

Sept 27 1962

Urge State Action to Curb 'Panic Selling' of Homes

By WILLIAM C. TREMBLAY

The Michigan Corporation and Securities Commission called today for state action to curtail "block-busting and panic-selling" tactics by unscrupulous real estate operators.

The commission disclosed it is exploring the need for a special regulation having the same objectives as a proposed city ordinance introduced yesterday by Councilman James H. Brickley.

The first-term councilman urges that efforts to panic house sales in changing neighborhoods be made a crime, punishable by a maximum 90-day jail term and \$100 fine.

RESPONSIBILITY SEEN

Corporation and Securities Commissioner Raymond F. Clevenger said in Lansing that the state, as the licensing authority, "must curb those who abuse the license by resorting to unfair conduct for their own profit."

He said that the commission had taken action against the real estate "point system" by adopting the controversial Rule 9, prohibiting discriminatory practices in housing transactions.

"Our commission is aware of the seriousness of the practices described by Councilman Brickley," Clevenger said.

"We have been trying to prevent the abuses by utilizing the real estate statute and existing rules without resorting to a new rule, as was necessary in the promulgation of Rule 9.

"The great problem is that

certain real estate operators are still using unfair practices to make money. This conduct ranges from the 'point system' to the panic sale system.

"We are exploring the need for a Rule 10 which would prohibit the conduct described by Mr. Brickley. The question of whether this commission can properly take such action is now being decided by the State Supreme Court in the Rule 9 case.

"We regret that unscrupulous real estate operators and certain divisive community, civic and political groups are opposing Rule 9 and other efforts to control such unfair conduct.

"This isn't an issue confined to Negroes and Caucasians. The point system discriminates against the Polish, Italians, Greeks, Lebanese, Spanish and other eastern and southern Europeans, as well as Jews, Negroes and Orientals.

"We believe that the panic sellers follow the same pattern of discrimination when they make their appeals to prejudice and bigotry.

"Our commission will study Mr. Brickley's proposal with great interest, and will do everything possible to help resolve the problem."

The proposed city ordinance lists 15 practices, all dealing with efforts to panic homeowners into selling their property, which would be made unlawful.

REFERRED FOR REPORTS

It would bar brokers and salesmen from inducing, or attempting to induce, sales based on racial, nationality or religious factors.

It also would create a five-member Commission on Real Estate Sales Practices to serve

in a watchdog capacity. Members would be appointed by the mayor.

The legislation was referred by Council to the corporation counsel's office and the city Community Relations Commission for a report and recommendations.

Mayor Cavanagh said the proposed ordinance deals with a subject matter that poses a serious problem and that it appears to be adequate to cope with the problem.

The mayor added, however, that it may not be necessary to retain the provision for creation of a special mayor-appointed commission.

"This is an area in which our Community Relations Commission has worked and is familiar," he explained. "It is possible that it can be utilized to fulfill the goals of the ordinance."

Officials of both the Detroit Real Estate Board and the Detroit Urban League said their groups have taken firm stands against practices by some real estate salesmen.

"Block-busting or panic-selling promotion has never been condoned by realtors," said James B. Grant, president of the Real Estate Board. "Such practices would expel or deny a person membership in our association."

George Henderson, community services director for the Urban League, said Brickley's proposal would strengthen existing legal means of curtailing block-busting.

"It is unfortunate when some real estate people violate the trust people place in them," he commented.

"But to say merely that the unscrupulous practice should not exist is insufficient. Legal curtailment often must be used to bolster moral disapproval.

"No amount of laws, however, can replace sound democratic, voluntary community action."

NAACP COMMENTS

Arthur L. Johnson, executive secretary of the Detroit branch of the National Association for the Advancement of Colored People (NAACP), said that legislation, much wider in scope, was needed to get to the heart of this problem.

"The Brickley proposal, aimed at curbing block-busting techniques on the part of some real estate dealers, although useful, is very limited legislation which leaves untouched and unbothered the vast structure of racial barriers existing in the housing market," he said.

"If access to housing were free and open to all citizens alike, as it should be, there would be no need or possibility for so-called block busting and the profit factor in racial housing barriers would be destroyed.

"For all its good intentions therefore, the Brickley proposal at best is piecemeal and tangential in effect. Without legislation to curb racial barriers in housing, this proposal could have the negative effect of further strengthening the ghetto walls which now exist."

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Whites in Mixed Area Support Brickley Ban

By MAX E. SIMON

White homeowners in a racially changing neighborhood on the northeast side last night lined up in support of a proposed city ordinance which would make it unlawful for real estate agents to use "block-busting" tactics to panic house sales in neighborhoods such as theirs.

They expressed approval of such legislation, introduced yesterday by Councilman James H. Brickley, at a meeting in St. Bartholomew Church, Outer Drive and Wexford.

'I'M STAYING'

The proposed ordinance would make "block-busting" a crime, punishable by a 90-day jail term and a \$100 fine.

"I'm staying where I'm at," said Mrs. Theresa Kelly, 19956 Mitchum. "I live on a very good street and I want it to stay that way. If that's the aim of the law, I think it's a wonderful one."

Another housewife, Mrs. Josephine Scafuri, 20036 Klinger, said the proposed legislation was "a good idea."

AREA CHANGING

nearby homes were being sold to Negroes.

Lang said he suggested to Brickley last spring that an ordinance be adopted to stop such practices.

"I'm 100 per cent for it," he declared. "It won't be an easy law to enforce, but it will curb the more unscrupulous practices of real estate agents."

NEGRO TALKS

The meeting was addressed by a Negro clergyman and the president of a northwest side homeowners group.

The Rev. Joseph Brickington, pastor of the Vernon Chapel AME Church, 18500 Norwood, said all organizations seeking better community relations should support enactment of the ordinance.

"There are real estate agents who make handsome profits by buying homes in all-white neighborhoods, threatening to sell to Negroes, then actually selling to frightened homeowner groups," he said. "We must have some control over these practices."

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"No real estate agent has tried any unscrupulous tactics on me," she added. "If one did, I'd slam the door in his face."

The neighborhood is experiencing the beginnings of racial change.

"I have been asked by phone and mail if I am interested in selling my home—I am not," said Alex Glinisty, 19315 Harned, a sheet metal worker.

"The Brickley proposal is very good and should be enacted.

"As it now stands, once a Negro family moves on a street, the real estate dealers really can clean house by scaring people into selling."

BACKS PROPOSAL

Stanley Kozara, 20136 Mackay, a Chrysler Corp. foreman, