family with a working wife are most affected; and disproportionately so affected are black and other minority families.⁴

Based on testimony which it heard in May 1972 the National Commission on Consumer Finance (NCCF) found that women have more difficulty than men in obtaining credit and identified these five problem areas:⁵

2. Those community property states (Arizona, New Mexico, Washington) that have recently amended their laws so as to provide husband and wife with equal management and control rights over the community have made it possible, for the first time, for a nonworking wife to be considered creditworthy. Although her contribution to the community is services and not income, she has power to obligate the community without her husband's consent. See Appendix A.

3. In addition to other credit problems discussed in this article, women obtain fewer loans for educational purposes. In 53 out of the 54 jurisdictions participating in the federal Guaranteed Student Loan Program, women have received fewer loans than men. For example, in Alabama male-female distribution is 63.8-35.6; in Arizona 79.2-20.6; in California 70.4-29.4; in Illinois 77.9-21.8; in New York 63.2-36.7; in Utah 79.1-20.8. HEW, REPORT OF THE GUARANTEED STUDENT LOAN PROGRAM, DISTRIBUTION OF CUMULATIVE LOANS AS OF JUNE 30, 1972 (May 14, 1973).

4. "The problems faced by the woman who heads a household are particularly acute if the woman is black, and 27 percent of women heading households are black." ECONOMIC REPORT OF THE PRESIDENT 108 (1973).

5. NATIONAL COMMISSION ON CONSUMER FINANCE, CONSUMER CREDIT IN THE UNITED STATES 152-53 (1972), reprinted in CCH INSTALLMENT CREDIT GUIDE No. 215 (1973).

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1. Bradwell v. The State, 83 U.S. (15 Wall.) 130, 141-42 (1872).

1. Single women have more trouble obtaining credit than single men. (This appeared to be more characteristic of mortgage credit than of consumer credit.)
2. Creditors generally require a woman upon marriage to reapply for credit, usually in her husband's name. Similar reapplication is not asked of men when they marry.
3. Creditors are often unwilling to extend credit to a married woman in her own name.
4. Creditors are often unwilling to count the wife's income when a married couple applies for credit.
5. Women who are divorced or widowed have trouble re-establishing credit. Women who are separated have a particularly difficult time, since the accounts may still be in the husband's name.

The report of the Senate Committee on Banking, Housing and Urban Affairs that accompanies the Equal Credit Opportunity Act listed thirteen specific practices that discriminate on the basis of sex and/or marital status, the first five of which parallel those documented by the Commission.⁶ Five of the remaining offensive practices result from the unwillingness of creditors to acknowledge the creditworthiness of a working wife and include: refusing to issue her an account for which she would be eligible were she not married; requesting information concerning her husband's creditworthiness before doing so; considering her a "dependent" of her husband when calculating his eligibility for credit; applying stricter standards when the wife rather than the husband is the primary wage-earner; and altering her credit rating on the basis of her husband's credit performance. Additionally, the committee cited three other policies that it considered objectionable: the arbitrary refusal to consider alimony and child support as income for credit purposes when the reliability of the source is subject to verification; requesting information concerning birth control practices when evaluating a credit application; and finally, the use of credit scoring systems that apply different numerical values depending on the sex or marital status of the applicant. Statements before the NCCF and other governmental bodies⁷ that document these problems have been largely anecdotal. The cumulative force, however, when added to hundreds of unsolicited complaints to women's groups⁸ and the results of sev-

6. SENATE COMM. ON BANKING, HOUSING AND URBAN AFFAIRS, TRUTH IN LENDING ACT AMENDMENTS, S. REP. No. 278, 93d Cong., 1st Sess. 16-17 (1973).

7. See *Testimony before the Federal Deposit Insurance Corporation* (Dec. 19-20, 1972); CREDIT REPORT OF THE PENNSYLVANIA COMMISSION ON THE STATUS OF WOMEN (Oct. 31, 1973); *Hearings on Discrimination in Finance Before the Governor's Commission on Women's Programs of Idaho* (May 12, 1972); *Testimony of Sharyn Campbell for the Commission on the Status of Women Before the Economic Development, Manpower and Labor Committee of the District of Columbia City Council* (June 7, 1973).

8. See *Statement of the National Organization for Women (NOW), Oversight Hearings*

eral informal surveys,⁹ shows that women do have cause to complain.¹⁰

III. THE CAUSES

There is no direct evidence that women are poorer credit risks than men. On the contrary, two studies show that women are more likely than men to pay their debts.¹¹ Bankers who have reviewed their own past accounts for the purpose of developing numerical credit scoring systems have found that sex is not relevant to risk determination.¹² Women as a class are economically disadvantaged

on 15 U.S.C. §§ 1601-81(t) (1970) *Before the Subcomm. on Consumer Affairs of the House Comm. on Banking and Currency*, 93d Cong., 1st Sess. (Nov. 13, 1973) [hereinafter cited as *Oversight Hearings*].

9. See Report based on a joint survey of the Women's Legal Defense Fund, Inc. & the Government of the District of Columbia Commission on the Status of Women, Residential Mortgage Lending Practices of Commercial Banks, Savings and Loan Associations and Mortgage Bankers (Aug. 1972); Report based on a joint survey of the Women's Legal Defense Fund, Inc. & the Government of the District of Columbia Commission on the Status of Women, Credit Policies of Bankers (Aug. 1972); Report based on a joint survey of the Women's Legal Defense Fund, Inc. & the Government of the District of Columbia Commission on the Status of Women, Credit Policies of Department Stores in the Metropolitan Washington Area (Aug. 1973); St. Paul Department of Human Rights, Installment Loan Survey of St. Paul Banks (1972); North Carolina Public Interest Research Group, Short-Changed—Sex Discrimination in Consumer Credit (Oct. 1973); Oregon Student Public Interest Research Group, No Credit for Women (Feb. 1973).

10. Eugene Adams, then President of the American Banking Association, in a speech reprinted in *The Am. Banker*, June 25, 1973, at 22, col. 3 said "I think we have to acknowledge that banks, along with the rest of the credit industry, do in fact discriminate against women when it comes to granting credit. The question then becomes, is that discrimination justified?"

11. A study in the mid-1960's, which measured risk on installment credit, found that for both married and single women the bad account probability was substantially lower than for men with the same marital status. Smith, *Measuring Risk on Installment Credit*, 2 MANAGEMENT SCIENCE 327-40 (1964). The author of an earlier study concluded: "The classification of borrowers by sex and marital status indicates that women are better credit risks than men; and the superiority appears to be statistically significant." D. DURAND, *Risk Element in Consumer Installment Financing*, NATIONAL BUREAU OF ECONOMIC RESEARCH, TECHNICAL EDITION 74 (1941). Similar results were reported by the director of an organization providing home improvement loans to elderly and low income families. Many of the loans have gone to women who are heads of households. They as well as the other program beneficiaries were considered high risks and were therefore unable to get conventional financing. The program has a delinquency rate of only 4%; there have been no foreclosures. Most significantly, of the families headed by women, the delinquency rate is estimated as 2%. The program's director believes that female-headed families "demonstrate better fiscal responsibility than other households." Letter from Thomas A. Jones, Executive Director, Neighborhood Housing Services, Inc., to Jane Chapman, Co-Director, Center for Women Policy Studies, April 18, 1973.

12. Interviews with James L. Smith, Senior Vice President, Security Pacific National Bank, in Washington, D.C., June 21, 1973, and Charles F. Hayward, Vice President, First National City Bank, in New York, N.Y., December 7, 1973.

in that they have more difficulty finding work,¹³ are paid less for what they do,¹⁴ and are generally relegated to jobs with little opportunity for advancement.¹⁵ This unfortunate fact explains why fewer women than men obtain loans and credit, but it does not justify the denial of credit to a woman who, by all objective criteria, is as qualified as a man who obtains credit.¹⁶

The credit industry has suggested that state laws prevent it from dealing with women on the same basis as men.¹⁷ Most of the laws that have been identified as having this effect, however, do not apply to women in general, but only to married women. Furthermore, the industry's belief persists in spite of the fact that every state has a law, usually entitled a Married Women's Property Act, that was enacted to nullify the common-law disabilities of married women.¹⁸ Typically, these statutes provide that wives may contract, buy and sell property, and conduct business as though they were not married. Standing alone, these acts would establish the intent of the legislatures that married women be considered legally capable of entering into any financial agreement.¹⁹ Nevertheless, other laws are cited as obstacles to that end. Domestic relations laws requiring husbands to support their wives, community property laws, and multiple agreements laws are most often mentioned as adversely affecting the creditworthiness of married women.

A. *Support Laws.* In every state husbands are required by law

13. Tables of the national employment rates for workers 20 years and over show that in 1972 5.4% of the women were unemployed as compared to 4.0% of the men. In 1971 the ratio was 5.7% to 4.4%, in 1970 4.8% to 3.5%, and in 1969 3.7% to 2.1%. MANPOWER REPORT OF THE PRESIDENT 17 (1973).

14. WOMEN'S BUREAU, EMPLOYMENT STANDARDS ADMINISTRATION, DEP'T OF LABOR, WOMEN WORKERS TODAY 6 (1973).

15. "Women are more apt than men to be white-collar workers, but the jobs they hold are usually less skilled and pay less than those of men. Women professional workers are most likely to be teachers, nurses and other health workers, while men are most frequently employed in professions other than teaching and health. Women are less likely than men to be managers and officials, and are far more likely to be clerical workers." *Id.* at 5.

16. See *Statement of Jane R. Chapman, Co-Director, Center for Women Policy Studies, Hearings on Economic Problems of Women Before the Joint Economic Comm.*, 93d Cong., 1st Sess. (July 12, 1973).

17. E.g., *Testimony of Matthew Hale, Counsel for the American Bankers Association, Hearings on the Availability of Credit to Women Before the National Commission on Consumer Finance* 3 (May 23, 1972).

18. L. KANOWITZ, *WOMEN AND THE LAW, THE UNFINISHED REVOLUTION* 40 (1969).

19. Maryland, in addition to enacting laws prohibiting discrimination in credit, amended its Married Woman's Property Act to remove confusion in its interpretation by adding the following sentence: "The provisions of this section apply to all contractual relations entered into by married or unmarried women, including retail installment sales or retail credit accounts as defined in Article 83 of this Code." MD. ANN. CODE art. 45, § 5 (Supp. 1973).

to support their wives.²⁰ These laws were enacted at a time when married women did not ordinarily work outside the home and served the purpose of preventing women from becoming wards of the state. They affect credit practices by permitting a merchant to sell goods to a married woman and then look to her husband for payment.²¹

The presumption that the husband is obligated to pay for his wife's "necessaries" need not stand in the way of her establishing credit in her own name. A wife can bind herself alone simply by making it clear in her agreement with the seller that she is undertaking to pay the debt from her separate property. A court is not apt to disturb such a contract by permitting the creditor to recover against the husband. For example, in *Almon v. R. H. Macy & Co.*²² the court held:

In the absence of the husband's signature we think that the legal consequence of the document signed only by the wife is to bind the wife separately and to extend credit solely to her and excludes as a basis of recovery the theory of agency of the wife to purchase necessaries. This agreement does not purport to be a contract by the plaintiff to give credit to the husband for the purchase of necessaries by the wife. The only legal conclusion is that credit was extended solely to the wife in which case the husband is not liable even for the purchase of necessaries.²³

In twenty-two states creditors have obtained the enactment of Family Expense Acts. Generally, they make it possible for the creditor to seek payment from either husband or wife for "family expenses" regardless of which spouse made the purchase.²⁴ In these states, at least, it is clear that the law does not prevent a creditor from collecting from a married woman those debts she has undertaken, as well as family expenses that her husband has charged.

Quite likely, the reason creditors are reluctant to extend credit to a married woman is not that they believe it to be inconsistent with the law or that they fear collection problems. It is more apt to be that it is expensive for them to open two accounts per family and,

20. These principles of support are largely judge-made, although some states have codified the common law duty of the husband to support his wife. See H. CLARK, *LAW OF DOMESTIC RELATIONS* 182 (1968).

21. When this doctrine arose, married women were under the common-law disability of being unable to contract, and it was necessary for the protection of creditors that the law find a way to establish that a wife's purchases would result in a binding contract for payments between the husband and the creditor.

22. 106 Ga. App. 123, 126 S.E.2d 641 (1962).

23. *Id.* at 125, 126 S.E.2d at 643. See also *Swanson v. Hutzler Bros. Co.*, 135 A.2d 151 (D.C. 1957); *Waxelbaum v. Citizens & Southern Nat'l Bank*, 120 Ga. App. 312, 170 S.E.2d 333 (1969); *Saks & Co. v. Nager*, 74 Misc. 2d 855, 345 N.Y.S.2d 883 (1973).

24. See H. CLARK, *LAW OF DOMESTIC RELATIONS* 186-87 (1968).

as between the husband and the wife, they prefer to deal with the man.²⁵

B. Community Property laws. Eight states chose property systems from the civil codes of continental Europe rather than from the common law.²⁶ The civil law made the husband the manager of all property acquired by him or his wife during their marriage,²⁷ but most community property states have modified their laws to allow married women to control at least their own earnings.²⁸ These changes have been recent and are in some cases the result of the passage of state equal rights amendments.²⁹ Only in Louisiana is a woman still not permitted to obligate her own income.³⁰ In California, however, a woman may lose control of her earnings if she commingles them with community property managed exclusively by the husband.³¹ These laws are, of course, taken into consideration when evaluating the creditworthiness of a married woman.³²

C. Multiple Agreement Laws. The Report of the National Commission on Consumer Finance points out that "most state statutes fixing a graduated rate ceiling on consumer credit transactions usually prohibit the maintenance by creditors of separate accounts for husband and wife [in order to] minimize the aggregate finance charge."³³ Examples of these statutes are the Uniform Consumer Credit Code and the Uniform Small Loan Law. Under the UCCC, with respect to consumer loans whose finance charge exceeds eighteen percent, "no lender may permit any person, or husband and wife, to become obligated in any way under more than one loan

25. A spokesman for Sears, Roebuck and Company says that it is very expensive for Sears to keep 2 accounts for one family and adds, "We discourage married women from opening their own accounts, but if they push us on it, we'll go along." *BUSINESS WEEK*, Jan. 12, 1974, at 77.

26. ARIZ. REV. STAT. ANN. § 25-211 *et seq.* (Supp. 1973); CAL. CIV. CODE § 5124 *et seq.* (West 1970); IDAHO CODE ANN. § 32-912 *et seq.* (1963); LA. CIV. CODE art. 2402 *et seq.* (West 1971); NEV. REV. STAT. ANN. §§ 123.190, 123.230 (1973); N.M. STAT. ANN. § 57-4A-2 *et seq.* (1973); TEX. FAMILY CODE § 5.22 (1972); WASH. REV. CODE § 26.16.030 (Supp. 1972). See Appendix A.

27. W. DEFUNIAK, *PRINCIPLES OF COMMUNITY PROPERTY* 322 (1943).

28. See Appendix A.

29. N.M. CONST. art. 11, § 18 (1973); TEX. CONST. art. 1, § 3a (1972); WASH. CONST. art. xxxi, § 1 (1972).

30. LA. CIV. CODE art. 2404 (West 1971).

31. CAL. CIV. CODE § 5124 (West 1970).

32. In a community property state a woman may maintain control of her earnings and property that she buys after marriage by making an ante nuptial agreement concerning her property rights. See *e.g.*, LA. CIV. CODE art. 2325 & art. 2392 (1971).

33. REPORT OF THE NATIONAL COMMISSION ON CONSUMER FINANCE, *CONSUMER CREDIT IN THE UNITED STATES* 153 (1972), reprinted in *CCH INSTALLMENT CREDIT GUIDE* No. 215 (Jan. 15, 1973).

agreement . . . with intent to obtain a higher rate of loan finance charge than would otherwise be permitted" The Uniform Small Loan Law, which establishes for small loans maximum rates of charges in excess of those permitted under usury laws, contains the following two sections:

Section 13(a). Every licensee hereunder may contract for and receive, on any loan of money not exceeding \$300 in amount, charges at a rate not exceeding 3 percent a month on that part of the unpaid principal balance of any loan not in excess of \$100, and 2 percent a month on any remainder of such unpaid principal balance. No licensee shall induce or permit any person, nor any husband or wife, jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time, for the purpose of obtaining a higher rate of charge than would otherwise be permitted by this section.

Section 15. No licensee shall directly or indirectly charge, contract for, or receive a greater rate of interest than upon any loan, or upon any part or all of any aggregate indebtedness of the same person, in excess of \$300. The foregoing prohibition shall also apply to any licensee who permits any husband and wife, jointly or severally, to owe directly or contingently or both to the licensee at any time a sum of more than \$300 for principal.³⁴

The purpose of these laws is to prevent creditors, when graduated rate ceilings are applicable, from exacting more interest from a couple by having two high interest accounts rather than one at a lower rate. For example, under section 13(a), if a husband borrows 150 dollars, he will pay a rate of three percent a month on one hundred dollars and two percent a month on fifty dollars. If his wife were to borrow 150 dollars, she would, without this statute, also pay three percent on the first one hundred dollars and two percent on the remaining fifty dollars. If, however, the two loans were treated as one, as they would have to be under this statute, they would pay three percent on one hundred dollars and two percent on the remaining 200 dollars. Without such a statute, therefore, creditors could require separate accounts for husband and wife and thereby frustrate the rate ceilings imposed by law. While these laws serve the public interest by protecting consumers from unscrupulous credit practices, they may have the additional unfortunate effect of preventing a spouse from having a separate account or loan where

34. UNIFORM CONSUMER CREDIT CODE § 3.509. The UCCC has been enacted in Colorado, Idaho, Indiana, Kansas, Oklahoma, Utah, and Wyoming. The multiple agreement provisions governing credit sales (§ 2.402) and other loans (§ 3.409) do not treat husband and wife as one person. One commentator believes these omissions to be oversights rather than intentional. W. WILLIER & F. HART, *CONSUMER CREDIT HANDBOOK* 58 (1969).

35. UNIFORM SMALL LOAN LAW (7th Draft June 1, 1942). Some states enacted § 15 of the sixth draft, which does not include the provision on husband and wife. See B. CURRAN, *TRENDS IN CONSUMER CREDIT LEGISLATION* 21 (1966).

accommodations,⁵⁵ and the Illinois law covers only retail credit or credit cards.⁵⁶ Nine state nondiscrimination statutes apply to public accommodations and expressly or implicitly cover only some credit establishments.⁵⁷

The enforcement provisions of these laws fall into two basic categories: those that extend a private right of action for damages,⁵⁸ and those that provide for an administrative remedy.⁵⁹ The Oregon, Washington, Massachusetts, and District of Columbia laws include both provisions and permit the complainant to choose which to pursue. Three states explicitly provide for injunctive relief in addition to one of the above remedies,⁶⁰ and Wisconsin has a criminal sanction of a 1,000-dollar fine instead of the right to a civil action. The Illinois law was enacted without any enforcement provisions. Six states provide for attorneys' fees and/or court costs⁶¹ and punitive damages may be awarded in Oregon and Florida.

C. *Existing Federal Remedies.* Unlike the reform of property laws, legal prohibitions against discriminatory credit practices do not have to be left to the states. The federal government has legislative authority under the commerce clause to control credit practices.⁶² Prior to a discussion of proposed federal legislation, it is useful to explore existing federal remedies in order to assess their adequacy and the consequent need for legislation.

1. *Constitutional Litigation.* At least one suit, *Hoberman v. Manufacturers' Hanover Trust Co.*,⁶³ has been filed⁶⁴ in a federal court challenging the discriminatory credit practice of discounting a married woman's income for the purpose of computing family income for a home mortgage. The cause of action in *Hoberman* arose in New York where at that time the Executive Law forbade sex, but not marital-status, discrimination by banks in mortgage lending

and provided an administrative remedy.⁶⁵ Plaintiff's attorneys, however, preferred the forum of a federal district court to the cumbersome state administrative process.⁶⁶ Plaintiffs allege discrimination on the basis of sex in violation of the fourteenth and fifth amendments, and an important threshold issue is whether sufficient state and federal involvement to raise claims under these amendments exists.⁶⁷ Plaintiffs are expected to argue that because the defendant bank's activities are regulated by both state and federal agencies, the requisite "state action" is present.⁶⁸ Assuming that state action will be found, the *Hoberman* decision will turn on whether defendant's justifications for discounting the income of a married woman can withstand the degree of scrutiny that the court chooses to apply to a classification according to sex.⁶⁹

2. *Regulation by Federal Agencies.* The issue being litigated in *Hoberman* is subject to regulation by several federal agencies. On December 17, 1973, the Federal Home Loan Bank Board published a policy statement concerning nondiscrimination by its member organizations.⁷⁰ The guidelines required that "[e]ach loan applicant's credit worthiness . . . be evaluated on an individual basis without reference to presumed characteristics of a group,"⁷¹ and they specifically discourage the discounting of a working wife's income.⁷² The Board found that "such discrimination is contrary to

65. New York Executive Law § 296(5) (e) (McKinney 1972), repealed by Act of Feb. 6, 1974, Bill No. A-9359, that specifically prohibits arbitrary discounting of a married woman's income.

66. Spokeswoman for the feminist law firm of Bellamy, Blank, Goodman, Kelly, Ross and Stanley, which represents plaintiffs and has received a foundation grant to litigate in the area of sex discrimination in credit.

67. Plaintiffs claim jurisdiction under 28 U.S.C. §§ 1331, 1337, 1343. They have pleaded violations of 42 U.S.C. §§ 1981, 1982, 1983. The court is asked to find state action for the purposes of § 1983 in the regulation of the bank by the New York State Banking Department and the Board of Governors of the Federal Reserve System.

68. While the requisite state action might be found in the case of a bank or savings and loan association, it is doubtful that other types of creditors could be reached on constitutional grounds. *But see, The Discredited American Woman: Sex Discrimination in Consumer Credit*, 6 CALIF. DAVIS L. REV. 61, 78-79 (1973).

69. The Supreme Court in its most recent application of the Equal Protection Clause to a sex discrimination case was divided as to whether the "rational basis" test or the "suspect classification" test should be employed. The majority found that even under the most lenient test the Air Force regulation denying to dependents of servicewomen benefits granted to dependents of servicemen was unconstitutional. Four Justices, however, did adopt the "suspect classification" test saying that sex discrimination, like racial discrimination, must be subjected to strict judicial scrutiny. *Frontiero v. Richardson*, 411 U.S. 677 (1973).

70. 38 Fed. Reg. 34653 (1973). The FHLBB regulates all federally chartered savings and loan associations as well as many other institutions. 12 U.S.C. §§ 1437-42 (1970).

71. 38 Fed. Reg. 34653 (1973).

72. *Id.*

55. Although discrimination in the granting of mortgage credit by banks can usually be covered under a public accommodations statute, language in the West Virginia law suggests that discrimination on the basis of sex in home financing is not prohibited. W. VA. CODE § 5-11-2 (1971).

56. ILL. PUB. ACT 78-839, § 1a, amending ILL. STAT. ANN. ch. 121 ½, § 385.

57. Alaska, District of Columbia, Kansas, New Jersey, New York, Oregon, South Dakota, Utah, West Virginia. See Appendix B.

58. California, Colorado, Florida, Texas, Utah. See Appendix B.

59. Alaska, Connecticut, Kansas, Maryland, Minnesota, New Jersey, New York, Rhode Island, South Dakota, West Virginia. See Appendix B.

60. California, Utah, Washington. See Appendix B.

61. Colorado, Florida, Massachusetts, Oregon, Texas, Washington. See Appendix B.

62. Consumer Credit Protection Act, 15 U.S.C. § 1601 *et seq.* (1970).

63. Civil No. 73-3279 (S.D.N.Y., filed July 26, 1973).

64. The case had not reached trial at the time of this writing.

the principle of, and may in fact violate, constitutional provisions which guarantee equal protection of the law for all persons.”⁷³ Although it has no legislative mandate to deal specifically with sex discrimination, the Board said that it had issued the guidelines on discounting married women’s income under its authority to enforce provisions of the Civil Rights Act of 1968,⁷⁴ which prohibits discrimination in housing against minority groups, because “a larger proportion of minority group families rely on the wife’s income to afford housing and other necessities.”⁷⁵

Other financial regulatory agencies—the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System and the Comptroller of the Currency—have been asked to issue rules prohibiting sex discrimination in lending policies.⁷⁶ The FDIC held hearings in December 1972 to consider the need for and its authority to issue such regulations. Although more than a year has elapsed, the FDIC has not yet announced its decision as to either issue.

The Federal Housing Administration (FHA)⁷⁷ and the Veterans Administration (VA)⁷⁸ provide mortgage insurance or guarantees for housing-related loans with low down payments. In 1965 the FHA revised its underwriting manual to include the following liberalized policy with respect to a wife’s income:

The principal element of mortgage risk in allowing the income of working wives as effective income is the possibility of its interruption by maternity leave. Most employers recognize this possibility and provide for maternity leave, with job retention, as an inducement of employment. With strong motives for returning to work any failure to do so after maternity leave would probably be due to causes which would be unpredictable and would represent such a very small percentage of volume that it could be accepted as a calculated risk.⁷⁹

73. *Id.*

74. 42 U.S.C. §§ 3601-31 (1970).

75. 38 Fed. Reg. 34653 (1973).

76. In February and March 1972 the Center for National Policy Review filed comments on behalf of 30 civil rights and public interest groups with all these agencies arguing that the agencies have authority under the Constitution and the Housing Act of 1949 to promulgate regulations prohibiting sex discrimination. A petition for rulemaking was also filed before the Board of Governors of the Federal Reserve System by the Institute for Public Interest Representation of the Georgetown University Law Center, May 15, 1973.

77. 12 U.S.C. §§ 1702-06(d) (1970). The FHA, an agency of the Department of Housing and Urban Development, insures a variety of housing related loans whose loan-to-value ratios are low and are, therefore, more subject to default than those in which a large down payment has been made.

78. 38 U.S.C. §§ 201-44 (1970). The VA provides mortgage insurance on low down payment loans as well as other benefits to veterans.

79. VII FHA Underwriting Manual, Home Mortgages, § 71924.

In 1970 the FHA counted all of the wife’s income in ninety-one percent of the loans actually extended for new single-family homes.⁸⁰ The percentage of applicants who were rejected as the result of discounting the wife’s income is not known.

The VA, on the other hand, persisted until mid-1973 in a more restrictive policy⁸¹ and, in addition, obtained considerable adverse publicity because in order to comply with VA guidelines lenders were demanding affidavits from wives stating that they were practicing birth control and did not intend to have children.⁸² A VA circular dated July 18, 1973, urged lenders to adopt a new policy:

In consideration of present day social and economic patterns, the Veterans Administration will hereafter recognize in full both the income and expenses of the veteran and spouse in determining ability to repay a loan obligation. VA regional offices have been instructed that there shall not be any discounting of income on account of sex or marital status in making such determination.⁸³

The federal secondary mortgage markets—the Federal National Mortgage Association (FNMA)⁸⁴ and the Federal Home Loan Mortgage Corporation (FHLMC)⁸⁵—issued nondiscriminatory underwriting guidelines for use in their conventional mortgage purchase programs in 1971. The contract of FNMA (Fannie Mae) includes a warranty that the seller of the mortgage did not discriminate against the mortgagor on the basis of race, color, creed, religion, sex, age, or national origin, but it does not include marital status.⁸⁶ The FNMA also requires that, with respect to a wife’s income, “[t]he key determination to be made is whether the circumstances reasonably indicate that the income, jointly or severally, will continue in a manner sufficient to liquidate the debt under

80. The Center for National Policy Review, The Catholic University of America, School of Law, Washington, D.C., Memorandum to the VA, VA’s Restrictive Credit Practices—Comparative Analysis with Policies of Other Federal Agencies (April 1973).

81. DVB Manual M-26-1, Ch. 5, § IV, ¶ 5.11c(5) stated that a wife’s income could be “considered” if facts indicated that it was reasonable to conclude that her employment would continue in the “foreseeable future.”

82. *E.g., Wife Says Loan Tied to No-Child Vow*, Washington Post, Feb. 24, 1973 at A-1. In an information bulletin entitled *Wives’ Income* (DVB 1B 26-73-1, Feb. 2, 1973), the VA said it did not require or condone solicitation of such affidavits.

83. DVB Circular 23-73-24, July 18, 1973, announcing Change 42; DVB Manual M-26-1, Ch. 5, § IV, Credit Standards.

84. 12 U.S.C. §§ 1716-19 (1970). FNMA is a secondary mortgage market for both conventional loans, *id.* § 1717(b)(2), and loans insured by FHA and VA, *id.* § 1717(b)(1). FNMA purchases mortgages from commercial and savings banks.

85. 12 U.S.C. §§ 1451-59 (1970). FHLMC, like FNMA, buys conventional FHA and VA mortgages, *id.* § 1454, but it deals primarily with federal savings and loan associations, federal home loan banks and state chartered banks which are members of the Federal Home Loan Bank system.

86. FNMA Conventional Selling Contract Supplement, § 701(s) (Nov. 1972).

the other spouse has already established credit. This circumstance falls most heavily on women because it is likely to be the husbands who have the established credit. The National Commission on Consumer Finance suggests that it is reasonable to permit husband and wife to have separate accounts if they so wish as long as full disclosure of possible additional costs is provided to them.³⁶

D. Divorce and Separation. Another form of discrimination believed to result from the legal structure is the plight of the divorced woman. In fact, however, this problem arises not from the law but from a series of sociological factors. Typically, the divorced woman has relied upon her husband's credit during her marriage; when she applies for her own charge accounts or a loan she is, as they say in the credit business, a "new face." If she is not fully employed and relies in part upon alimony or child support to meet the creditor's income requirements, she will probably be refused. Such payments by husbands are considered unreliable³⁷ even though in an individual case they may have been made regularly over a long period of time.

Many creditors deny accounts to divorced people because they believe that they are generally unstable and less reliable than married or never-married persons.³⁸ This belief is probably based on

36. REPORT OF THE NATIONAL COMMISSION ON CONSUMER FINANCE, CONSUMER CREDIT IN THE UNITED STATES 153 (1972), reprinted in CCH INSTALLMENT CREDIT GUIDE No. 215 (Jan. 15, 1973).

37. The Citizens' Advisory Council on the Status of Women, in its January 1972 memorandum, *The Equal Rights Amendment and Alimony and Child Support Laws*, cited one study which showed that within one year after the divorce decree, 38% of the husbands were in full compliance with the support order. The figure dropped to 28% for the second year, 26% for the third, 22% for the fourth, 19% for the fifth, and 17% for years 6 through 9. Such figures would indicate that those husbands who continued support payments for 6 years after the court order would continue steadily for the next few years.

38. For example, a report, *Credit Study by the Missouri Commission on the Status of Women*, done in 1973 states:

With respect to men obligated to pay their ex-wives court ordered support, alimony was considered a debt which reduced their income for credit purposes. This rationale did not follow through, however, with respect to the women who receive such support from their ex-husbands. For credit purposes from a woman's point of view, not only is alimony not considered "income," but it is also deducted as a liability, since, according to one bank officer, it is uncertain to continue. The result of this policy is discriminatory against both divorced women and men. For example, if a divorced man earns \$10,000 per year and pays support of \$2,000 per year, his income, assuming he has no other fixed debts, would be \$8,000. On the other hand, a divorced woman who works and receives a salary of \$8,000 per year and alimony of \$2,000 per year, would have an income of only \$6,000 for purposes of credit, whereas under the Missouri and federal tax laws, she would be treated as having an income of \$10,000 per year. The incredible explanation for this computation was that a woman would become accustomed to living on her salary plus the alimony and would have to make up those expenses from her regular salary when the alimony ceased.

experience with divorced men, since so few previously married women have credit. At least one bank has learned from studying its own experience that divorced women are good risks but a divorced man is twice as likely to default than a married man.³⁹ Nevertheless, the burden of this policy falls most heavily on women. A man need not notify his creditors of his change in marital status, but a woman, opening her own accounts for the first time will be required to state that she is newly divorced.

Divorced and separated women suffer the results of having been actually or ostensibly financially dependent on their husbands. If they have never supported themselves and are unable to do so, they may be justifiably denied credit. If, however, they have worked and contributed to the family income but failed to establish themselves as an independent economic entity in the credit market, they are likely to be treated unfairly when they try to develop a credit record as a divorced person.⁴⁰ It is for this reason that married women are now insisting on having accounts in their own names and credit bureau records separate from their husbands'.⁴¹

IV. SOLUTIONS

The above summary of the causes of credit discrimination against women is incomplete and oversimplified, but it is sufficient to indicate that there is no easy solution to the problem. Sex discrimination, like racial discrimination, is deeply rooted and persists in the face of strong governmental policy and implementing legislation to the contrary.⁴² Still, an attempt must be made to change all the conditions that contribute to the disadvantaged economic status of women. There are two major avenues of reform through law. State laws that give rise to the problem can be amended, and nondiscriminatory treatment can be mandated at the state and/or federal level.

A. Amendment of State Laws. It is unlikely that significant reform will be effected through the amendment of state laws. Not

39. Interview with Charles Hayward, Vice President, First National City Bank, in New York, N.Y. December 7, 1973.

40. See Campbell, *Women and Credit*, in *MANUAL OF THE NATIONAL ORGANIZATION FOR WOMEN* 1 (1973).

41. In 1973 The Baltimore Women's Law Center, in cooperation with the Baltimore City Women's Political Caucus, succeeded in negotiating a policy change on the part of the Credit Bureau of Baltimore which will now, upon request, maintain a separate file for each spouse.

42. This fact is evidenced by the experience of the Equal Employment Opportunity Commission in enforcing Title VII of the Civil Rights Act of 1964 which prohibits employment discrimination on the basis of race or sex.

only do many of the laws commonly believed to inhibit the extension of credit not in fact do so, but also, such statutes are confined to a few states. Moreover, since such statutes frequently serve some other public interest, they are not likely to be repealed.

Laws that require a husband to support his wife should not prevent a creditor from extending credit to a married woman in her own name. Nevertheless, because some state courts might interpret them to be an obstacle, it is helpful to know that the equal rights amendment⁴³ (ERA) to the Constitution, if ratified, will require that support laws be rewritten so that they do not discriminate on the basis of sex.⁴⁴

Community property laws will also be affected by the ERA⁴⁵ and have already undergone change in states that have enacted equal rights amendments to their own constitutions.⁴⁶ Arizona has completely revised its community property laws to give women equal management powers even though it has not enacted an equal rights amendment.⁴⁷

State property laws that favor one spouse over the other are subject to challenge in federal courts. In *Reed v. Reed*,⁴⁸ the Supreme Court struck down an Idaho statute⁴⁹ that provided for a mandatory preference of men over women when persons of equal relation to an intestate decedent apply for appointment as administrator of the estate. The Court posed the issue, whether a rational basis exists between the difference in the sex of competing applicants for letters of administration and the state objective of reduc-

ing the workload of its probate courts by eliminating a hearing. The Court held that:

To give a mandatory preference to members of either sex over members of the other, merely to accomplish the elimination of hearings on the merits, is to make the very kind of arbitrary legislative choice forbidden by the Equal Protection Clause of the Fourteenth Amendment; and whatever may be said as to the positive values of avoiding intrafamily controversy, the choice in this context may not lawfully be mandated solely on the basis of sex.⁵⁰

Laws conclusively vesting the management of community property in the husband rather than the wife seem to be similar violations of the equal protection clause.⁵¹

Multiple agreement laws, which prevent women from opening accounts or obtaining loans from creditors with whom their husbands have already established credit, are not being revised. Because these laws do operate in the public interest, attempts to repeal them would likely meet opposition. Moreover, it should not be expected that any or all of these changes would substantially correct the difficulties women face in obtaining credit. For example, in the past two years Washington has not only revised its community property law and enacted a state equal rights amendment, but has, in addition, passed a comprehensive credit law.⁵²

B. State Laws Prohibiting Discrimination in Credit Practices. Twenty-two states and the District of Columbia now have laws prohibiting sex discrimination in the extension of credit; most of these states also prohibit marital status discrimination.⁵³ Because the majority of these laws were enacted less than a year ago, it is difficult to evaluate their effectiveness at this time, but a few observations can be made.

Many of these state laws do not prohibit all the types of discrimination identified in Part II. For example, the statutes of six states apply only to sex discrimination and therefore might not be interpreted to include some of the offensive practices that affect married women.⁵⁴ The West Virginia law applies only to public ac-

43. The operative language reads: "Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex." H.R.J. RES. 208, 92d Cong., 1st Sess. (1971); S.J. RES. 8, 92d Cong., 1st Sess. (1971).

44. See Brown, Emerson, Falk & Freedman, *The Equal Rights Amendment: A Constitutional Basis for Equal Rights for Women*, 80 YALE L.J. 871, 944-46 (1971). The following states, however, have Equal Rights provisions in their own Constitutions, and there is no indication that these provisions have altered domestic relations law: ALASKA CONST. art. 1, § 3; COLO. CONST. art. 2, § 29; HAWAII CONST. art. 1, § 4; ILL. CONST. art. 1, § 18; MD. CONST. DECLARATION OF RIGHTS, art. 46; N.M. CONST. art. 2, § 18 (Supp. 1973); PA. CONST. art. 1, § 27 (Supp. 1973); TEX. CONST. art. 1, § 3a (Supp. 1974); UTAH CONST. art. 4, § 1; VA. CONST. art. 1, § 11; WASH. CONST. amend. 61; WYO. CONST. art. 1, §§ 2, 3, art. 6, § 1.

45. Brown, Emerson, Falk & Freedman, *supra* note 44, at 946-49.

46. In Washington and in New Mexico, with the exception in the latter state of commercial community personal property, the wife shares with the husband equal management, control and disposition rights over community property. N.M. STAT. ANN. § 57-4A-7.1 to -8 (Supp. 1973); WASH. REV. CODE ANN. § 26.16.030 (Supp. 1972).

47. ARIZ. REV. STAT ANN. § 25-214 (Supp. 1973).

48. 404 U.S. 71 (1971).

49. IDAHO CODE § 15-314 (1948) provided: "Preferences.—Of several persons claiming and equally entitled to administer, males must be preferred to females, and relatives of the whole to those of the half blood."

50. 404 U.S. at 76-77.

51. Bilbe, *Constitutionality of Sex-Based Differentiations in the Louisiana Community Property Regime*, 19 LOYOLA L. REV. 373 (1972-73).

52. WASH. REV. CODE ANN. § 26.16.030 (Supp. 1972) (property); WASH. REV. CODE ANN. ch. 141, § 5 (Supp. 1973), amending WASH. REV. CODE ANN. § 49.60 (1962) (credit); WASH. CONST. art. XXXI, § 1 (equal rights amendment).

53. See Appendix B.

54. Alaska, Kansas, South Dakota, Texas, Utah and West Virginia. Both Colorado and Minnesota have separate statutes for consumer credit and home financing. Marital status is covered only under the home financing statutes. See Appendix B.

the terms of the note and mortgage.”⁸⁷ The guidelines do not explain the use of “reasonably” in this sentence or give examples of circumstances that would indicate that the income is stable.

FHLMC (Freddie Mac) has issued more specific rules to the same effect:

If there are two borrowers both of whom have full time employment, a determination should be made as to whether both will probably work for several years (normally at least 20% of the time).⁸⁸

The guidelines permit discounting of fifty percent of one income, however, when it judged that one person is likely to stop working during the first few years of the mortgage. Significantly, temporary maternity leave is exempted from that provision.

These guidelines will not abolish the practice of discounting a wife’s income unless FNMA and FHLMC check the practices of the institutions with which they deal and refuse to buy loans from those who discriminate.⁸⁹

3. *Proposed Federal Legislation.* Because the efficacy of existing judicial remedies and regulatory prohibitions of sex discrimination in the granting of credit remains uncertain, there has been considerable activity in both houses of Congress aimed at providing a comprehensive, effective remedy. On July 23, 1973, by a 90-0 vote, the Senate unanimously passed the Equal Credit Opportunity Act⁹⁰ as an amendment to the Truth in Lending Act.⁹¹ The Act includes provisions of S.1605,⁹² introduced by Senator William Brock, and of S.867,⁹³ introduced by Senator Harrison Williams. The operative language of the Senate Act is:

It shall be unlawful for any creditor or card issuer to discriminate on account of sex or marital status against any individual with respect to the approval or denial of any extension of consumer credit or with respect to the terms thereof or with respect to the approval, denial, renewal, continuation, or revocation of any open end consumer credit account or with respect to the terms thereof. Section 104 of this title does not apply with respect to any transactions subject to this section.⁹⁴

Section 104⁹⁵ excepts credit for business or commercial purposes,

87. *Id.* § 311.03(c).

88. FHLMC-Sellers Guide Conventional, Part V, Credit Underwriting.

89. FNMA’s guidelines are likely to be more effective than FHLMC’s because of their loans while FHLMC’s clientele, the savings and loans, characteristically hold their mortgages as investments.

90. S. 2101, Title III, 93d Cong., 1st Sess. (1973).

91. 15 U.S.C. §§ 1601-81t (1970).

92. S. 1605, 93d Cong., 1st Sess. (1973).

93. S. 867, 93d Cong., 1st Sess. (1973).

94. S. 2101, Title III, 93d Cong., 1st Sess. § 181 (1973).

95. 15 U.S.C. § 1603 (1970).

credit transactions of more than 25,000 dollars, and transactions in securities or commodities accounts by a broker-dealer registered with the Securities and Exchange Commission. The removal of these exceptions clearly strengthens the Equal Credit Opportunity Act, since the unavailability of business loans for women is becoming more evident.⁹⁶

As an amendment to the Truth in Lending Act, the law would be enforced through a number of federal agencies. The Board of Governors of the Federal Reserve System would be empowered to issue regulations, including compliance guidelines, which would be enforced by the Federal Trade Commission, with respect to most consumer credit transactions. Other enforcement agencies would include the United States Treasury Department, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board acting directly or through the Federal Savings and Loan Insurance Corporation, the Bureau of Federal Credit Unions, the Civil Aeronautics Board, the Department of Agriculture and the Interstate Commerce Commission.⁹⁷

Fortunately, enforcement by this unwieldy conglomerate is augmented by the Truth in Lending Act provision for civil liability.⁹⁸ The existing law provides for a 100-dollar minimum recovery for violations of the disclosure requirements of the Act. This minimum liability provision has caused courts to disallow class actions rather than award 100 dollars to each member of an enormous class and thereby ruin businesses for technical infringements of the law.⁹⁹ Therefore, the Equal Credit Opportunity Act amends the Truth in Lending Act to allow a maximum recovery of 100,000 dollars or one percent of the creditor’s net worth, whichever is less in class action suits.¹⁰⁰ The Senate Committee believes this amendment is necessary to provide meaningful penalties that will induce compliance with the law and which the courts will not be reluctant to impose.¹⁰¹

The Consumer Affairs Subcommittee of the House Banking and Currency Committee currently has before it several bills that

96. Of 33,948 loans made by the Small Business Administration (SBA) in fiscal year 1973, only 123 went to women according to a synopsis of a study done for the SBA by Jeanne Wertz, Women Entrepreneurs and SBA (March 21, 1973).

97. 15 U.S.C. § 1607(a) (1970). Section 203 of S. 2101, Title II, however, would remove the Interstate Commerce Commission and add the Farm Credit Administration.

98. 15 U.S.C. § 1640(a) (1970).

99. The leading case is *Ratner v. Chemical Bank New York Trust Co.*, 54 F.R.D. 412 (S.D.N.Y. 1972).

100. S. 2101, Title II, 93d Cong., 1st Sess. § 208 (1973).

101. S. Rep. No. 278, 93d Cong., 1st Sess. 14-15 (1973).

are similar to the one approved by the Senate.¹⁰² Chairwoman Leonor K. Sullivan of Missouri held hearings on the enforcement of Truth in Lending over a period of months in 1973. During three days of these hearings she asked members of the credit industry, government regulatory agencies and women or consumer advocates to comment on the advisability of including in the House Truth in Lending amendments a provision to protect women from credit discrimination. Comment was virtually unanimous in favor of a non-discrimination provision, but industry representatives suggested that problems would arise with prohibiting the consideration of marital status in credit decisions.¹⁰³

Creditors have two basic concerns in regard to the marital status provisions. First, they consider marital status a valid indicator of credit performance,¹⁰⁴ in that divorced and separated people are less apt to pay than are married people. They also argue that the marriage relationship creates certain legal responsibilities between spouses that must be taken into account in some credit transactions.¹⁰⁵ For example, a spouse's signature is needed if real property is used for security in a state where an inchoate property interest arises by operation of law.

Advocates of including marital status as a prohibited criterion cite two reasons. Not only would such a rule protect the woman who first applies for credit after she has been separated or divorced,¹⁰⁶ but it would also avoid the argument used by Hanover Manufacturers Trust in *Hoberman* that discounting a wife's income is not discrimination on the basis of sex because lenders are willing to dis-

102. H.R. 5414, H.R. 5599, H.R. 10109, H.R. 10162, H.R. 10311, H.R. 10603, H.R. 10675. The following bills have been referred to the Subcommittee on Bank Supervision and Insurance: H.R. 248, H.R. 3210, H.R. 3375, H.R. 10824.

103. *E.g.*, Statement of Harry N. Jackson on behalf of the National Retail Merchants Association, *Oversight Hearings*, *supra* note 8 (Nov. 6, 1973); Statement of John O. Zimmerman, President, General Motors Acceptance Corporation, *Oversight Hearings*, *id.* (Oct. 30, 1973); Statement of Evan Houseworth on behalf of the American Bankers Association, *Oversight Hearings*, *id.* (Oct. 30, 1973).

104. A survey of the Federal Home Loan Bank Board revealed that 64% of the savings and loans admit using a person's marital status as a factor in evaluating the loan applications. Eighteen percent indicated that marital status in and of itself could be grounds for automatic disqualification. Federal Home Loan Bank Board Survey of 100 Savings and Loan Associations, Summer 1971.

105. Statement of Matthew Hale, Counsel for The American Bankers Association, hearings on the Availability of Credit to Women before the National Commission on Consumer Finance (May 23, 1972); Statement of Edward Godwin on behalf of Mortgage Bankers of America, *Oversight Hearings*, *supra* note 8 (Oct. 31, 1973).

106. Statement of Sharyn Campbell for the National Organization for Women, *Oversight Hearings*, *supra* note 8 (Nov. 13, 1973).

count the husband's income instead.¹⁰⁷

A related question raised by representatives of the credit industry is whether the proposed marital status provisions would be interpreted to preclude the creditor from inquiring about the marital status of an applicant. They argue that they must know whether a person is married in order to comply with certain state laws and to protect their interest in collateral to which a spouse may have a right.¹⁰⁸ In addition to the community property and multiple agreement statutes, wage assignment laws, tenancy by the entirety, and common-law dower are believed to require that a creditor know the marital status of the applicant.

Twelve states have wage assignment laws requiring either spouse to have the consent of the other before assigning his or her wages as collateral for a debt.¹⁰⁹ Seven other states require that a husband, but not a wife, obtain the spouse's signature.¹¹⁰

At common law, husband and wife held property as tenants by the entirety; neither alone could sever the tenancy or do anything to defeat the other spouse's right of survivorship.¹¹¹ In the twenty-two states that retain this form of ownership, combinations of statutes and judicial interpretations determine the rights and obligations of the spouses and their relationship to creditors.¹¹² In order for creditors to protect their interests in these states, they may need to obtain the signatures of both spouses before the property can be used as security.¹¹³

Common-law dower vests in the wife a life estate in one-third of the real property acquired during marriage.¹¹⁴ In the seventeen states in which it still exists, if a husband alone executes a nonpur-

107. Statement of Margaret Gates, Co-Director, Center for Women Policy Studies, *Oversight Hearings*, *id.* (Nov. 13, 1973).

108. Statement of John Dillon, Executive Vice President of National Bank Americard (also representing Interbank), *Oversight Hearings*, *id.* (Oct. 30, 1973).

109. ARIZ. REV. STAT. ANN. § 6-631 (Supp. 1973); COLO. REV. STAT. § 80-15-4 (1963); HAWAII REV. STAT. § 409-20 (1968); IOWA CODE ANN. § 536.17 (Supp. 1973); ME. REV. STAT. ANN. § 9-3085 (1964); MD. CODE ANN. art. 8, § 6 (Supp. 1973); NEB. REV. STAT. § 45-144 (1943); R.I. GEN. LAWS ANN. § 19-25-33 (1956); VT. STAT. ANN. § 8-2228 (1971); VA. CODE § 6.1-289 (1973); WASH. REV. CODE ANN. § 49.48.100 (Supp. 1972); WIS. STAT. ANN. § 214.15 (1957).

110. ARK. STAT. ANN. § 81-317 (1947); IND. STAT. ANN. § 40-208 (1965); MASS. ANN. LAWS ch. 154 §§ 2, 3 (1970); MINN. STAT. ANN. § 181.07 (1966); MONT. REV. CODES ANN. § 41-1506 (1947); PA. STAT. ANN. § 43-274 (1964); WYO. STAT. § 27-202 (1957).

111. *See* C. MOYNIHAN, INTRODUCTION TO THE LAW OF REAL PROPERTY 229-30 (1963).

112. *Id.* at 230-35.

113. For a detailed discussion, see Huber, *Creditors' Rights in Tenancies by the Entireties*, 1 B. C. IND. COM. L. REV. 197 (1960).

114. *See* H. CLARK, LAW OF DOMESTIC RELATIONS 220 (1968).

chase money mortgage on his land, his wife's inchoate dower is superior to the rights of the mortgagee.¹¹⁵ A husband is not, therefore, able to mortgage his property without his wife's signature.¹¹⁶ When common-law or modified curtesy exists¹¹⁷ or when dower has been extended to cover both spouses,¹¹⁸ a wife must likewise have her husband's signature to convey real property.¹¹⁹

In these situations, the onus is upon the creditor to determine whether the consent of the spouse is required. Should a federal law prohibit him from attempting to learn a person's marital status, the burden of the risk of accepting an invalid wage assignment or security interest in real property will be placed on the creditor.

Another problem creditors would confront under proposed federal legislation involves state property laws that limit the control a married woman has over her property. The most obvious example is the community property law of Louisiana, which deprives married women of control over the community property, including their own earnings.¹²⁰ Under such a law a creditor might refuse a woman credit because he could not expect to obtain a judgment against the community. Although this policy would reflect sound business practice, it could be viewed as a violation of a law prohibiting discrimination on the basis of sex or marital status since the state laws which the creditor would be relying on are themselves discriminatory.

Because no analogous case has been decided by the Supreme Court, it is not clear what the result would be should a case challenging such a practice reach the courts. Even if the law or the record evidenced the intent of Congress that such state laws be preempted, the response of the judiciary could not be predicted.¹²¹ The federal courts have been reluctant to interfere with the operation of state property laws, particularly those which pertain to intra-familial rights,¹²² in order to assert a federal right under the Supremacy Clause.

115. 2 R. POWELL, REAL PROPERTY § 209(2) (1973).

116. 1 *id.* § 119.

117. *E.g.*, DEL. CODE ANN. §§ 25-101, -131 (Supp. 1970).

118. *E.g.*, D. C. CODE ANN. § 19-102 (1973).

119. POWELL, *supra* note 115, at § 119.

120. LA. CIV. CODE art. 2404 (West 1971).

121. *But see* remarks of Congresswoman Leonor K. Sullivan before the Consumer Federation of America reprinted in 120 CONG. REC. E 209 (daily ed. Jan. 28, 1974) in which she implies that Congress has the power to do so: "Some people suggest we solve the problem by pre-empting all state laws dealing with husband-wife relationships, including dower and curtesy, or the community property laws of Louisiana and several other states which give the husband complete control over the disposition of a wife's earnings." *Id.* at E 210.

122. *See, e.g.*, United States v. Yazell, 382 U.S. 341, 352. "Both theory and the preced-

The credit industry is expected to oppose, in the House of Representatives, a bill which subjects its members to these uncertainties. Proponents of such legislation may be forced to include a provision that would protect creditors from this dilemma. Because the problem arises in only a few states and because the offensive state laws are already subject to attack on equal protection principles, advocates of the bill might consider this compromise.

V. CONCLUSION

Sex discrimination in credit practices will not be eliminated by revising state domestic relations or property laws. This is true because the offensive practices are not, as has been suggested, dictated by the law. They are, rather, the result of erroneous or outmoded notions of women's role in society.

Women need an effective legal remedy for credit discrimination. Twenty-two states and the District of Columbia have laws, most of which were enacted in the past year, that address this problem, but few of them are comprehensive enough or well enough enforced to be effective. Although credit practices may be attacked on equal protection grounds, no such case has yet been decided.

The federal financial regulatory agencies could promulgate and enforce rules forbidding discrimination, but to date only the Federal Home Loan Bank Board has done so. The federal credit bill,¹²³ which has been approved by the Senate, would require that these and other agencies regulate the credit industry with respect to discrimination on the basis of sex and marital status. It would also permit aggrieved persons or a class to sue in federal court for damages. Whatever credit legislation is finally approved by the Congress should provide for both courses of action. Only a strong, well enforced federal law, accompanied by efforts to educate both consumers and the credit industry, can be expected to overcome a tradition of discrimination and guarantee that women get the credit they deserve.

ents of this Court teach us solicitude for state interests, particularly in the field of family and family-property arrangements. They should be overridden by the federal courts only where clear and substantial interests of the National Government, which cannot be served consistently with respect for such state interests, will suffer major damages if the state law is applied."

123. S. 2102, Title III, 93d Cong. 1st Sess. (1973).

chase money mortgage on his land, his wife's inchoate dower is superior to the rights of the mortgagee.¹¹⁵ A husband is not, therefore, able to mortgage his property without his wife's signature.¹¹⁶ When common-law or modified curtesy exists¹¹⁷ or when dower has been extended to cover both spouses,¹¹⁸ a wife must likewise have her husband's signature to convey real property.¹¹⁹

In these situations, the onus is upon the creditor to determine whether the consent of the spouse is required. Should a federal law prohibit him from attempting to learn a person's marital status, the burden of the risk of accepting an invalid wage assignment or security interest in real property will be placed on the creditor.

Another problem creditors would confront under proposed federal legislation involves state property laws that limit the control a married woman has over her property. The most obvious example is the community property law of Louisiana, which deprives married women of control over the community property, including their own earnings.¹²⁰ Under such a law a creditor might refuse a woman credit because he could not expect to obtain a judgment against the community. Although this policy would reflect sound business practice, it could be viewed as a violation of a law prohibiting discrimination on the basis of sex or marital status since the state laws which the creditor would be relying on are themselves discriminatory.

Because no analogous case has been decided by the Supreme Court, it is not clear what the result would be should a case challenging such a practice reach the courts. Even if the law or the record evidenced the intent of Congress that such state laws be preempted, the response of the judiciary could not be predicted.¹²¹ The federal courts have been reluctant to interfere with the operation of state property laws, particularly those which pertain to intra-familial rights,¹²² in order to assert a federal right under the Supremacy Clause.

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PRESIDENTS OF THE FOLLOWING ORGANIZATIONS HAVE BEEN INVITED TO ATTEND
THE PRESIDENTS' MEETING, SEPTEMBER 14-15, 1974

PARTIAL LIST

American Nurses Association
National Organization for Women
Young Women's Christian Association
General Federation of Women's Clubs
Church Women United
National Council of Jewish Women
Women's Equity Action League
National Clearing House on Women's Issues
National Council of Administrative Women in Education
Business and Professional Women
National Tenants Organization
League of Women Voters
National Association of Social Workers
National Association of Women Lawyers
Center for Women's Policy Study
National Association of Women's Deans and Administrators
National Association of Bank Women
National Women's Political Caucus
United Methodist Women
Women's Lobby, Inc.
National Conference of Puerto Rican Women
National Committee of Household Employees
Federation of Organization for Professional Women
Amalgamated Meat Cutters and Butcher Workmen
International Ladies Garment Workers Union
District #1199 Hospital and Drug Workers Union, RWDSU
Hotel Workers Union
Amalgamated Clothing Workers
United Auto Workers
National Black Feminist Organization
American Women in Radio and T V
Interstate Association of Commissions, of the Status of Women
National Welfare Rights Organization
National Media Women
Unitarian Universalist Women's Federation
Jack and Jill of America, Inc.
National Association Black Women Attorneys
The Continentals Society, Inc.
National Council of Catholic Women
Alpha Kappa Alpha Sorority, Inc.
Chi Eta Phi Sorority
CME Church Women's Missionary Council
Delta Sigma Theta Sorority, Inc.
Eta Phi Beta Sorority
Grand Temple, Daughters of Elks
Las Amigas, Inc.
Iota Phi Lambda Sorority
Lambda Kappa Mu Sorority
National Association of Fashion and Accessory Designers
National Council of Puerto Rican Volunteers
Sigma Gamma Rho Sorority, Inc.
Supreme Grand Chapter, Order of Eastern Star
Tau Gamma Delta Sorority
National Sorority of Phi Delta Kappa
Women's Convention, Auxiliary to the National Baptist Convention, U.S.A., Inc.
Ladies' Auxiliary of the National Dental Association, Inc.
Women's Auxiliary, National Medical Association
Women's Home and Foreign Missionary Society, AME Zion Church
Women's Missionary Society, AME Church
Zeta Phi Beta Sorority, Inc.
Woman's Missionary Council, CME Church
Mujeres Unidas
Comision Femenil Mexicana Nacional
American Advertising Federation, Women's Division
American Association of University Women
American Baptist Women
American Civil Liberties Union, Women's Rights Project
Stewardesses for Women's Rights
Women in Communications, Inc.
United Presbyterian Women
North American Indian Women's Association

AN IDEA WHOSE TIME HAS COME

WIELDS A TERRIFIC IMPACT

Mary McLeod Bethune's idea for uniting women to secure justice, the idea on which she founded the National Council of Negro Women, never had more relevance than in this day when women throughout the nation are raising their collective voices demanding their rights as persons in all areas of life. Forty years ago this wise daughter of slave parents, educator and advisor to four Presidents of the United States called for women in all walks of life to close ranks and join hands in service to themselves, their families, youth, and their communities. To fulfill this idea of unity of women, the NCNW is working through its varied programs to encompass those areas of concern envisioned by this great woman.

The National Council of Negro Women is an organization with an outreach to 4 million women, consisting of 25 national affiliate member organizations, local sections in 42 states, and direct members.

Housing continues as an important part of NCNW's program. The Council was a key team participant with HUD in developing the Turnkey III Homeownership Opportunities program. This program provides a choice of homeownership rather than rental for families in public housing. Turnkey III is now a regular HUD program, housing some 40,000 or more families.

From this and our own life's experiences the issue of discrimination against women in the nation's housing market has come into sharper focus. Sex discrimination is pervasive in every area of the housing industry. It afflicts women in all walks of life, ghetto dweller or suburbanite, renter or purchaser. Practically every woman at some time in her life, regardless of her marital status, will be or has been faced with some form of housing discrimination simply because she is a woman.

NCNW, under a contract with the Office of Equal Opportunity of the Department of Housing and Urban Development will develop basic research data on discriminatory practices against women in housing. This project, called Women and Housing, is designed to research, investigate and document the discrimination practiced against women in their attempts to secure adequate dwellings for their families and/or themselves. The data collected will be used by HUD's Equal Opportunity Staff, the courts, legislative bodies, institutions and all involved in expanding fair housing for women and educating the public on the effects of discrimination.

One of the strengths of the NCNW consists in its ability to act as a catalyst in lifting public awareness to issues affecting women and their families at the community level, identifying problems and helping to provide tools and skills for decision making and collective action.

The Women and Housing program embraces this concept. It is planned to have one-day hearings in 5 cities with testimony received from witnesses who have been denied their rights in housing because of their sex. Each hearing will be followed by a two-day workshop.

The cities and dates are:

- | | |
|--------------------------|------------------|
| 1. Atlanta, Ga. | Nov. 8-10, 1974 |
| 2. St. Louis, Mo. | Jan. 10-12, 1975 |
| 3. San Antonio, Texas | Feb. 7- 9, 1975 |
| 4. San Francisco, Calif. | Mar. 7- 9, 1975 |
| 5. New York, New York | Apr. 11-13, 1975 |

WOMEN AND HOUSING

The Purpose Of The Project

To gather, document, evaluate facts and circumstances relating to restraints placed on women in urban-suburban settings of the nation's housing market; and based thereon, make recommendations pertinent to changes in Federal State laws, regulations and practices to assure, through affirmative governmental action, equal housing opportunities for women.

Mission Statement

The NCNW will endeavor to sensitize a community, urban and suburban, in five selected cities in different states to the problems of discriminatory practices against women in Housing; those women who are defined by society as being high-risk since they do not have a male counterpart are of all races and creeds; from different backgrounds, speaking different languages. The project will facilitate the examination and understanding of the problem by sensitizing such a community and abstract from the representatives of that community, their reactions and statements by delineating the hard facts and data about discriminatory practices against women in the housing market.

Objectives

1. The program will gather documentary evidence of discriminatory laws, regulation practices against women in the housing market.
2. Maximize the channels of communication of individuals and groups who have experienced discriminatory practices in housing, by contacting and meeting with national and local organizations concerned with these problems.
3. Raise the level of consciousness of the community as to the pervasiveness and extent of the problem.
4. Provide opportunities through public hearings for complainants and interest groups to air their grievances; provide opportunities for officials to learn and understand the dynamics of the problem.
5. Provide a forum for an interchange and exchange of problems, issues, suggestions and recommendations as related to this issue.

Goals

1. Attain facts, figures, data and testimony which will identify the issues and problems.
2. Open up channels of communication between individuals and groups with common problems and concerns.
3. Attain a measure of inter-group exchange in understanding and perceiving the problems and issues.
4. Insure a forum whereby individual citizens and representatives of a broad range of concerned groups can be heard.
5. Assure that persons heretofore not knowledgeable about the problem and/or the extent of it would have been given an opportunity to learn.
6. Afford the Department of HUD a report that will encompass pertinent and necessary documents and material for eventual action. This action purports changes and modifications in laws, regulations and practices that will eliminate discriminatory practices against women in housing.

Project Plan

The program plan is based on a 120 day implementation schedule for each of the 5 cities. It takes 85 days to complete the full cycle of work elements prior to each hearing and workshop, and 35 days after the sessions for all reports and follow-up work to be concluded. Simultaneously, research work on various components of the project will be in progress.

AD HOC COMMISSIONS ON WOMEN AND HOUSING

The Purpose Of The Commissions

An important part of the project is centered around an ad hoc Commission on Women and Housing, one in each city. This community level base will provide the basic information source and local public awareness function for the program. The Commission will serve on a voluntary basis and represent a voice of women in the local community as we seek to document the discriminatory acts against women that have for so long kept us from fair and equitable participation in housing.

Procedures For Convening The Commissions

Dr. Dorothy I. Height, National President of the National Council of Negro Women convened a meeting of National Presidents of women's organizations in Washington, D. C., on September 14-15, 1974. The conference outlined the objectives of the project *and the purposes of* ~~plans for implementing the overall programing.~~ Each president was requested to name a organizational representative for the commission in each of the five cities.

*the Commission and
presented plans
for implementation
locally.*

NCNW has representatives in each city called Local Conveners who will be the coordinating persons for the Commissions at the community level. They will be furnished with the names of the representatives designated by the National Presidents for their respective cities. In addition, they will also provide suggestions for representation from key local organizations that are not related to National Organizations. Once the names have been submitted by the National Presidents, the NCNW Local Convener will issue the invitations to the designated representatives to serve on the Commissions.

Time Required of Commission Members

There will be four commission meeting, three prior to the hearing and workshop, and one following. The largest personal investment of time (4 consecutive days) will occur during ^{the} hearing week when Commission members presence will be expected for the following:

The Hearing Week

1. A Commission meeting
2. A briefing meeting (Thursday evening)
3. The Hearing (Friday all day)
4. A two-day workshop (Saturday & Sunday)

Staffing Structure

The project has three major teams in addition to NCNW headquarters staff. A member of the project staff will be present at all Commission meetings.

Legal and Research Team: Responsible for the legal research for the project as well as definition of issues for each city.

Hearing Team: Responsible for the conduct of the hearings, identifying witnesses and facilitating the hearing day.

Workshop Team: Responsible for conducting a two-day workshop for 100 women in each city.

Responsibilities of Commission Members

The Commission members will serve as volunteers and have responsibility in four major areas:

1. Develop an awareness of the issues related to discrimination against women in housing as defined at each hearing; to transmit such knowledge and proposed action, as developed in the workshops, to their respective organizations and their community.
2. Attendance at meeting:
 - (a) Commission meeting (4)
 - (b) Briefing meeting - evening prior to hearing (1)
 - (c) Hearing (one-day)
 - (d) Workshop (two-days)

3. Workshops and Participants: The workshops following the hearing day are designed to review the problems as stated in the hearing, and develop action elements related to them for each community. The workshops will consist of women, selected by the Commission to be a representative voice of women in their community. The participants may include the Commission Members and witnesses, but shall not exceed 100 in number. When the names have been submitted by the Commission members, the NCNW Local Convener will issue the invitations.
4. Evaluation report: An essential element of the program will be an evaluative report from the Commission, individually and as a group. Evaluation forms will be furnished. The 4th Commission meeting, after the hearings and workshops, will be devoted to such a report.

Continuation of Commission Activities

While it is expected that a collective and sustained effort of work toward the solutions to problems of discrimination against women in housing will evolve from the hearings and workshops, the specific contractual obligations of this project in each city ends 35 days after the workshop.

In view of the interest of the organizations and individuals participating in this project and the renewed awareness built upon the findings of this initial effort, it is hoped that work toward positive action to eliminate discriminatory acts against women in housing will continue in each community.

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HUNGER
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INTRODUCTION

Seventy-four national organizations—including United Presbyterian Women and the United Presbyterian Health, Education and Welfare Association—seven months before the December White House Conference and before the President of the United States called the conference, organized in a coalition with the National Council of Negro Women to end hunger in the United States.

Hunger Workshops were sponsored through this coalition in twenty major cities of the country. Findings and recommendations from these workshops were shared with the 3,000 invitees to the White House Conference on Food, Nutrition and Health which met in Washington, D.C., December 2, 3, 4, 1969. The workshop recommendations emerged from the confrontation of women across this country with nutritionists, with educators, with doctors, with social workers and with the hungry, and were actually preliminary conclusions which almost paralleled the final recommendations from the White House Conference.

Women of this country during the summer of 1969 were saying:

- ... There is an emergency in this country.
- ... People must have funds to buy food which will necessitate some kind of guaranteed income.
- ... No child should be hungry; hot breakfast and lunch programs in every school can prevent hunger of children now.
- ... The food distribution program must be operated through commodities and stamps to put food into hungry stomachs now; the hurdles and the hurt of current distributions or lack of programs must be resolved now.

These conclusions were essentially the recommendations of the delegates to the White House Conference, not because of the Twenty Cities Workshops, but because America is waking to the *fact of hunger* in this very affluent nation. The most diverse elements in American society emerged as delegates to the White House Conference: the very rich represented by leaders of the food industry; the highly professional represented by doctors, nutritionists, dieticians, social workers, religious leaders, and the very poor represented by members of the National Welfare Rights Organization, The Southern Leadership Conference, Mexican, Indian, and Appalachian Americans.

These diverse persons came together on December 2, 1969, each group bringing its own peculiar concerns, believing it almost impossible to listen to the concerns of other groups. December 4 these diverse groups emerged from three days of confrontation with new respect for each other and with a unanimous group of findings which said to the president of the United States and to Congress:

1. Hunger in this country is real and totally unacceptable and must be eradicated NOW through improved and enlarged food programs.
2. The only permanent answer with dignity is some kind of guaranteed income.

ACCEPT THE FACT OF HUNGER

- “We need to face the simple facts; the American people are less well nourished, as a whole, than they were 10 years ago.” Dr. Margaret Mead before the Senate Select Committee on Nutrition and Human Needs.
- Twenty-five to thirty million people in this country suffer from some sort of hunger or malnutrition.

- “A child died last night; he didn’t have to die at all. He was born healthy. He had no problems except one. His parents didn’t have enough food.” Ad from an American industry.
- “A shocking 15 per cent of all children studied so far in the National Survey show evidence of growth retardation.” *Todays Health*.
- “The families we have studied are not getting sufficient funds through welfare or any other means to enable them to purchase the least-cost diet that would be nutritionally adequate.” *Todays Health*.
- In April, 1968, the Citizens Board of Inquiry into Hunger and Malnutrition in a report, “Hunger in the U.S.A.” introduced us to the bad news about underfed and malnourished America.
- In May, 1968, a CBS television documentary “Hunger in America,” brought the many faces of starvation into homes all over America.
- The President’s National Advisory Commission on Rural Poverty reported: “Rural poverty is so widespread and so acute as to be a national disgrace, and its consequences have swept into our cities violently. . . . Most of the rural South is one vast poverty area.”
- The President of the United States made this commitment to the delegates to the White House Conference on Food, Nutrition and Health, December 2, 1969:

Hunger exists . . . malnutrition exists . . . This meeting sets the seal of urgency on our national commitment to put an end to hunger and malnutrition due to poverty in America.

. . . Our job is to get resources to people in need, and then to let them run their own lives. . . . The question has been whether we as a nation would accept the problem of malnourishment as a national responsibility. . . . I not only accept the responsibility, I claim the responsibility.”

Facts of hunger such as these have been confronting us visually for many months. Newspapers and magazines and television have featured the facts of hunger in special reviews of desperate situations in urban and rural slums, in Appalachia, on Indian reservations, in isolated mountain areas of the southwest. Even effective pictures in color have accompanied these stories of the deprived, of the hungry in affluent America.

Our eyes see these pictures; our minds may even retain a few isolated facts about hunger, but the *fact of hunger*, the meaning of hunger to the hungry themselves has not penetrated the deep recesses of our conscious thought. Oh yes, levels of our mind have been reached to open our purses and our cupboards during holy days when we are especially responsive. Baskets of food are still a symbol of these special seasons while 30 million people in this nation are hungry every day of the year, every day of their life. They emerge from a hungry womb into a world which has no food, no promise for them.

The *fact of hunger* must penetrate our thoughtful minds; the *fact of hunger* must touch our hearts; but actually, the *fact of hunger* is a visceral thing — it must reach us at our gut level — or 30 million children and women and men in this country will continue to be hungry.

IDENTIFY WITH THE HURT OF HUNGER

- Hunger is a hurtful thing! It gnaws at your vital organs; it thrusts its empty stomach into a throat full of ache and wonder, overwhelmed by an America of people with very full stomachs who choose to look the other way.
- It is a kind of hurt which emerges when terrible cliches give simple answers: "If they would only go to work, they wouldn't be hungry"; "If they would only stay where they belong"; "If they only would learn to buy properly."
- It is a kind of hurt which a mother faces when her two teen-age sons die from malnutrition never having walked because *she* had been hungry all her life.
- It is the kind of hurt a child knows when school officials say to him, "Your brother eats the hot lunch this week; you watch this week, and it will be your turn next week!"
- It is the kind of hurt a hungry man knows who loses one job, then another, because he cannot work on a stomach full of nothing.
- It is the kind of hurt a mother sees in the empty, searching eyes of children peering at her above watery, meatless soup.
- It is the kind of hurt a teacher knows who discovers a child pretending to eat a bag lunch with other children — a lunch she had assembled with two pieces of stale bread covering a gray piece of cardboard.
- But the hurt of hunger reflects more than the fact of empty stomachs. The hurt of hunger hurts human beings; it prevents a child from developing into the dignity of manhood, of womanhood. The indignities of childhood become the hurts and tensions of teenagers, of adults.
- Reactions to these hurts are evidenced in frustrated personalities; in human beings who eventually must fight a system which has never respected their humanity. Crime, use of drugs, all known means of escape, influence far too many human beings who have never known the dignity of childhood, of womanhood, of manhood.
- Hunger accompanies poor housing; hunger affects a child's ability to learn; hunger keeps a man from working; hunger prevents a woman from being a responsive mother. We are permitting 30 million human beings in this nation to exist without human dignity.
- We must identify with them — the hurt in their stomachs, the hurt in their personhood.

If you really want to identify personally with the hurt of hunger, try living on the following daily menu for a week (this is a typical menu which will be made possible by President Nixon's \$1600 minimum payment for a family of four): suggested by the National Welfare Rights Organization.

breakfast — 1 glass of water, 1 slice toast with margarine, 1 cup coffee;

lunch — 1 peanut butter and jelly sandwich, 1 glass Kool-Aid;

dinner — 1 helping collard greens and rice, 1 cup tea; or
1 bowl chili con carne, 1 cup tea or 1 glass Kool-Aid; or 1 helping macaroni and cheese, 1 cup tea.

MOVE INTO ACTION TO END HUNGER

1. Discover local "allies"; refer to page 7 for suggestions of organizations. Together determine how you can move — initiate coalition and action.
2. Start where you are. Then ask yourself questions such as these:
 - ... Where are the poor and the hungry in my community?
 - ... What is being done about them?
 - ... Does my county participate in the food stamp or commodity food programs?
 - ... Are free food stamps available through released OEO funds?
 - ... Is the program accompanied by nutrition and consumer education opportunities?
 - ... Is there a free school-lunch program in my community? How effective is it? Is it reaching the children who need it most?
 - ... How adequate is the welfare program in my county?
3. Negative information or answers about any of these questions is your clue as to where to start.
4. Talk with local and state legislators, school and welfare officials. Indicate your concern and promise your support for them in improving or initiating these programs.
5. Offer your services in relation to aspects of the programs that require a skill you possess. If you have training in nutrition education you may be able to serve as a volunteer in a nutrition education and consumer education program.

What Can a Local Coalition Do?

1. Organize a lobby at county or state level to get more funds for these programs *if* funds are not adequate.
2. Keep informed of pending national legislation related to hunger in America.
3. Write your congressman urging passage of such bills as that relating to a guaranteed annual income. Urge that the floor of this be raised to a liveable amount.
 - (1) Welfare policy within your community, state and nation.
 - (2) Hot lunch program for every child.
 - (3) Guaranteed annual income.
 - (4) Specific legislation.
4. Organize a letter campaign to indicate your position to public officials at every level re:

Caution: These letters should be personal letters, written by each concerned individual. No public official will give credence to form letters. But do give help to persons about what they write. Urge them to refer to legislation by the number of the bill, etc. Always they should be as specific as possible. These letters need not be long, only specific as to the bill and the concern, and suggest specific action.

5. Establish an information center on federal food programs:
 - ... be an advocate for potential recipient ... cut red tape.
 - ... be a channel for complaints on misuse of programs; help get redress.
 - ... provide transportation or baby sitting services while welfare mothers shop.
 - ... monitor and/or assume a watchdog role over federal programs AND state and local welfare services re: administration, outreach, services.
 - ... become a pressure group to get new programs started (i.e. school lunch, school breakfast; family feeding programs; special feeding programs for pregnant and nursing mothers).
 - ... run public information service of programs which are available from U.S. Department of Agriculture, from any other Federal or state or county program.
 - ... conduct survey to prove need to stubborn officials.
 - ... conduct education program in community about the need (addressing to the taxpayers) using speakers, articles in newspapers, media programs.
 - ... use "Live on a Welfare Diet" as a gimmick — it's pretty convincing!
 - ... start private programs by neighborhoods — pilot programs best for a start such as Meals-on-Wheels for help to elderly or handicapped (food stamps now available for this).
 - ... help an inner-city cooperative grocery store get started.
 - ... check on other programs such as model cities or HUD programs for possible new approaches to old problems.
 - ... urge the naming of an advisory committee on services to welfare agencies with representatives (more than token) of the poor.
6. Influence industry — re research, quality, labeling and packaging, distribution, marketing and advertising:
 - ... exercise pressure through personal buying power at local store.
 - ... exercise pressure as a stock owner.
 - ... express attitude and ideas to customer complaint divisions and to magazine columns on products such as "Speaker of the House" in *Good Housekeeping*.
 - ... what industries are located in your community? What is their attitude toward job training for the poor?
7. Influence legislation by:
 - ... writing appropriate officials. (see point 5 above)
 - President —
 - Ask him to re-order national priorities re budget.
 - Ask him to form quarterly review session of progress by White House Conference leaders as well as another small-scale review session in December, 1970.
 - Congressmen and Senators (include number of bill, etc.) —
 - Be knowledgeable re Congressmen who need support for action in relation to a bill needed or comments (be aware of stage of bill) if bill is being drafted in committee, in floor fight.

8. Influence local situation by:
 - ... persuading program committees of organizations to adopt hunger as subject requiring in-depth study and research and exploration such as field trips.
 - ... instigate a local coalition.
 - ... start a "live on a welfare diet" campaign.
 - ... attend meetings of county commissioners, school boards, etc. and SPEAK UP!

General Guidelines For Writing State And National Officials

1. Use proper title and address.
2. Commend for action or position or call to task for omissions.
3. Be specific in your requests or comments.
4. Indicate whether you are speaking as an individual — as a person who voted for or against official — or as a representative of a group.
5. Mention what role, if any, you are playing in the local situation — in solving problems.
6. Display your knowledge of local, state, national conditions.
7. Learn the name of the administrative assistant of congressman or senator. (Often this is your most effective contact.)
8. Check with local library research and reference department and/or League of Women Voters for data re bills.
9. When you write the chairman of a committee or to the President, send a carbon of your letter to your own representative and senator.
10. Special suggestions for state contact:
 - ... Contact your governor (get an appointment) to ask that he convene a meeting of all delegates from the state to the White House Conference and other interested individuals to discuss formation of a State Nutrition Council — to coordinate state activities and to call a conference on Food, Nutrition and Health.

Note: Such a council and such a conference should be sure to include representatives of the poor.

Don't Schedule Or Plan Any Programs *About* The Poor And Hungry!
Don't Schedule Or Plan Any Services *For* The Poor And Hungry!
Work With The Poor, Work Under Their Guidance!

Discover Your Allies

The following national organizations may have units or chapters in your city. Seek out their leaders to ask them to join with you in a coalition to end hunger where you are.

Suggested organizations: Government Agencies at all levels, Service Clubs, Jewish Women's Organizations, National Conference of Catholic Women, National Council of Negro Women, Church Council Offices, National Churches, Church World Service, Church Women United, Planned Parenthood, World Population Organization, World Council of Churches, Research People on College and University campuses, Parent Teachers Association, County Agents, National Education Association, Doctors and Nurses, Adult Education Centers, White House Conference Participants, Health, Education and Welfare Associations.

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Prepared by the Women's Division

Board of National Missions

The United Presbyterian Church in the U.S.A.

475 Riverside Drive, New York, N.Y. 10027

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INTRODUCTION

Seventy-four national organizations—including United Presbyterian Women and the United Presbyterian Health, Education and Welfare Association—seven months before the December White House Conference and before the President of the United States called the conference, organized in a coalition with the National Council of Negro Women to end hunger in the United States.

Hunger Workshops were sponsored through this coalition in twenty major cities of the country. Findings and recommendations from these workshops were shared with the 3,000 invitees to the White House Conference on Food, Nutrition and Health which met in Washington, D.C., December 2, 3, 4, 1969. The workshop recommendations emerged from the confrontation of women across this country with nutritionists, with educators, with doctors, with social workers and with the hungry, and were actually preliminary conclusions which almost paralleled the final recommendations from the White House Conference.

Women of this country during the summer of 1969 were saying:

- ... There is an emergency in this country.
- ... People must have funds to buy food which will necessitate some kind of guaranteed income.
- ... No child should be hungry; hot breakfast and lunch programs in every school can prevent hunger of children now.
- ... The food distribution program must be operated through commodities and stamps to put food into hungry stomachs now; the hurdles and the hurt of current distributions or lack of programs must be resolved now.

These conclusions were essentially the recommendations of the delegates to the White House Conference, not because of the Twenty Cities Workshops, but because America is waking to the *fact of hunger* in this very affluent nation. The most diverse elements in American society emerged as delegates to the White House Conference: the very rich represented by leaders of the food industry; the highly professional represented by doctors, nutritionists, dieticians, social workers, religious leaders, and the very poor represented by members of the National Welfare Rights Organization, The Southern Leadership Conference, Mexican, Indian, and Appalachian Americans.

These diverse persons came together on December 2, 1969, each group bringing its own peculiar concerns, believing it almost impossible to listen to the concerns of other groups. December 4 these diverse groups emerged from three days of confrontation with new respect for each other and with a unanimous group of findings which said to the president of the United States and to Congress:

1. Hunger in this country is real and totally unacceptable and must be eradicated NOW through improved and enlarged food programs.
2. The only permanent answer with dignity is some kind of guaranteed income.

ACCEPT THE FACT OF HUNGER

- “We need to face the simple facts; the American people are less well nourished, as a whole, than they were 10 years ago.” Dr. Margaret Mead before the Senate Select Committee on Nutrition and Human Needs.
- Twenty-five to thirty million people in this country suffer from some sort of hunger or malnutrition.

- “A child died last night; he didn’t have to die at all. He was born healthy. He had no problems except one. His parents didn’t have enough food.” Ad from an American industry.
- “A shocking 15 per cent of all children studied so far in the National Survey show evidence of growth retardation.” *Todays Health*.
- “The families we have studied are not getting sufficient funds through welfare or any other means to enable them to purchase the least-cost diet that would be nutritionally adequate.” *Todays Health*.
- In April, 1968, the Citizens Board of Inquiry into Hunger and Malnutrition in a report, “Hunger in the U.S.A.” introduced us to the bad news about underfed and malnourished America.
- In May, 1968, a CBS television documentary “Hunger in America,” brought the many faces of starvation into homes all over America.
- The President’s National Advisory Commission on Rural Poverty reported: “Rural poverty is so widespread and so acute as to be a national disgrace, and its consequences have swept into our cities violently. . . . Most of the rural South is one vast poverty area.”
- The President of the United States made this commitment to the delegates to the White House Conference on Food, Nutrition and Health, December 2, 1969:

Hunger exists . . . malnutrition exists . . . This meeting sets the seal of urgency on our national commitment to put an end to hunger and malnutrition due to poverty in America.

. . . Our job is to get resources to people in need, and then to let them run their own lives. . . . The question has been whether we as a nation would accept the problem of malnourishment as a national responsibility. . . . I not only accept the responsibility, I claim the responsibility.”

Facts of hunger such as these have been confronting us visually for many months. Newspapers and magazines and television have featured the facts of hunger in special reviews of desperate situations in urban and rural slums, in Appalachia, on Indian reservations, in isolated mountain areas of the southwest. Even effective pictures in color have accompanied these stories of the deprived, of the hungry in affluent America.

Our eyes see these pictures; our minds may even retain a few isolated facts about hunger, but the *fact of hunger*, the meaning of hunger to the hungry themselves has not penetrated the deep recesses of our conscious thought. Oh yes, levels of our mind have been reached to open our purses and our cupboards during holy days when we are especially responsive. Baskets of food are still a symbol of these special seasons while 30 million people in this nation are hungry every day of the year, every day of their life. They emerge from a hungry womb into a world which has no food, no promise for them.

The *fact of hunger* must penetrate our thoughtful minds; the *fact of hunger* must touch our hearts; but actually, the *fact of hunger* is a visceral thing — it must reach us at our gut level — or 30 million children and women and men in this country will continue to be hungry.

IDENTIFY WITH THE HURT OF HUNGER

- Hunger is a hurtful thing! It gnaws at your vital organs; it thrusts its empty stomach into a throat full of ache and wonder, overwhelmed by an America of people with very full stomachs who choose to look the other way.
- It is a kind of hurt which emerges when terrible cliches give simple answers: "If they would only go to work, they wouldn't be hungry"; "If they would only stay where they belong"; "If they only would learn to buy properly."
- It is a kind of hurt which a mother faces when her two teen-age sons die from malnutrition never having walked because *she* had been hungry all her life.
- It is the kind of hurt a child knows when school officials say to him, "Your brother eats the hot lunch this week; you watch this week, and it will be your turn next week!"
- It is the kind of hurt a hungry man knows who loses one job, then another, because he cannot work on a stomach full of nothing.
- It is the kind of hurt a mother sees in the empty, searching eyes of children peering at her above watery, meatless soup.
- It is the kind of hurt a teacher knows who discovers a child pretending to eat a bag lunch with other children — a lunch she had assembled with two pieces of stale bread covering a gray piece of cardboard.
- But the hurt of hunger reflects more than the fact of empty stomachs. The hurt of hunger hurts human beings; it prevents a child from developing into the dignity of manhood, of womanhood. The indignities of childhood become the hurts and tensions of teenagers, of adults.
- Reactions to these hurts are evidenced in frustrated personalities; in human beings who eventually must fight a system which has never respected their humanity. Crime, use of drugs, all known means of escape, influence far too many human beings who have never known the dignity of childhood, of womanhood, of manhood.
- Hunger accompanies poor housing; hunger affects a child's ability to learn; hunger keeps a man from working; hunger prevents a woman from being a responsive mother. We are permitting 30 million human beings in this nation to exist without human dignity.
- We must identify with them — the hurt in their stomachs, the hurt in their personhood.

If you really want to identify personally with the hurt of hunger, try living on the following daily menu for a week (this is a typical menu which will be made possible by President Nixon's \$1600 minimum payment for a family of four): suggested by the National Welfare Rights Organization.

breakfast — 1 glass of water, 1 slice toast with margarine, 1 cup coffee;

lunch — 1 peanut butter and jelly sandwich, 1 glass Kool-Aid;

dinner — 1 helping collard greens and rice, 1 cup tea; or
1 bowl chili con carne, 1 cup tea or 1 glass Kool-Aid; or 1 helping macaroni and cheese, 1 cup tea.

MOVE INTO ACTION TO END HUNGER

1. Discover local "allies"; refer to page 7 for suggestions of organizations. Together determine how you can move — initiate coalition and action.
2. Start where you are. Then ask yourself questions such as these:
 - ... Where are the poor and the hungry in my community?
 - ... What is being done about them?
 - ... Does my county participate in the food stamp or commodity food programs?
 - ... Are free food stamps available through released OEO funds?
 - ... Is the program accompanied by nutrition and consumer education opportunities?
 - ... Is there a free school-lunch program in my community? How effective is it? Is it reaching the children who need it most?
 - ... How adequate is the welfare program in my county?
3. Negative information or answers about any of these questions is your clue as to where to start.
4. Talk with local and state legislators, school and welfare officials. Indicate your concern and promise your support for them in improving or initiating these programs.
5. Offer your services in relation to aspects of the programs that require a skill you possess. If you have training in nutrition education you may be able to serve as a volunteer in a nutrition education and consumer education program.

What Can a Local Coalition Do?

1. Organize a lobby at county or state level to get more funds for these programs *if* funds are not adequate.
2. Keep informed of pending national legislation related to hunger in America.
3. Write your congressman urging passage of such bills as that relating to a guaranteed annual income. Urge that the floor of this be raised to a liveable amount.
4. Organize a letter campaign to indicate your position to public officials at every level re:
 - (1) Welfare policy within your community, state and nation.
 - (2) Hot lunch program for every child.
 - (3) Guaranteed annual income.
 - (4) Specific legislation.

Caution: These letters should be personal letters, written by each concerned individual. No public official will give credence to form letters. But do give help to persons about what they write. Urge them to refer to legislation by the number of the bill, etc. Always they should be as specific as possible. These letters need not be long, only specific as to the bill and the concern, and suggest specific action.

5. Establish an information center on federal food programs:
 - ... be an advocate for potential recipient . . . cut red tape.
 - ... be a channel for complaints on misuse of programs; help get redress.
 - ... provide transportation or baby sitting services while welfare mothers shop.
 - ... monitor and/or assume a watchdog role over federal programs AND state and local welfare services re: administration, outreach, services.
 - ... become a pressure group to get new programs started (i.e. school lunch, school breakfast; family feeding programs; special feeding programs for pregnant and nursing mothers).
 - ... run public information service of programs which are available from U.S. Department of Agriculture, from any other Federal or state or county program.
 - ... conduct survey to prove need to stubborn officials.
 - ... conduct education program in community about the need (addressing to the taxpayers) using speakers, articles in newspapers, media programs.
 - ... use "Live on a Welfare Diet" as a gimmick — it's pretty convincing!
 - ... start private programs by neighborhoods — pilot programs best for a start such as Meals-on-Wheels for help to elderly or handicapped (food stamps now available for this).
 - ... help an inner-city cooperative grocery store get started.
 - ... check on other programs such as model cities or HUD programs for possible new approaches to old problems.
 - ... urge the naming of an advisory committee on services to welfare agencies with representatives (more than token) of the poor.
6. Influence industry — re research, quality, labeling and packaging, distribution, marketing and advertising:
 - ... exercise pressure through personal buying power at local store.
 - ... exercise pressure as a stock owner.
 - ... express attitude and ideas to customer complaint divisions and to magazine columns on products such as "Speaker of the House" in *Good Housekeeping*.
 - ... what industries are located in your community? What is their attitude toward job training for the poor?
7. Influence legislation by:
 - ... writing appropriate officials. (see point 5 above)
 - President —
 - Ask him to re-order national priorities re budget.
 - Ask him to form quarterly review session of progress by White House Conference leaders as well as another small-scale review session in December, 1970.
 - Congressmen and Senators (include number of bill, etc.) —
 - Be knowledgeable re Congressmen who need support for action in relation to a bill needed or comments (be aware of stage of bill) if bill is being drafted in committee, in floor fight.

8. Influence local situation by:
 - ... persuading program committees of organizations to adopt hunger as subject requiring in-depth study and research and exploration such as field trips.
 - ... instigate a local coalition.
 - ... start a "live on a welfare diet" campaign.
 - ... attend meetings of county commissioners, school boards, etc. and **SPEAK UP!**

General Guidelines For Writing State And National Officials

1. Use proper title and address.
2. Commend for action or position or call to task for omissions.
3. Be specific in your requests or comments.
4. Indicate whether you are speaking as an individual — as a person who voted for or against official — or as a representative of a group.
5. Mention what role, if any, you are playing in the local situation — in solving problems.
6. Display your knowledge of local, state, national conditions.
7. Learn the name of the administrative assistant of congressman or senator. (Often this is your most effective contact.)
8. Check with local library research and reference department and/or League of Women Voters for data re bills.
9. When you write the chairman of a committee or to the President, send a carbon of your letter to your own representative and senator.
10. Special suggestions for state contact:
 - ... Contact your governor (get an appointment) to ask that he convene a meeting of all delegates from the state to the White House Conference and other interested individuals to discuss formation of a State Nutrition Council — to coordinate state activities and to call a conference on Food, Nutrition and Health.

Note: Such a council and such a conference should be sure to include representatives of the poor.

Don't Schedule Or Plan Any Programs About The Poor And Hungry!
Don't Schedule Or Plan Any Services For The Poor And Hungry!
Work With The Poor, Work Under Their Guidance!

Discover Your Allies

The following national organizations may have units or chapters in your city. Seek out their leaders to ask them to join with you in a coalition to end hunger where you are.

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Experts Ask Action to Avoid Millions of Deaths in Food Crisis

By BOYCE RENSBERGER

From drought-besieged Africa to the jittery Chicago grain market, from worried Government offices in Washington to the partly-filled granaries of teeming India, the long-predicted world food crisis is beginning to take shape as one of the greatest peacetime problems the world has had to face in modern times.

With growing frequency, a variety of leading individ-

This is another in a series of articles, which will appear from time to time, examining the world food situation.

ual experts and relevant organizations are coming forth to warn that a major global food shortage is developing.

They say it is almost certain to threaten the lives of many millions of people in the next year or two, and they urge international action to prevent a short-term crisis from becoming a chronic condition.

A Different Situation

While there have always been famines and warnings of famine, food experts generally agree that the situation now is substantially different for these reasons:

¶World population is expanding by larger numbers each year, especially in the poor countries that are most susceptible of famine. Last year, the population increased by 76 million, the largest increase ever. The number of mouths to feed throughout the world has doubled since the end of World War II.

¶While agricultural production has generally kept pace, it has done so by increasing reliance on new, high-technology forms of farming that are now threatened by shortages of fertilizer and energy and soaring prices of raw materials.

¶The grain reserves that once made it possible to send emergency food to stricken areas are now largely depleted. The huge American farm "surpluses" that were such an item of controversy in the nineteen-sixties have long since been given away or sold and eaten. The world stockpile of grain that, in 1961, was equivalent to 95 days of world consumption has fallen to less than a 26-day supply now.

As the Arab oil embargo hastened the beginning of the energy crisis, so a major global shortage of fertilizer, precipitated by the oil squeeze, is cutting into this year's agricultural productivity in several populous countries.

Sooner Than Expected

The lack of fertilizer and rain and the untimely arrival of rains in some areas, are, in the view of many international food authorities, bringing the world to a food crisis sooner than had been expected a year or two ago.

The fertilizer shortage has already stunted the latest wheat crop in India and will likely reduce the succeeding crops so severely that by this autumn India could be experiencing a famine of sizeable proportions. Unless massive international aid is forthcoming, Norman Borlaug, the Nobel Prize-winning developer of high-yielding wheat, has forecast, from 10 million to 50 million persons could starve to death in India in the next 12 months.

His forecast is based on the calculated number of people the wheat shortfall would have fed plus a factor for the shortfalls expected in crops not yet harvested but lacking fertilizer and rain.

In other parts of Asia and in Latin America where supply has long barely met and sometimes failed to meet demand, people are beginning to experience unusually severe food shortages. The food that is available has become so costly that the meagerest of meals for millions of poor families take from 80 to 100 per cent of their incomes.

Experts Not Optimistic

And in Africa the long drought conditions. International relief agencies forecast that the effects in coming months could be more severe than ever because the people have been weakened by previous years of deprivation.

Before this year is out, many food experts fear, the soaring curve of food consumption will have overtaken the gentler slope of food production for the vast majority of the world's people, bringing more of mankind to hunger than ever before.

Many food and international relief experts say privately that they are not optimistic about how fast the rich countries will respond to a large famine. "It may take 50 or 100 million deaths before people are moved to find some kind of effective, long-term solution," one foundation official said.

A number of experts believe that the crisis may try the humanitarian potential of the American people — who control the world's largest

source of food—as never before. Increasing social and political pressures within affected countries and growing stresses on "business as usual" international trading practices may test to the limit the ability of world leaders to cooperate.

Addeke Boerma, director general of the United Nations' Food and Agriculture Organization, said that the international community must soon come to terms with "the stark realities facing the people of this planet."

"Remember," Mr. Boerma said, "that, for one thing, prolonged deprivation leads people to desperation. Desperation often leads them to violence. And violence, as we all know, thrives on enlarged prospects of breaking down restraints including those of national frontiers."

Norman Borlaug often warns of the same thing when he says, "You can't build peace on empty stomachs."

The growing food shortage began to become critical in 1972, when a lack of rain in many countries led to poor crops. World grain production fell 4 per cent, a significant drop because the demand for food grows by 2 per cent each year. Drought in the Soviet Union caused that country to buy in 1973 one-fourth of the United States wheat crop.

"This small change was enough to cause violent responses in prices and shifting of foreign exchange expenditure and human suffering," said Lowell Hardin, head of agricultural programs for the Ford Foundation, a major supporter of agricultural research.

Poor weather this year, coupled with the fertilizer shortage, is expected to limit crop yields sharply again. The effects will, of course, be felt most severely in countries where the nutrition levels are already inadequate.

Although areas of malnutrition exists in virtually all underdeveloped countries, by far the greatest food problems now exist among the 700 million people of India, Pakistan and Bangladesh. Other large problem areas are in the drought-stricken regions of Africa, in north-eastern Brazil, among the Andean Indians, and in the poorer parts of Mexico and Central America.

The Overseas Development Council, a private "think tank" that studies the world food situation, estimates that one billion people suffer serious hunger at least part of the year. The F.A.O. estimates that 400 million people are malnourished but adds that "a less conservative definition [of malnutrition] might double the figure."

According to the World

Health Organization, ten million children under the age of 5 are now chronically and severely malnourished, and 90 million more are moderately affected. While undernourished children may remain alive for a while, they are extremely vulnerable to minor infectious diseases.

"Where death certificates are issued for preschool infants in the poor countries, death is generally attributed to measles, pneumonia, dysentery or some other disease when, in fact, these children were probably victims of malnutrition," said Lester Brown, senior fellow of the Overseas Development Council.

W.H.O. figures show that of all the deaths in the poor countries, more than half occur among children under five, and that the vast majority of these deaths, perhaps as many as 75 per cent, are due to malnutrition complicated by infection.

While most people recognize that protein deficiency is a major problem, few appreciate that many people also suffer from a lack of starchy foods, which supply calories for energy.

Below the Minimum

"Average calorie intake in countries containing close to two-thirds of the world's people is below the nutritional minimum required for normal growth and activity," Dr. Brown said.

Even in countries where protein and calorie intake may be adequate, there can still be malnutrition due to deficiencies in one or more trace nutrients. W.H.O. authorities estimate that 700 million people now suffer iron deficiency anemia severely enough to impair their ability to work.

Every year hundreds of thousands of children, especially in Southeast Asia, go blind due to a lack of the leafy green or yellow vegetables that supply vitamin A.

Perhaps the most widely publicized recent hope for improving world food production is the controversial "Green Revolution," the use of new seed varieties that respond to irrigation and fertilizer with vastly increased crop yields.

Although the new, high-yielding strains involve mainly only two kinds of crops, wheat and rice, the potential benefits are significant because each of these grains supplies one-fifth of the world's food, more than any other source, plant or animal.

(OVER)

In Asia, where the situation is most critical, cereal grains, meaning wheat and rice almost exclusively, supply 74 per cent of the calories consumed. In North America, cereal grains supply only 24 per cent of the caloric intake. The difference is that North Americans and, increasingly Europeans and Japanese, consume large quantities of meat, milk and vegetables.

However, because much of the meat and dairy products consumed in the United States require grain for their production, the average American diet requires about five times as much grain to be grown as does the average Indian diet.

The "Green Revolution" has been criticized as giving all the advantages to large-scale high-technology farmers who then squeeze out their smaller competitors. Because most of the world's farmers have been too poor to buy irrigating equipment and fertilizer and too isolated to get the needed technical advice, they have not taken advantage of the new farming methods as readily as have wealthier farmers.

New Credit Sought

For these and other reasons, Green Revolution farming has not been practiced on one-half the arable land in any developing country, and in most of those countries it has been used on less than one-tenth the farmland.

Thus, agricultural researchers like Mr. Borlaug note, the full gains to be made through the Green Revolution have yet to be realized. Efforts are now under way through many agencies to develop credit mechanisms for small farmers to enable them to invest higher yields and to improve the teaching of new farming methods to small farmers.

In small countries where this has been done, such as Taiwan, where the average farm size is 2½ acres, it has been found that small farms outproduce the huge "agri-business" farms of the United States. American farms yield an average of 3,050 pounds of grain per acre per year, Taiwanese farmers get 3,320 pounds.

While a long-term solution of the world food crisis depends on fundamental changes in the policies and practices of most small countries, the short-term solutions, many authorities feel, depend more on United States policy.

From the mid-nineteen-fifties to the nineteen-seventies, while the United States Government was buying surplus grain to keep market prices up, much of the developing world relied on this excess production to prevent famine. Through a change in Department of Agriculture policy, American grain reserves have now been largely eliminated.

To an extent greater than many people realized, it was American surpluses that stood as the world's buffer between enough to eat and famine. Now there is considerable controversy over whether the United States should re-establish large grain reserves or, as an alternative, contribute to a proposed world granary that famine-stricken nations could draw upon.

The debate includes concern over the impact of an American reserve on domestic prices, with the perennial conflict between farmers who want to sell for high prices and consumers who want to buy for low.

Although many food experts see a world grain reserve as essential in dealing with sporadic famines, most

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However, the experts note, upgrading agriculture in the poor countries will not be easy, because that effort would depend on ample supplies of fertilizer (and the petroleum from which much fertilizer is made), irrigation equipment and know-how, new credit mechanisms and continuing plant-breeding programs to adapt the better strains to local climatic conditions.

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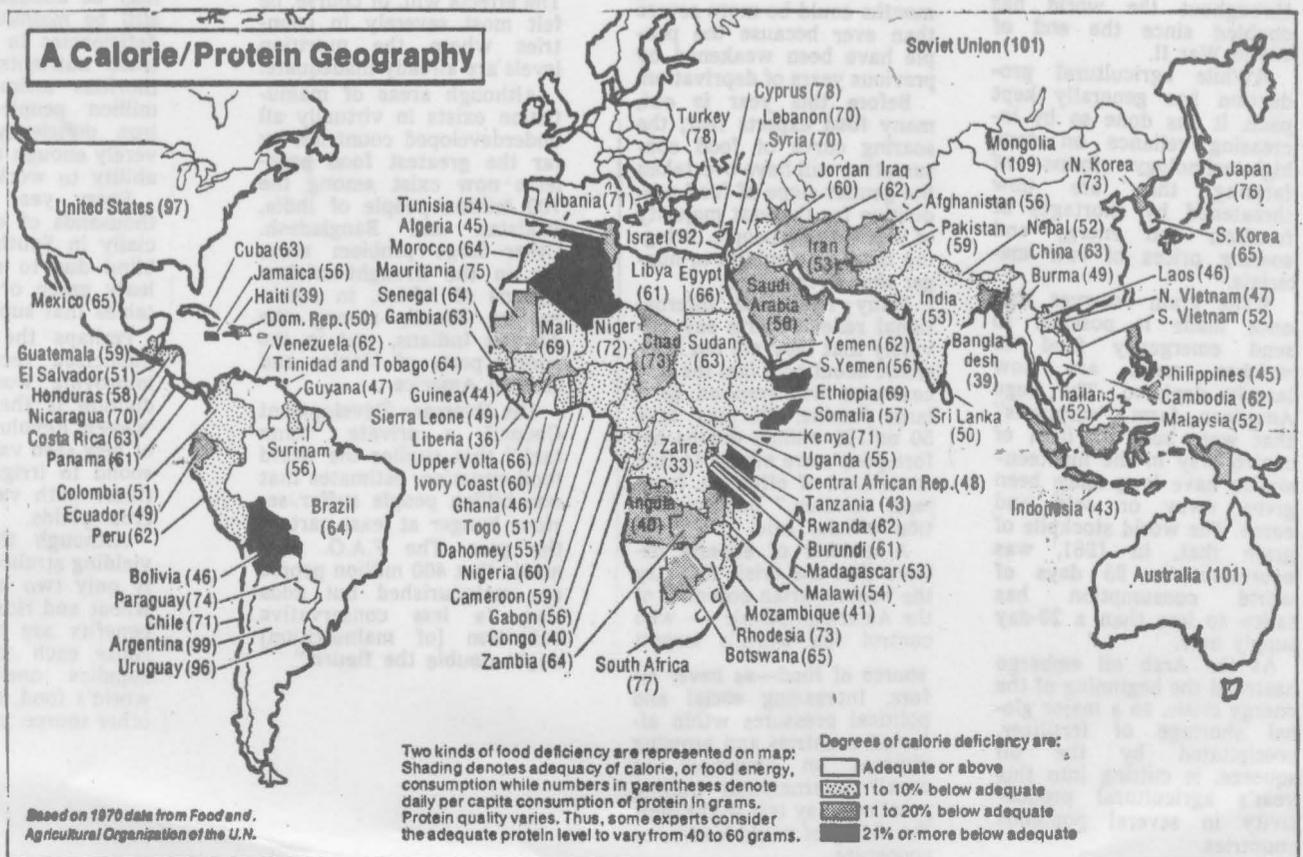
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Because of the great complexity of the food problem, and because of the increasing interdependence of nations in matters of food, fertilizer, energy and raw materials, many authorities see a need to develop new world institutions to deal effectively with the problems.

Even then, most experts are not sanguine. There remains the problem of population growth.

"I don't think there's any solution to the world food situation unless we get population stabilized," said Sterling Wortman, vice president of the Rockefeller Foundation. "Those of us who have been working to increase the food supply have never assumed we were doing any more than buying time."



Experts Ask Action to Avoid Millions of Deaths in Food Crisis

By **BOYCE RENSBERGER**

From drought-besieged Africa to the jittery Chicago grain market, from worried Government offices in Washington to the partly-filled granaries of teeming India, the long-predicted world food crisis is beginning to take shape as one of the greatest peacetime problems the world has had to face in modern times.

With growing frequency, a variety of leading individ-

This is another in a series of articles, which will appear from time to time, examining the world food situation.

ual experts and relevant organizations are coming forth to warn that a major global food shortage is developing.

They say it is almost certain to threaten the lives of many millions of people in the next year or two, and they urge international action to prevent a short-term crisis from becoming a chronic condition.

A Different Situation

While there have always been famines and warnings of famine, food experts generally agree that the situation now is substantially different for these reasons:

¶ World population is expanding by larger numbers each year, especially in the poor countries that are most susceptible of famine. Last year, the population increased by 76 million, the largest increase ever. The number of mouths to feed throughout the world has doubled since the end of World War II.

¶ While agricultural production has generally kept pace, it has done so by increasing reliance on new, high-technology forms of farming that are now threatened by shortages of fertilizer and energy and soaring prices of raw materials.

¶ The grain reserves that once made it possible to send emergency food to stricken areas are now largely depleted. The huge American farm "surpluses" that were such an item of controversy in the nineteen-sixties have long since been given away or sold and eaten. The world stockpile of grain that, in 1961, was equivalent to 95 days of world consumption has fallen to less than a 26-day supply now.

As the Arab oil embargo hastened the beginning of the energy crisis, so a major global shortage of fertilizer, precipitated by the oil squeeze, is cutting into this year's agricultural productivity in several populous countries.

Sooner Than Expected

The lack of fertilizer and rain and the untimely arrival of rains in some areas, are, in the view of many international food authorities, bringing the world to a food crisis sooner than had been expected a year or two ago.

The fertilizer shortage has already stunted the latest wheat crop in India and will likely reduce the succeeding crops so severely that by this autumn India could be experiencing a famine of sizeable proportions. Unless massive international aid is forthcoming, Norman Borlaug, the Nobel Prize-winning developer of high-yielding wheat, has forecast, from 10 million to 50 million persons could starve to death in India in the next 12 months.

His forecast is based on the calculated number of people the wheat shortfall would have fed plus a factor for the shortfalls expected in crops not yet harvested but lacking fertilizer and rain.

In other parts of Asia and in Latin America where supply has long barely met and sometimes failed to meet demand, people are beginning to experience unusually severe food shortages. The food that is available has become so costly that the meagerest of meals for millions of poor families take from 80 to 100 per cent of their incomes.

Experts Not Optimistic

And in Africa the long drought conditions. International relief agencies forecast that the effects in coming months could be more severe than ever because the people have been weakened by previous years of deprivation.

Before this year is out, many food experts fear, the soaring curve of food consumption will have overtaken the gentler slope of food production for the vast majority of the world's people, bringing more of mankind to hunger than ever before.

Many food and international relief experts say privately that they are not optimistic about how fast the rich countries will respond to a large famine. "It may take 50 or 100 million deaths before people are moved to find some kind of effective, long-term solution," one foundation official said.

A number of experts believe that the crisis may try the humanitarian potential of the American people — who control the world's largest

source of food—as never before. Increasing social and political pressures within affected countries and growing stresses on "business as usual" international trading practices may test to the limit the ability of world leaders to cooperate.

Addeke Boerma, director general of the United Nations' Food and Agriculture Organization, said that the international community must soon come to terms with "the stark realities facing the people of this planet."

"Remember," Mr. Boerma said, "that, for one thing, prolonged deprivation leads people to desperation. Desperation often leads them to violence. And violence, as we all know, thrives on enlarged prospects of breaking down restraints including those of national frontiers."

Norman Borlaug often warns of the same thing when he says, "You can't build peace on empty stomachs."

The growing food shortage began to become critical in 1972, when a lack of rain in many countries led to poor crops. World grain production fell 4 per cent, a significant drop because the demand for food grows by 2 per cent each year. Drought in the Soviet Union caused that country to buy in 1973 one-fourth of the United States wheat crop.

"This small change was

enough to cause violent responses in prices and shifting of foreign exchange expenditure and human suffering," said Lowell Hardin, head of agricultural programs for the Ford Foundation, a major supporter of agricultural research.

Poor weather this year, coupled with the fertilizer shortage, is expected to limit crop yields sharply again. The effects will, of course, be felt most severely in countries where the nutrition levels are already inadequate.

Although areas of malnutrition exists in virtually all underdeveloped countries, by far the greatest food problems now exist among the 700 million people of India, Pakistan and Bangladesh. Other large problem areas are in the drought-stricken regions of Africa, in northeastern Brazil, among the Andean Indians, and in the poorer parts of Mexico and Central America.

The Overseas Development Council, a private "think tank" that studies the world food situation, estimates that one billion people suffer serious hunger at least part of the year. The F.A.O. estimates that 400 million people are malnourished but adds that "a less conservative definition [of malnutrition] might double the figure."

According to the World

Health Organization, ten million children under the age of 5 are now chronically and severely malnourished, and 90 million more are moderately affected. While undernourished children may remain alive for a while, they are extremely vulnerable to minor infectious diseases.

"Where death certificates are issued for preschool infants in the poor countries, death is generally attributed to measles, pneumonia, dysentery or some other disease when, in fact, these children were probably victims of malnutrition," said Lester Brown, senior fellow of the Overseas Development Council.

W.H.O. figures show that of all the deaths in the poor countries, more than half occur among children under five, and that the vast majority of these deaths, perhaps as many as 75 per cent, are due to malnutrition complicated by infection.

While most people recognize that protein deficiency is a major problem, few appreciate that many people also suffer from a lack of starchy foods, which supply calories for energy.

Below the Minimum

"Average calorie intake in countries containing close to two-thirds of the world's people is below the nutritional minimum required for normal growth and activity," Dr. Brown said.

Even in countries where protein and calorie intake may be adequate, there can still be malnutrition due to deficiencies in one or more trace nutrients. W.H.O. authorities estimate that 700 million people now suffer iron deficiency anemia severely enough to impair their ability to work.

Every year hundreds of thousands of children, especially in Southeast Asia, go blind due to a lack of the leafy green or yellow vegetables that supply vitamin A.

Perhaps the most widely publicized recent hope for improving world food production is the controversial "Green Revolution," the use of new seed varieties that respond to irrigation and fertilizer with vastly increased crop yields.

Although the new, high-yielding strains involve mainly only two kinds of crops, wheat and rice, the potential benefits are significant because each of these grains supplies one-fifth of the world's food, more than any other source, plant or animal.

(OVER)

In Asia, where the situation is most critical, cereal grains, meaning wheat and rice almost exclusively, supply 74 per cent of the calories consumed. In North America, cereal grains supply only 24 per cent of the caloric intake. The difference is that North Americans and, increasingly Europeans and Japanese, consume large quantities of meat, milk and vegetables.

However, because much of the meat and dairy products consumed in the United States require grain for their production, the average American diet requires about five times as much grain to be grown as does the average Indian diet.

The "Green Revolution" has been criticized as giving all the advantages to large-scale high-technology farmers who then squeeze out their smaller competitors. Because most of the world's farmers have been too poor to buy irrigating equipment and fertilizer and too isolated to get the needed technical advice, they have not taken advantage of the new farming methods as readily as have wealthier farmers.

New Credit Sought

For these and other reasons, Green Revolution farming has not been practiced on one-half the arable land in any developing country, and in most of those countries it has been used on less than one-tenth the farmland.

Thus, agricultural researchers like Mr. Borlaug note, the full gains to be made through the Green Revolution have yet to be realized. Efforts are now under way through many agencies to develop credit mechanisms for small farmers to enable them to invest higher yields and to improve the teaching of new farming methods to small farmers.

In small countries where this has been done, such as Taiwan, where the average farm size is 2½ acres, it has been found that small farms outproduce the huge "agribusiness" farms of the United States. American farms yield an average of 3,050 pounds of grain per acre per year, Taiwanese farmers get 3,320 pounds.

While a long-term solution of the world food crisis depends on fundamental changes in the policies and practices of most small countries, the short-term solutions, many authorities feel, depend more on United States policy.

From the mid-nineteen-fifties to the nineteen-seventies, while the United States Government was buying surplus grain to keep market prices up, much of the developing world relied on this excess production to prevent famine. Through a change in Department of Agriculture policy, American grain reserves have now been largely eliminated.

To an extent greater than many people realized, it was American surpluses that stood as the world's buffer between enough to eat and famine. Now there is considerable controversy over whether the United States should re-establish large grain reserves or, as an alternative, contribute to a proposed world granary that famine-stricken nations could draw upon.

The debate includes concern over the impact of an American reserve on domestic prices, with the perennial conflict between farmers who want to sell for high prices and consumers who want to buy for low.

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agree that, for the long range, even the vast productivity of American farms cannot forever make up the world's food deficits. Population is growing too large.

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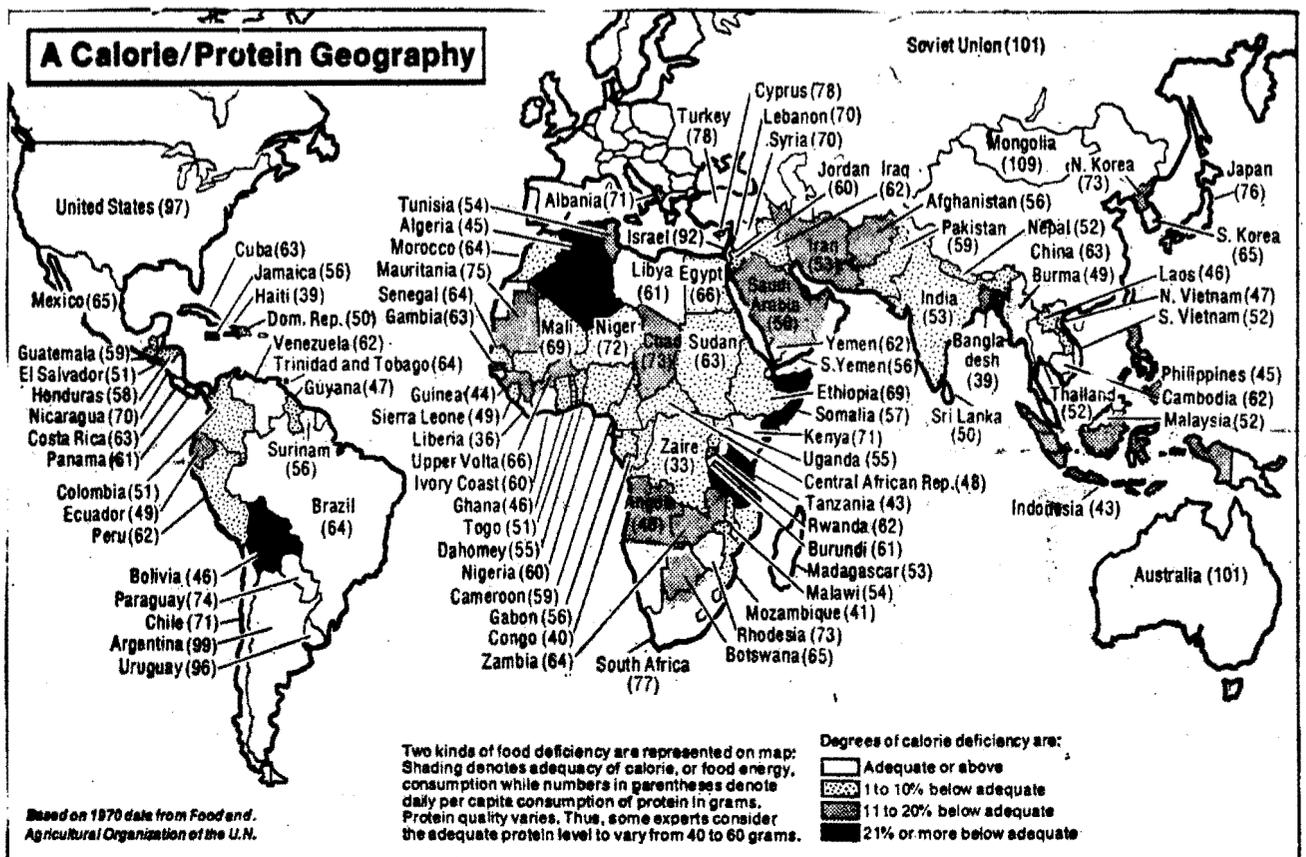
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Credit Discrimination Against Women: Causes and Solutions

Margaret J. Gates*

I. INTRODUCTION

It is true that many women are unmarried and not affected by any of the duties, complications and incapacities arising out of the married state, but these are exceptions to the general rule. The paramount destiny and mission of women are to fulfill the noble and benign offices of wife and mother. This is the law of the Creator. And the rules of civil society must be adapted to the general constitution of things, and cannot be based upon exceptional cases.¹

Although the "general constitution of things" has changed since the Supreme Court denied Myra Bradwell admission to the bar, the above rationale concerning married women is regularly used, if not articulated, in denying women equal credit opportunity. In the face of hard evidence to the contrary, many creditors assume that virtually all women will marry, have children, leave the work force, and therefore fail to meet their financial obligations.

When women marry they become economic nonentities in the eyes of the credit establishment; when they are subsequently divorced or widowed they emerge as unknowns in an increasingly credit oriented society. This pattern occurs whether or not a wife works outside the home or is, in fact, the principal wage earner in her family. The current campaign for equal credit opportunity acknowledges that the wife who does not work outside her home is nevertheless an equal partner in the economic unit of her marriage, but it recognizes that unless she has property or income of her own

she will not be considered creditworthy.² It focuses primarily on the working wife because a woman who works for wages, often in addition to caring for a home and children, should have the same opportunity to obtain credit or a loan as does a man.

This article deals both with the laws that cause credit discrimination against women and with those that have been and could be formulated to solve the problem. It first explains the nature and importance of the problem, then discusses the apparent legal and economic bases of the discrimination, and finally explores the adequacy of existing and proposed remedies.

II. THE PROBLEM

The availability of credit to women is vital to the upgrading of their economic status because it determines their access to education,³ homeownership, entrepreneurship, and investment, as well as their ability to provide for the more immediate needs of their families.

It is the married, or formerly married, woman who appears to be the prime victim of sex discrimination in credit. As a result, the female-headed household and the family with a working wife are most affected; and disproportionately so affected are black and other minority families.⁴

Based on testimony which it heard in May 1972 the National Commission on Consumer Finance (NCCF) found that women have more difficulty than men in obtaining credit and identified these five problem areas:⁵

2. Those community property states (Arizona, New Mexico, Washington) that have recently amended their laws so as to provide husband and wife with equal management and control rights over the community have made it possible, for the first time, for a nonworking wife to be considered creditworthy. Although her contribution to the community is services and not income, she has power to obligate the community without her husband's consent. See Appendix A.

3. In addition to other credit problems discussed in this article, women obtain fewer loans for educational purposes. In 53 out of the 54 jurisdictions participating in the federal Guaranteed Student Loan Program, women have received fewer loans than men. For example, in Alabama male-female distribution is 63.8-35.6; in Arizona 79.2-20.6; in California 70.4-29.4; in Illinois 77.9-21.8; in New York 63.2-36.7; in Utah 79.1-20.8. HEW, REPORT OF THE GUARANTEED STUDENT LOAN PROGRAM, DISTRIBUTION OF CUMULATIVE LOANS AS OF JUNE 30, 1972 (May 14, 1973).

4. "The problems faced by the woman who heads a household are particularly acute if the woman is black, and 27 percent of women heading households are black." ECONOMIC REPORT OF THE PRESIDENT 108 (1973).

5. NATIONAL COMMISSION ON CONSUMER FINANCE, CONSUMER CREDIT IN THE UNITED STATES 152-53 (1972), reprinted in CCH INSTALLMENT CREDIT GUIDE No. 215 (1973).

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1. Bradwell v. The State, 83 U.S. (15 Wall.) 130, 141-42 (1872).

1. Single women have more trouble obtaining credit than single men. (This appeared to be more characteristic of mortgage credit than of consumer credit.)
2. Creditors generally require a woman upon marriage to reapply for credit, usually in her husband's name. Similar reapplication is not asked of men when they marry.
3. Creditors are often unwilling to extend credit to a married woman in her own name.
4. Creditors are often unwilling to count the wife's income when a married couple applies for credit.
5. Women who are divorced or widowed have trouble re-establishing credit. Women who are separated have a particularly difficult time, since the accounts may still be in the husband's name.

The report of the Senate Committee on Banking, Housing and Urban Affairs that accompanies the Equal Credit Opportunity Act listed thirteen specific practices that discriminate on the basis of sex and/or marital status, the first five of which parallel those documented by the Commission.⁶ Five of the remaining offensive practices result from the unwillingness of creditors to acknowledge the creditworthiness of a working wife and include: refusing to issue her an account for which she would be eligible were she not married; requesting information concerning her husband's creditworthiness before doing so; considering her a "dependent" of her husband when calculating his eligibility for credit; applying stricter standards when the wife rather than the husband is the primary wage-earner; and altering her credit rating on the basis of her husband's credit performance. Additionally, the committee cited three other policies that it considered objectionable: the arbitrary refusal to consider alimony and child support as income for credit purposes when the reliability of the source is subject to verification; requesting information concerning birth control practices when evaluating a credit application; and finally, the use of credit scoring systems that apply different numerical values depending on the sex or marital status of the applicant. Statements before the NCCF and other governmental bodies⁷ that document these problems have been largely anecdotal. The cumulative force, however, when added to hundreds of unsolicited complaints to women's groups⁸ and the results of sev-

6. SENATE COMM. ON BANKING, HOUSING AND URBAN AFFAIRS, TRUTH IN LENDING ACT AMENDMENTS, S. REP. No. 278, 93d Cong., 1st Sess. 16-17 (1973).

7. See *Testimony before the Federal Deposit Insurance Corporation* (Dec. 19-20, 1972); CREDIT REPORT OF THE PENNSYLVANIA COMMISSION ON THE STATUS OF WOMEN (Oct. 31, 1973); *Hearings on Discrimination in Finance Before the Governor's Commission on Women's Programs of Idaho* (May 12, 1972); *Testimony of Sharyn Campbell for the Commission on the Status of Women Before the Economic Development, Manpower and Labor Committee of the District of Columbia City Council* (June 7, 1973).

8. See *Statement of the National Organization for Women (NOW), Oversight Hearings*

eral informal surveys,⁹ shows that women do have cause to complain.¹⁰

III. THE CAUSES

There is no direct evidence that women are poorer credit risks than men. On the contrary, two studies show that women are more likely than men to pay their debts.¹¹ Bankers who have reviewed their own past accounts for the purpose of developing numerical credit scoring systems have found that sex is not relevant to risk determination.¹² Women as a class are economically disadvantaged

on 15 U.S.C. §§ 1601-81(t) (1970) *Before the Subcomm. on Consumer Affairs of the House Comm. on Banking and Currency*, 93d Cong., 1st Sess. (Nov. 13, 1973) [hereinafter cited as *Oversight Hearings*].

9. See Report based on a joint survey of the Women's Legal Defense Fund, Inc. & the Government of the District of Columbia Commission on the Status of Women, Residential Mortgage Lending Practices of Commercial Banks, Savings and Loan Associations and Mortgage Bankers (Aug. 1972); Report based on a joint survey of the Women's Legal Defense Fund, Inc. & the Government of the District of Columbia Commission on the Status of Women, Credit Policies of Bankers (Aug. 1972); Report based on a joint survey of the Women's Legal Defense Fund, Inc. & the Government of the District of Columbia Commission on the Status of Women, Credit Policies of Department Stores in the Metropolitan Washington Area (Aug. 1973); St. Paul Department of Human Rights, Installment Loan Survey of St. Paul Banks (1972); North Carolina Public Interest Research Group, Short-Changed—Sex Discrimination in Consumer Credit (Oct. 1973); Oregon Student Public Interest Research Group, No Credit for Women (Feb. 1973).

10. Eugene Adams, then President of the American Banking Association, in a speech reprinted in *The Am. Banker*, June 25, 1973, at 22, col. 3 said "I think we have to acknowledge that banks, along with the rest of the credit industry, do in fact discriminate against women when it comes to granting credit. The question then becomes, is that discrimination justified?"

11. A study in the mid-1960's, which measured risk on installment credit, found that for both married and single women the bad account probability was substantially lower than for men with the same marital status. Smith, *Measuring Risk on Installment Credit*, 2 MANAGEMENT SCIENCE 327-40 (1964). The author of an earlier study concluded: "The classification of borrowers by sex and marital status indicates that women are better credit risks than men; and the superiority appears to be statistically significant." D. DURAND, *Risk Element in Consumer Installment Financing*, NATIONAL BUREAU OF ECONOMIC RESEARCH, TECHNICAL EDITION 74 (1941). Similar results were reported by the director of an organization providing home improvement loans to elderly and low income families. Many of the loans have gone to women who are heads of households. They as well as the other program beneficiaries were considered high risks and were therefore unable to get conventional financing. The program has a delinquency rate of only 4%; there have been no foreclosures. Most significantly, of the families headed by women, the delinquency rate is estimated as 2%. The program's director believes that female-headed families "demonstrate better fiscal responsibility than other households." Letter from Thomas A. Jones, Executive Director, Neighborhood Housing Services, Inc., to Jane Chapman, Co-Director, Center for Women Policy Studies, April 18, 1973.

12. Interviews with James L. Smith, Senior Vice President, Security Pacific National Bank, in Washington, D.C., June 21, 1973, and Charles F. Hayward, Vice President, First National City Bank, in New York, N.Y., December 7, 1973.

in that they have more difficulty finding work,¹³ are paid less for what they do,¹⁴ and are generally relegated to jobs with little opportunity for advancement.¹⁵ This unfortunate fact explains why fewer women than men obtain loans and credit, but it does not justify the denial of credit to a woman who, by all objective criteria, is as qualified as a man who obtains credit.¹⁶

The credit industry has suggested that state laws prevent it from dealing with women on the same basis as men.¹⁷ Most of the laws that have been identified as having this effect, however, do not apply to women in general, but only to married women. Furthermore, the industry's belief persists in spite of the fact that every state has a law, usually entitled a Married Women's Property Act, that was enacted to nullify the common-law disabilities of married women.¹⁸ Typically, these statutes provide that wives may contract, buy and sell property, and conduct business as though they were not married. Standing alone, these acts would establish the intent of the legislatures that married women be considered legally capable of entering into any financial agreement.¹⁹ Nevertheless, other laws are cited as obstacles to that end. Domestic relations laws requiring husbands to support their wives, community property laws, and multiple agreements laws are most often mentioned as adversely affecting the creditworthiness of married women.

A. *Support Laws.* In every state husbands are required by law

13. Tables of the national employment rates for workers 20 years and over show that in 1972 5.4% of the women were unemployed as compared to 4.0% of the men. In 1971 the ratio was 5.7% to 4.4%, in 1970 4.8% to 3.5%, and in 1969 3.7% to 2.1%. MANPOWER REPORT OF THE PRESIDENT 17 (1973).

14. WOMEN'S BUREAU, EMPLOYMENT STANDARDS ADMINISTRATION, DEP'T OF LABOR, WOMEN WORKERS TODAY 6 (1973).

15. "Women are more apt than men to be white-collar workers, but the jobs they hold are usually less skilled and pay less than those of men. Women professional workers are most likely to be teachers, nurses and other health workers, while men are most frequently employed in professions other than teaching and health. Women are less likely than men to be managers and officials, and are far more likely to be clerical workers." *Id.* at 5.

16. See *Statement of Jane R. Chapman, Co-Director, Center for Women Policy Studies, Hearings on Economic Problems of Women Before the Joint Economic Comm.*, 93d Cong., 1st Sess. (July 12, 1973).

17. E.g., *Testimony of Matthew Hale, Counsel for the American Bankers Association, Hearings on the Availability of Credit to Women Before the National Commission on Consumer Finance* 3 (May 23, 1972).

18. L. KANOWITZ, *WOMEN AND THE LAW, THE UNFINISHED REVOLUTION* 40 (1969).

19. Maryland, in addition to enacting laws prohibiting discrimination in credit, amended its Married Woman's Property Act to remove confusion in its interpretation by adding the following sentence: "The provisions of this section apply to all contractual relations entered into by married or unmarried women, including retail installment sales or retail credit accounts as defined in Article 83 of this Code." MD. ANN. CODE art. 45, § 5 (Supp. 1973).

to support their wives.²⁰ These laws were enacted at a time when married women did not ordinarily work outside the home and served the purpose of preventing women from becoming wards of the state. They affect credit practices by permitting a merchant to sell goods to a married woman and then look to her husband for payment.²¹

The presumption that the husband is obligated to pay for his wife's "necessaries" need not stand in the way of her establishing credit in her own name. A wife can bind herself alone simply by making it clear in her agreement with the seller that she is undertaking to pay the debt from her separate property. A court is not apt to disturb such a contract by permitting the creditor to recover against the husband. For example, in *Almon v. R. H. Macy & Co.*²² the court held:

In the absence of the husband's signature we think that the legal consequence of the document signed only by the wife is to bind the wife separately and to extend credit solely to her and excludes as a basis of recovery the theory of agency of the wife to purchase necessaries. This agreement does not purport to be a contract by the plaintiff to give credit to the husband for the purchase of necessaries by the wife. The only legal conclusion is that credit was extended solely to the wife in which case the husband is not liable even for the purchase of necessaries.²³

In twenty-two states creditors have obtained the enactment of Family Expense Acts. Generally, they make it possible for the creditor to seek payment from either husband or wife for "family expenses" regardless of which spouse made the purchase.²⁴ In these states, at least, it is clear that the law does not prevent a creditor from collecting from a married woman those debts she has undertaken, as well as family expenses that her husband has charged.

Quite likely, the reason creditors are reluctant to extend credit to a married woman is not that they believe it to be inconsistent with the law or that they fear collection problems. It is more apt to be that it is expensive for them to open two accounts per family and,

20. These principles of support are largely judge-made, although some states have codified the common law duty of the husband to support his wife. See H. CLARK, *LAW OF DOMESTIC RELATIONS* 182 (1968).

21. When this doctrine arose, married women were under the common-law disability of being unable to contract, and it was necessary for the protection of creditors that the law find a way to establish that a wife's purchases would result in a binding contract for payments between the husband and the creditor.

22. 106 Ga. App. 123, 126 S.E.2d 641 (1962).

23. *Id.* at 125, 126 S.E.2d at 643. See also *Swanson v. Hutzler Bros. Co.*, 135 A.2d 151 (D.C. 1957); *Waxelbaum v. Citizens & Southern Nat'l Bank*, 120 Ga. App. 312, 170 S.E.2d 333 (1969); *Saks & Co. v. Nager*, 74 Misc. 2d 855, 345 N.Y.S.2d 883 (1973).

24. See H. CLARK, *LAW OF DOMESTIC RELATIONS* 186-87 (1968).

as between the husband and the wife, they prefer to deal with the man.²⁵

B. Community Property laws. Eight states chose property systems from the civil codes of continental Europe rather than from the common law.²⁶ The civil law made the husband the manager of all property acquired by him or his wife during their marriage,²⁷ but most community property states have modified their laws to allow married women to control at least their own earnings.²⁸ These changes have been recent and are in some cases the result of the passage of state equal rights amendments.²⁹ Only in Louisiana is a woman still not permitted to obligate her own income.³⁰ In California, however, a woman may lose control of her earnings if she commingles them with community property managed exclusively by the husband.³¹ These laws are, of course, taken into consideration when evaluating the creditworthiness of a married woman.³²

C. Multiple Agreement Laws. The Report of the National Commission on Consumer Finance points out that "most state statutes fixing a graduated rate ceiling on consumer credit transactions usually prohibit the maintenance by creditors of separate accounts for husband and wife [in order to] minimize the aggregate finance charge."³³ Examples of these statutes are the Uniform Consumer Credit Code and the Uniform Small Loan Law. Under the UCCC, with respect to consumer loans whose finance charge exceeds eighteen percent, "no lender may permit any person, or husband and wife, to become obligated in any way under more than one loan

25. A spokesman for Sears, Roebuck and Company says that it is very expensive for Sears to keep 2 accounts for one family and adds, "We discourage married women from opening their own accounts, but if they push us on it, we'll go along." *BUSINESS WEEK*, Jan. 12, 1974, at 77.

26. ARIZ. REV. STAT. ANN. § 25-211 *et seq.* (Supp. 1973); CAL. CIV. CODE § 5124 *et seq.* (West 1970); IDAHO CODE ANN. § 32-912 *et seq.* (1963); LA. CIV. CODE art. 2402 *et seq.* (West 1971); NEV. REV. STAT. ANN. §§ 123.190, 123.230 (1973); N.M. STAT. ANN. § 57-4A-2 *et seq.* (1973); TEX. FAMILY CODE § 5.22 (1972); WASH. REV. CODE § 26.16.030 (Supp. 1972). See Appendix A.

27. W. DEFUNIACK, *PRINCIPLES OF COMMUNITY PROPERTY* 322 (1943).

28. See Appendix A.

29. N.M. CONST. art. 11, § 18 (1973); TEX. CONST. art. 1, § 3a (1972); WASH. CONST. art. xxx1, § 1 (1972).

30. LA. CIV. CODE art. 2404 (West 1971).

31. CAL. CIV. CODE § 5124 (West 1970).

32. In a community property state a woman may maintain control of her earnings and property that she buys after marriage by making an ante nuptial agreement concerning her property rights. See *e.g.*, LA. CIV. CODE art. 2325 & art. 2392 (1971).

33. REPORT OF THE NATIONAL COMMISSION ON CONSUMER FINANCE, *CONSUMER CREDIT IN THE UNITED STATES* 153 (1972), reprinted in *CCH INSTALLMENT CREDIT GUIDE* No. 215 (Jan. 15, 1973).

agreement . . . with intent to obtain a higher rate of loan finance charge than would otherwise be permitted"³⁴ The Uniform Small Loan Law, which establishes for small loans maximum rates of charges in excess of those permitted under usury laws, contains the following two sections:

Section 13(a). Every licensee hereunder may contract for and receive, on any loan of money not exceeding \$300 in amount, charges at a rate not exceeding 3 percent a month on that part of the unpaid principal balance of any loan not in excess of \$100, and 2 percent a month on any remainder of such unpaid principal balance. No licensee shall induce or permit any person, nor any husband or wife, jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time, for the purpose of obtaining a higher rate of charge than would otherwise be permitted by this section.

Section 15. No licensee shall directly or indirectly charge, contract for, or receive a greater rate of interest than upon any loan, or upon any part or all of any aggregate indebtedness of the same person, in excess of \$300. The foregoing prohibition shall also apply to any licensee who permits any husband and wife, jointly or severally, to owe directly or contingently or both to the licensee at any time a sum of more than \$300 for principal.³⁵

The purpose of these laws is to prevent creditors, when graduated rate ceilings are applicable, from exacting more interest from a couple by having two high interest accounts rather than one at a lower rate. For example, under section 13(a), if a husband borrows 150 dollars, he will pay a rate of three percent a month on one hundred dollars and two percent a month on fifty dollars. If his wife were to borrow 150 dollars, she would, without this statute, also pay three percent on the first one hundred dollars and two percent on the remaining fifty dollars. If, however, the two loans were treated as one, as they would have to be under this statute, they would pay three percent on one hundred dollars and two percent on the remaining 200 dollars. Without such a statute, therefore, creditors could require separate accounts for husband and wife and thereby frustrate the rate ceilings imposed by law. While these laws serve the public interest by protecting consumers from unscrupulous credit practices, they may have the additional unfortunate effect of preventing a spouse from having a separate account or loan where

34. UNIFORM CONSUMER CREDIT CODE § 3.509. The UCCC has been enacted in Colorado, Idaho, Indiana, Kansas, Oklahoma, Utah, and Wyoming. The multiple agreement provisions governing credit sales (§ 2.402) and other loans (§ 3.409) do not treat husband and wife as one person. One commentator believes these omissions to be oversights rather than intentional. W. WILLIER & F. HART, *CONSUMER CREDIT HANDBOOK* 58 (1969).

35. UNIFORM SMALL LOAN LAW (7th Draft June 1, 1942). Some states enacted § 15 of the sixth draft, which does not include the provision on husband and wife. See B. CURRAN, *TRENDS IN CONSUMER CREDIT LEGISLATION* 21 (1966).

accommodations,⁵⁵ and the Illinois law covers only retail credit or credit cards.⁵⁶ Nine state nondiscrimination statutes apply to public accommodations and expressly or implicitly cover only some credit establishments.⁵⁷

The enforcement provisions of these laws fall into two basic categories: those that extend a private right of action for damages,⁵⁸ and those that provide for an administrative remedy.⁵⁹ The Oregon, Washington, Massachusetts, and District of Columbia laws include both provisions and permit the complainant to choose which to pursue. Three states explicitly provide for injunctive relief in addition to one of the above remedies,⁶⁰ and Wisconsin has a criminal sanction of a 1,000-dollar fine instead of the right to a civil action. The Illinois law was enacted without any enforcement provisions. Six states provide for attorneys' fees and/or court costs⁶¹ and punitive damages may be awarded in Oregon and Florida.

C. *Existing Federal Remedies.* Unlike the reform of property laws, legal prohibitions against discriminatory credit practices do not have to be left to the states. The federal government has legislative authority under the commerce clause to control credit practices.⁶² Prior to a discussion of proposed federal legislation, it is useful to explore existing federal remedies in order to assess their adequacy and the consequent need for legislation.

1. *Constitutional Litigation.* At least one suit, *Hoberman v. Manufacturers' Hanover Trust Co.*,⁶³ has been filed⁶⁴ in a federal court challenging the discriminatory credit practice of discounting a married woman's income for the purpose of computing family income for a home mortgage. The cause of action in *Hoberman* arose in New York where at that time the Executive Law forbade sex, but not marital-status, discrimination by banks in mortgage lending

and provided an administrative remedy.⁶⁵ Plaintiff's attorneys, however, preferred the forum of a federal district court to the cumbersome state administrative process.⁶⁶ Plaintiffs allege discrimination on the basis of sex in violation of the fourteenth and fifth amendments, and an important threshold issue is whether sufficient state and federal involvement to raise claims under these amendments exists.⁶⁷ Plaintiffs are expected to argue that because the defendant bank's activities are regulated by both state and federal agencies, the requisite "state action" is present.⁶⁸ Assuming that state action will be found, the *Hoberman* decision will turn on whether defendant's justifications for discounting the income of a married woman can withstand the degree of scrutiny that the court chooses to apply to a classification according to sex.⁶⁹

2. *Regulation by Federal Agencies.* The issue being litigated in *Hoberman* is subject to regulation by several federal agencies. On December 17, 1973, the Federal Home Loan Bank Board published a policy statement concerning nondiscrimination by its member organizations.⁷⁰ The guidelines required that "[e]ach loan applicant's credit worthiness . . . be evaluated on an individual basis without reference to presumed characteristics of a group,"⁷¹ and they specifically discourage the discounting of a working wife's income.⁷² The Board found that "such discrimination is contrary to

65. New York Executive Law § 296(5) (e) (McKinney 1972), repealed by Act of Feb. 6, 1974, Bill No. A-9359, that specifically prohibits arbitrary discounting of a married woman's income.

66. Spokeswoman for the feminist law firm of Bellamy, Blank, Goodman, Kelly, Ross and Stanley, which represents plaintiffs and has received a foundation grant to litigate in the area of sex discrimination in credit.

67. Plaintiffs claim jurisdiction under 28 U.S.C. §§ 1331, 1337, 1343. They have pleaded violations of 42 U.S.C. §§ 1981, 1982, 1983. The court is asked to find state action for the purposes of § 1983 in the regulation of the bank by the New York State Banking Department and the Board of Governors of the Federal Reserve System.

68. While the requisite state action might be found in the case of a bank or savings and loan association, it is doubtful that other types of creditors could be reached on constitutional grounds. *But see, The Discredited American Woman: Sex Discrimination in Consumer Credit*, 6 CALIF. DAVIS L. REV. 61, 78-79 (1973).

69. The Supreme Court in its most recent application of the Equal Protection Clause to a sex discrimination case was divided as to whether the "rational basis" test or the "suspect classification" test should be employed. The majority found that even under the most lenient test the Air Force regulation denying to dependents of servicewomen benefits granted to dependents of servicemen was unconstitutional. Four Justices, however, did adopt the "suspect classification" test saying that sex discrimination, like racial discrimination, must be subjected to strict judicial scrutiny. *Frontiero v. Richardson*, 411 U.S. 677 (1973).

70. 38 Fed. Reg. 34653 (1973). The FHLBB regulates all federally chartered savings and loan associations as well as many other institutions. 12 U.S.C. §§ 1437-42 (1970).

71. 38 Fed. Reg. 34653 (1973).

72. *Id.*

55. Although discrimination in the granting of mortgage credit by banks can usually be covered under a public accommodations statute, language in the West Virginia law suggests that discrimination on the basis of sex in home financing is not prohibited. W. VA. CODE § 5-11-2 (1971).

56. ILL. PUB. ACT 78-839, § 1a, amending ILL. STAT. ANN. ch. 121 ½, § 385.

57. Alaska, District of Columbia, Kansas, New Jersey, New York, Oregon, South Dakota, Utah, West Virginia. See Appendix B.

58. California, Colorado, Florida, Texas, Utah. See Appendix B.

59. Alaska, Connecticut, Kansas, Maryland, Minnesota, New Jersey, New York, Rhode Island, South Dakota, West Virginia. See Appendix B.

60. California, Utah, Washington. See Appendix B.

61. Colorado, Florida, Massachusetts, Oregon, Texas, Washington. See Appendix B.

62. Consumer Credit Protection Act, 15 U.S.C. § 1601 *et seq.* (1970).

63. Civil No. 73-3279 (S.D.N.Y., filed July 26, 1973).

64. The case had not reached trial at the time of this writing.

the principle of, and may in fact violate, constitutional provisions which guarantee equal protection of the law for all persons."⁷³ Although it has no legislative mandate to deal specifically with sex discrimination, the Board said that it had issued the guidelines on discounting married women's income under its authority to enforce provisions of the Civil Rights Act of 1968,⁷⁴ which prohibits discrimination in housing against minority groups, because "a larger proportion of minority group families rely on the wife's income to afford housing and other necessities."⁷⁵

Other financial regulatory agencies—the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System and the Comptroller of the Currency—have been asked to issue rules prohibiting sex discrimination in lending policies.⁷⁶ The FDIC held hearings in December 1972 to consider the need for and its authority to issue such regulations. Although more than a year has elapsed, the FDIC has not yet announced its decision as to either issue.

The Federal Housing Administration (FHA)⁷⁷ and the Veterans Administration (VA)⁷⁸ provide mortgage insurance or guarantees for housing-related loans with low down payments. In 1965 the FHA revised its underwriting manual to include the following liberalized policy with respect to a wife's income:

The principal element of mortgage risk in allowing the income of working wives as effective income is the possibility of its interruption by maternity leave. Most employers recognize this possibility and provide for maternity leave, with job retention, as an inducement of employment. With strong motives for returning to work any failure to do so after maternity leave would probably be due to causes which would be unpredictable and would represent such a very small percentage of volume that it could be accepted as a calculated risk.⁷⁹

73. *Id.*

74. 42 U.S.C. §§ 3601-31 (1970).

75. 38 Fed. Reg. 34653 (1973).

76. In February and March 1972 the Center for National Policy Review filed comments on behalf of 30 civil rights and public interest groups with all these agencies arguing that the agencies have authority under the Constitution and the Housing Act of 1949 to promulgate regulations prohibiting sex discrimination. A petition for rulemaking was also filed before the Board of Governors of the Federal Reserve System by the Institute for Public Interest Representation of the Georgetown University Law Center, May 15, 1973.

77. 12 U.S.C. §§ 1702-06(d) (1970). The FHA, an agency of the Department of Housing and Urban Development, insures a variety of housing related loans whose loan-to-value ratios are low and are, therefore, more subject to default than those in which a large down payment has been made.

78. 38 U.S.C. §§ 201-44 (1970). The VA provides mortgage insurance on low down payment loans as well as other benefits to veterans.

79. VII FHA Underwriting Manual, Home Mortgages, § 71924.

In 1970 the FHA counted all of the wife's income in ninety-one percent of the loans actually extended for new single-family homes.⁸⁰ The percentage of applicants who were rejected as the result of discounting the wife's income is not known.

The VA, on the other hand, persisted until mid-1973 in a more restrictive policy⁸¹ and, in addition, obtained considerable adverse publicity because in order to comply with VA guidelines lenders were demanding affidavits from wives stating that they were practicing birth control and did not intend to have children.⁸² A VA circular dated July 18, 1973, urged lenders to adopt a new policy:

In consideration of present day social and economic patterns, the Veterans Administration will hereafter recognize in full both the income and expenses of the veteran and spouse in determining ability to repay a loan obligation. VA regional offices have been instructed that there shall not be any discounting of income on account of sex or marital status in making such determination.⁸³

The federal secondary mortgage markets—the Federal National Mortgage Association (FNMA)⁸⁴ and the Federal Home Loan Mortgage Corporation (FHLMC)⁸⁵—issued nondiscriminatory underwriting guidelines for use in their conventional mortgage purchase programs in 1971. The contract of FNMA (Fannie Mae) includes a warranty that the seller of the mortgage did not discriminate against the mortgagor on the basis of race, color, creed, religion, sex, age, or national origin, but it does not include marital status.⁸⁶ The FNMA also requires that, with respect to a wife's income, "[t]he key determination to be made is whether the circumstances reasonably indicate that the income, jointly or severally, will continue in a manner sufficient to liquidate the debt under

80. The Center for National Policy Review, The Catholic University of America, School of Law, Washington, D.C., Memorandum to the VA, VA's Restrictive Credit Practices—Comparative Analysis with Policies of Other Federal Agencies (April 1973).

81. DVB Manual M-26-1, Ch. 5, § IV, ¶ 5.11c(5) stated that a wife's income could be "considered" if facts indicated that it was reasonable to conclude that her employment would continue in the "foreseeable future."

82. *E.g., Wife Says Loan Tied to No-Child Vow*, Washington Post, Feb. 24, 1973 at A-1. In an information bulletin entitled *Wives' Income* (DVB 1B 26-73-1, Feb. 2, 1973), the VA said it did not require or condone solicitation of such affidavits.

83. DVB Circular 23-73-24, July 18, 1973, announcing Change 42; DVB Manual M-26-1, Ch. 5, § IV, Credit Standards.

84. 12 U.S.C. §§ 1716-19 (1970). FNMA is a secondary mortgage market for both conventional loans, *id.* § 1717(b)(2), and loans insured by FHA and VA, *id.* § 1717(b)(1). FNMA purchases mortgages from commercial and savings banks.

85. 12 U.S.C. §§ 1451-59 (1970). FHLMC, like FNMA, buys conventional FHA and VA mortgages, *id.* § 1454, but it deals primarily with federal savings and loan associations, federal home loan banks and state chartered banks which are members of the Federal Home Loan Bank system.

86. FNMA Conventional Selling Contract Supplement, § 701(s) (Nov. 1972).

the other spouse has already established credit. This circumstance falls most heavily on women because it is likely to be the husbands who have the established credit. The National Commission on Consumer Finance suggests that it is reasonable to permit husband and wife to have separate accounts if they so wish as long as full disclosure of possible additional costs is provided to them.³⁶

D. Divorce and Separation. Another form of discrimination believed to result from the legal structure is the plight of the divorced woman. In fact, however, this problem arises not from the law but from a series of sociological factors. Typically, the divorced woman has relied upon her husband's credit during her marriage; when she applies for her own charge accounts or a loan she is, as they say in the credit business, a "new face." If she is not fully employed and relies in part upon alimony or child support to meet the creditor's income requirements, she will probably be refused. Such payments by husbands are considered unreliable³⁷ even though in an individual case they may have been made regularly over a long period of time.

Many creditors deny accounts to divorced people because they believe that they are generally unstable and less reliable than married or never-married persons.³⁸ This belief is probably based on

36. REPORT OF THE NATIONAL COMMISSION ON CONSUMER FINANCE, CONSUMER CREDIT IN THE UNITED STATES 153 (1972), reprinted in CCH INSTALLMENT CREDIT GUIDE No. 215 (Jan. 15, 1973).

37. The Citizens' Advisory Council on the Status of Women, in its January 1972 memorandum, *The Equal Rights Amendment and Alimony and Child Support Laws*, cited one study which showed that within one year after the divorce decree, 38% of the husbands were in full compliance with the support order. The figure dropped to 28% for the second year, 26% for the third, 22% for the fourth, 19% for the fifth, and 17% for years 6 through 9. Such figures would indicate that those husbands who continued support payments for 6 years after the court order would continue steadily for the next few years.

38. For example, a report, *Credit Study by the Missouri Commission on the Status of Women*, done in 1973 states:

With respect to men obligated to pay their ex-wives court ordered support, alimony was considered a debt which reduced their income for credit purposes. This rationale did not follow through, however, with respect to the women who receive such support from their ex-husbands. For credit purposes from a woman's point of view, not only is alimony not considered "income," but it is also deducted as a liability, since, according to one bank officer, it is uncertain to continue. The result of this policy is discriminatory against both divorced women and men. For example, if a divorced man earns \$10,000 per year and pays support of \$2,000 per year, his income, assuming he has no other fixed debts, would be \$8,000. On the other hand, a divorced woman who works and receives a salary of \$8,000 per year and alimony of \$2,000 per year, would have an income of only \$6,000 for purposes of credit, whereas under the Missouri and federal tax laws, she would be treated as having an income of \$10,000 per year. The incredible explanation for this computation was that a woman would become accustomed to living on her salary plus the alimony and would have to make up those expenses from her regular salary when the alimony ceased.

experience with divorced men, since so few previously married women have credit. At least one bank has learned from studying its own experience that divorced women are good risks but a divorced man is twice as likely to default than a married man.³⁹ Nevertheless, the burden of this policy falls most heavily on women. A man need not notify his creditors of his change in marital status, but a woman, opening her own accounts for the first time will be required to state that she is newly divorced.

Divorced and separated women suffer the results of having been actually or ostensibly financially dependent on their husbands. If they have never supported themselves and are unable to do so, they may be justifiably denied credit. If, however, they have worked and contributed to the family income but failed to establish themselves as an independent economic entity in the credit market, they are likely to be treated unfairly when they try to develop a credit record as a divorced person.⁴⁰ It is for this reason that married women are now insisting on having accounts in their own names and credit bureau records separate from their husbands'.⁴¹

IV. SOLUTIONS

The above summary of the causes of credit discrimination against women is incomplete and oversimplified, but it is sufficient to indicate that there is no easy solution to the problem. Sex discrimination, like racial discrimination, is deeply rooted and persists in the face of strong governmental policy and implementing legislation to the contrary.⁴² Still, an attempt must be made to change all the conditions that contribute to the disadvantaged economic status of women. There are two major avenues of reform through law. State laws that give rise to the problem can be amended, and nondiscriminatory treatment can be mandated at the state and/or federal level.

A. Amendment of State Laws. It is unlikely that significant reform will be effected through the amendment of state laws. Not

39. Interview with Charles Hayward, Vice President, First National City Bank, in New York, N.Y. December 7, 1973.

40. See Campbell, *Women and Credit*, in *MANUAL OF THE NATIONAL ORGANIZATION FOR WOMEN* 1 (1973).

41. In 1973 The Baltimore Women's Law Center, in cooperation with the Baltimore City Women's Political Caucus, succeeded in negotiating a policy change on the part of the Credit Bureau of Baltimore which will now, upon request, maintain a separate file for each spouse.

42. This fact is evidenced by the experience of the Equal Employment Opportunity Commission in enforcing Title VII of the Civil Rights Act of 1964 which prohibits employment discrimination on the basis of race or sex.

only do many of the laws commonly believed to inhibit the extension of credit not in fact do so, but also, such statutes are confined to a few states. Moreover, since such statutes frequently serve some other public interest, they are not likely to be repealed.

Laws that require a husband to support his wife should not prevent a creditor from extending credit to a married woman in her own name. Nevertheless, because some state courts might interpret them to be an obstacle, it is helpful to know that the equal rights amendment⁴³ (ERA) to the Constitution, if ratified, will require that support laws be rewritten so that they do not discriminate on the basis of sex.⁴⁴

Community property laws will also be affected by the ERA⁴⁵ and have already undergone change in states that have enacted equal rights amendments to their own constitutions.⁴⁶ Arizona has completely revised its community property laws to give women equal management powers even though it has not enacted an equal rights amendment.⁴⁷

State property laws that favor one spouse over the other are subject to challenge in federal courts. In *Reed v. Reed*,⁴⁸ the Supreme Court struck down an Idaho statute⁴⁹ that provided for a mandatory preference of men over women when persons of equal relation to an intestate decedent apply for appointment as administrator of the estate. The Court posed the issue, whether a rational basis exists between the difference in the sex of competing applicants for letters of administration and the state objective of reduc-

ing the workload of its probate courts by eliminating a hearing. The Court held that:

To give a mandatory preference to members of either sex over members of the other, merely to accomplish the elimination of hearings on the merits, is to make the very kind of arbitrary legislative choice forbidden by the Equal Protection Clause of the Fourteenth Amendment; and whatever may be said as to the positive values of avoiding intrafamily controversy, the choice in this context may not lawfully be mandated solely on the basis of sex.⁵⁰

Laws conclusively vesting the management of community property in the husband rather than the wife seem to be similar violations of the equal protection clause.⁵¹

Multiple agreement laws, which prevent women from opening accounts or obtaining loans from creditors with whom their husbands have already established credit, are not being revised. Because these laws do operate in the public interest, attempts to repeal them would likely meet opposition. Moreover, it should not be expected that any or all of these changes would substantially correct the difficulties women face in obtaining credit. For example, in the past two years Washington has not only revised its community property law and enacted a state equal rights amendment, but has, in addition, passed a comprehensive credit law.⁵²

B. State Laws Prohibiting Discrimination in Credit Practices. Twenty-two states and the District of Columbia now have laws prohibiting sex discrimination in the extension of credit; most of these states also prohibit marital status discrimination.⁵³ Because the majority of these laws were enacted less than a year ago, it is difficult to evaluate their effectiveness at this time, but a few observations can be made.

Many of these state laws do not prohibit all the types of discrimination identified in Part II. For example, the statutes of six states apply only to sex discrimination and therefore might not be interpreted to include some of the offensive practices that affect married women.⁵⁴ The West Virginia law applies only to public ac-

43. The operative language reads: "Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex." H.R.J. RES. 208, 92d Cong., 1st Sess. (1971); S.J. RES. 8, 92d Cong., 1st Sess. (1971).

44. See Brown, Emerson, Falk & Freedman, *The Equal Rights Amendment: A Constitutional Basis for Equal Rights for Women*, 80 YALE L.J. 871, 944-46 (1971). The following states, however, have Equal Rights provisions in their own Constitutions, and there is no indication that these provisions have altered domestic relations law: ALASKA CONST. art. 1, § 3; COLO. CONST. art. 2, § 29; HAWAII CONST. art. 1, § 4; ILL. CONST. art. 1, § 18; MD. CONST. DECLARATION OF RIGHTS, art. 46; N.M. CONST. art. 2, § 18 (Supp. 1973); PA. CONST. art. 1, § 27 (Supp. 1973); TEX. CONST. art. 1, § 3a (Supp. 1974); UTAH CONST. art. 4, § 1; VA. CONST. art. 1, § 11; WASH. CONST. amend. 61; WYO. CONST. art. 1, §§ 2, 3, art. 6, § 1.

45. Brown, Emerson, Falk & Freedman, *supra* note 44, at 946-49.

46. In Washington and in New Mexico, with the exception in the latter state of commercial community personal property, the wife shares with the husband equal management, control and disposition rights over community property. N.M. STAT. ANN. § 57-4A-7.1 to -8 (Supp. 1973); WASH. REV. CODE ANN. § 26.16.030 (Supp. 1972).

47. ARIZ. REV. STAT ANN. § 25-214 (Supp. 1973).

48. 404 U.S. 71 (1971).

49. IDAHO CODE § 15-314 (1948) provided: "Preferences.—Of several persons claiming and equally entitled to administer, males must be preferred to females, and relatives of the whole to those of the half blood."

50. 404 U.S. at 76-77.

51. Bilbe, *Constitutionality of Sex-Based Differentiations in the Louisiana Community Property Regime*, 19 LOYOLA L. REV. 373 (1972-73).

52. WASH. REV. CODE ANN. § 26.16.030 (Supp. 1972) (property); WASH. REV. CODE ANN. ch. 141, § 5 (Supp. 1973), amending WASH. REV. CODE ANN. § 49.60 (1962) (credit); WASH. CONST. art. XXXI, § 1 (equal rights amendment).

53. See Appendix B.

54. Alaska, Kansas, South Dakota, Texas, Utah and West Virginia. Both Colorado and Minnesota have separate statutes for consumer credit and home financing. Marital status is covered only under the home financing statutes. See Appendix B.

the terms of the note and mortgage.”⁸⁷ The guidelines do not explain the use of “reasonably” in this sentence or give examples of circumstances that would indicate that the income is stable.

FHLMC (Freddie Mac) has issued more specific rules to the same effect:

If there are two borrowers both of whom have full time employment, a determination should be made as to whether both will probably work for several years (normally at least 20% of the time).⁸⁸

The guidelines permit discounting of fifty percent of one income, however, when it is judged that one person is likely to stop working during the first few years of the mortgage. Significantly, temporary maternity leave is exempted from that provision.

These guidelines will not abolish the practice of discounting a wife’s income unless FNMA and FHLMC check the practices of the institutions with which they deal and refuse to buy loans from those who discriminate.⁸⁹

3. *Proposed Federal Legislation.* Because the efficacy of existing judicial remedies and regulatory prohibitions of sex discrimination in the granting of credit remains uncertain, there has been considerable activity in both houses of Congress aimed at providing a comprehensive, effective remedy. On July 23, 1973, by a 90-0 vote, the Senate unanimously passed the Equal Credit Opportunity Act⁹⁰ as an amendment to the Truth in Lending Act.⁹¹ The Act includes provisions of S.1605,⁹² introduced by Senator William Brock, and of S.867,⁹³ introduced by Senator Harrison Williams. The operative language of the Senate Act is:

It shall be unlawful for any creditor or card issuer to discriminate on account of sex or marital status against any individual with respect to the approval or denial of any extension of consumer credit or with respect to the terms thereof or with respect to the approval, denial, renewal, continuation, or revocation of any open end consumer credit account or with respect to the terms thereof. Section 104 of this title does not apply with respect to any transactions subject to this section.⁹⁴

Section 104⁹⁵ excepts credit for business or commercial purposes,

87. *Id.* § 311.03(c).

88. FHLMC-Sellers Guide Conventional, Part V, Credit Underwriting.

89. FNMA’s guidelines are likely to be more effective than FHLMC’s because of their loans while FHLMC’s clientele, the savings and loans, characteristically hold their mortgages as investments.

90. S. 2101, Title III, 93d Cong., 1st Sess. (1973).

91. 15 U.S.C. §§ 1601-81t (1970).

92. S. 1605, 93d Cong., 1st Sess. (1973).

93. S. 867, 93d Cong., 1st Sess. (1973).

94. S. 2101, Title III, 93d Cong., 1st Sess. § 181 (1973).

95. 15 U.S.C. § 1603 (1970).

credit transactions of more than 25,000 dollars, and transactions in securities or commodities accounts by a broker-dealer registered with the Securities and Exchange Commission. The removal of these exceptions clearly strengthens the Equal Credit Opportunity Act, since the unavailability of business loans for women is becoming more evident.⁹⁶

As an amendment to the Truth in Lending Act, the law would be enforced through a number of federal agencies. The Board of Governors of the Federal Reserve System would be empowered to issue regulations, including compliance guidelines, which would be enforced by the Federal Trade Commission, with respect to most consumer credit transactions. Other enforcement agencies would include the United States Treasury Department, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board acting directly or through the Federal Savings and Loan Insurance Corporation, the Bureau of Federal Credit Unions, the Civil Aeronautics Board, the Department of Agriculture and the Interstate Commerce Commission.⁹⁷

Fortunately, enforcement by this unwieldy conglomerate is augmented by the Truth in Lending Act provision for civil liability.⁹⁸ The existing law provides for a 100-dollar minimum recovery for violations of the disclosure requirements of the Act. This minimum liability provision has caused courts to disallow class actions rather than award 100 dollars to each member of an enormous class and thereby ruin businesses for technical infringements of the law.⁹⁹ Therefore, the Equal Credit Opportunity Act amends the Truth in Lending Act to allow a maximum recovery of 100,000 dollars or one percent of the creditor’s net worth, whichever is less in class action suits.¹⁰⁰ The Senate Committee believes this amendment is necessary to provide meaningful penalties that will induce compliance with the law and which the courts will not be reluctant to impose.¹⁰¹

The Consumer Affairs Subcommittee of the House Banking and Currency Committee currently has before it several bills that

96. Of 33,948 loans made by the Small Business Administration (SBA) in fiscal year 1973, only 123 went to women according to a synopsis of a study done for the SBA by Jeanne Wertz, Women Entrepreneurs and SBA (March 21, 1973).

97. 15 U.S.C. § 1607(a) (1970). Section 203 of S. 2101, Title II, however, would remove the Interstate Commerce Commission and add the Farm Credit Administration.

98. 15 U.S.C. § 1640(a) (1970).

99. The leading case is *Ratner v. Chemical Bank New York Trust Co.*, 54 F.R.D. 412 (S.D.N.Y. 1972).

100. S. 2101, Title II, 93d Cong., 1st Sess. § 208 (1973).

101. S. Rep. No. 278, 93d Cong., 1st Sess. 14-15 (1973).

are similar to the one approved by the Senate.¹⁰² Chairwoman Leonor K. Sullivan of Missouri held hearings on the enforcement of Truth in Lending over a period of months in 1973. During three days of these hearings she asked members of the credit industry, government regulatory agencies and women or consumer advocates to comment on the advisability of including in the House Truth in Lending amendments a provision to protect women from credit discrimination. Comment was virtually unanimous in favor of a non-discrimination provision, but industry representatives suggested that problems would arise with prohibiting the consideration of marital status in credit decisions.¹⁰³

Creditors have two basic concerns in regard to the marital status provisions. First, they consider marital status a valid indicator of credit performance,¹⁰⁴ in that divorced and separated people are less apt to pay than are married people. They also argue that the marriage relationship creates certain legal responsibilities between spouses that must be taken into account in some credit transactions.¹⁰⁵ For example, a spouse's signature is needed if real property is used for security in a state where an inchoate property interest arises by operation of law.

Advocates of including marital status as a prohibited criterion cite two reasons. Not only would such a rule protect the woman who first applies for credit after she has been separated or divorced,¹⁰⁶ but it would also avoid the argument used by Hanover Manufacturers Trust in *Hoberman* that discounting a wife's income is not discrimination on the basis of sex because lenders are willing to dis-

102. H.R. 5414, H.R. 5599, H.R. 10109, H.R. 10162, H.R. 10311, H.R. 10603, H.R. 10675. The following bills have been referred to the Subcommittee on Bank Supervision and Insurance: H.R. 248, H.R. 3210, H.R. 3375, H.R. 10824.

103. *E.g.*, Statement of Harry N. Jackson on behalf of the National Retail Merchants Association, *Oversight Hearings, supra* note 8 (Nov. 6, 1973); Statement of John O. Zimmerman, President, General Motors Acceptance Corporation, *Oversight Hearings, id.* (Oct. 30, 1973); Statement of Evan Houseworth on behalf of the American Bankers Association, *Oversight Hearings, id.* (Oct. 30, 1973).

104. A survey of the Federal Home Loan Bank Board revealed that 64% of the savings and loans admit using a person's marital status as a factor in evaluating the loan applications. Eighteen percent indicated that marital status in and of itself could be grounds for automatic disqualification. Federal Home Loan Bank Board Survey of 100 Savings and Loan Associations, Summer 1971.

105. Statement of Matthew Hale, Counsel for The American Bankers Association, hearings on the Availability of Credit to Women before the National Commission on Consumer Finance (May 23, 1972); Statement of Edward Godwin on behalf of Mortgage Bankers of America, *Oversight Hearings, supra* note 8 (Oct. 31, 1973).

106. Statement of Sharyn Campbell for the National Organization for Women, *Oversight Hearings, supra* note 8 (Nov. 13, 1973).

count the husband's income instead.¹⁰⁷

A related question raised by representatives of the credit industry is whether the proposed marital status provisions would be interpreted to preclude the creditor from inquiring about the marital status of an applicant. They argue that they must know whether a person is married in order to comply with certain state laws and to protect their interest in collateral to which a spouse may have a right.¹⁰⁸ In addition to the community property and multiple agreement statutes, wage assignment laws, tenancy by the entirety, and common-law dower are believed to require that a creditor know the marital status of the applicant.

Twelve states have wage assignment laws requiring either spouse to have the consent of the other before assigning his or her wages as collateral for a debt.¹⁰⁹ Seven other states require that a husband, but not a wife, obtain the spouse's signature.¹¹⁰

At common law, husband and wife held property as tenants by the entirety; neither alone could sever the tenancy or do anything to defeat the other spouse's right of survivorship.¹¹¹ In the twenty-two states that retain this form of ownership, combinations of statutes and judicial interpretations determine the rights and obligations of the spouses and their relationship to creditors.¹¹² In order for creditors to protect their interests in these states, they may need to obtain the signatures of both spouses before the property can be used as security.¹¹³

Common-law dower vests in the wife a life estate in one-third of the real property acquired during marriage.¹¹⁴ In the seventeen states in which it still exists, if a husband alone executes a nonpur-

107. Statement of Margaret Gates, Co-Director, Center for Women Policy Studies, *Oversight Hearings, id.* (Nov. 13, 1973).

108. Statement of John Dillon, Executive Vice President of National Bank Americard (also representing Interbank), *Oversight Hearings, id.* (Oct. 30, 1973).

109. ARIZ. REV. STAT. ANN. § 6-631 (Supp. 1973); COLO. REV. STAT. § 80-15-4 (1963); HAWAII REV. STAT. § 409-20 (1968); IOWA CODE ANN. § 536.17 (Supp. 1973); ME. REV. STAT. ANN. § 9-3085 (1964); MD. CODE ANN. art. 8, § 6 (Supp. 1973); NEB. REV. STAT. § 45-144 (1943); R.I. GEN. LAWS ANN. § 19-25-33 (1956); VT. STAT. ANN. § 8-2228 (1971); VA. CODE § 6.1-289 (1973); WASH. REV. CODE ANN. § 49.48.100 (Supp. 1972); WIS. STAT. ANN. § 214.15 (1957).

110. ARK. STAT. ANN. § 81-317 (1947); IND. STAT. ANN. § 40-208 (1965); MASS. ANN. LAWS ch. 154 §§ 2, 3 (1970); MINN. STAT. ANN. § 181.07 (1966); MONT. REV. CODES ANN. § 41-1506 (1947); PA. STAT. ANN. § 43-274 (1964); WYO. STAT. § 27-202 (1957).

111. See C. MOYNIHAN, INTRODUCTION TO THE LAW OF REAL PROPERTY 229-30 (1963).

112. *Id.* at 230-35.

113. For a detailed discussion, see Huber, *Creditors' Rights in Tenancies by the Entireties*, 1 B. C. IND. COM. L. REV. 197 (1960).

114. See H. CLARK, LAW OF DOMESTIC RELATIONS 220 (1968).

chase money mortgage on his land, his wife's inchoate dower is superior to the rights of the mortgagee.¹¹⁵ A husband is not, therefore, able to mortgage his property without his wife's signature.¹¹⁶ When common-law or modified curtesy exists¹¹⁷ or when dower has been extended to cover both spouses,¹¹⁸ a wife must likewise have her husband's signature to convey real property.¹¹⁹

In these situations, the onus is upon the creditor to determine whether the consent of the spouse is required. Should a federal law prohibit him from attempting to learn a person's marital status, the burden of the risk of accepting an invalid wage assignment or security interest in real property will be placed on the creditor.

Another problem creditors would confront under proposed federal legislation involves state property laws that limit the control a married woman has over her property. The most obvious example is the community property law of Louisiana, which deprives married women of control over the community property, including their own earnings.¹²⁰ Under such a law a creditor might refuse a woman credit because he could not expect to obtain a judgment against the community. Although this policy would reflect sound business practice, it could be viewed as a violation of a law prohibiting discrimination on the basis of sex or marital status since the state laws which the creditor would be relying on are themselves discriminatory.

Because no analogous case has been decided by the Supreme Court, it is not clear what the result would be should a case challenging such a practice reach the courts. Even if the law or the record evidenced the intent of Congress that such state laws be preempted, the response of the judiciary could not be predicted.¹²¹ The federal courts have been reluctant to interfere with the operation of state property laws, particularly those which pertain to intra-familial rights,¹²² in order to assert a federal right under the Supremacy Clause.

115. 2 R. POWELL, REAL PROPERTY § 209(2) (1973).

116. 1 *id.* § 119.

117. *E.g.*, DEL. CODE ANN. §§ 25-101, -131 (Supp. 1970).

118. *E.g.*, D. C. CODE ANN. § 19-102 (1973).

119. POWELL, *supra* note 115, at § 119.

120. LA. CIV. CODE art. 2404 (West 1971).

121. *But see* remarks of Congresswoman Leonor K. Sullivan before the Consumer Federation of America reprinted in 120 CONG. REC. E 209 (daily ed. Jan. 28, 1974) in which she implies that Congress has the power to do so: "Some people suggest we solve the problem by pre-empting all state laws dealing with husband-wife relationships, including dower and curtesy, or the community property laws of Louisiana and several other states which give the husband complete control over the disposition of a wife's earnings." *Id.* at E 210.

122. *See, e.g.*, United States v. Yazell, 382 U.S. 341, 352. "Both theory and the preced-

The credit industry is expected to oppose, in the House of Representatives, a bill which subjects its members to these uncertainties. Proponents of such legislation may be forced to include a provision that would protect creditors from this dilemma. Because the problem arises in only a few states and because the offensive state laws are already subject to attack on equal protection principles, advocates of the bill might consider this compromise.

V. CONCLUSION

Sex discrimination in credit practices will not be eliminated by revising state domestic relations or property laws. This is true because the offensive practices are not, as has been suggested, dictated by the law. They are, rather, the result of erroneous or outmoded notions of women's role in society.

Women need an effective legal remedy for credit discrimination. Twenty-two states and the District of Columbia have laws, most of which were enacted in the past year, that address this problem, but few of them are comprehensive enough or well enough enforced to be effective. Although credit practices may be attacked on equal protection grounds, no such case has yet been decided.

The federal financial regulatory agencies could promulgate and enforce rules forbidding discrimination, but to date only the Federal Home Loan Bank Board has done so. The federal credit bill,¹²³ which has been approved by the Senate, would require that these and other agencies regulate the credit industry with respect to discrimination on the basis of sex and marital status. It would also permit aggrieved persons or a class to sue in federal court for damages. Whatever credit legislation is finally approved by the Congress should provide for both courses of action. Only a strong, well enforced federal law, accompanied by efforts to educate both consumers and the credit industry, can be expected to overcome a tradition of discrimination and guarantee that women get the credit they deserve.

ents of this Court teach us solicitude for state interests, particularly in the field of family and family-property arrangements. They should be overridden by the federal courts only where clear and substantial interests of the National Government, which cannot be served consistently with respect for such state interests, will suffer major damages if the state law is applied."

123. S. 2102, Title III, 93d Cong. 1st Sess. (1973).

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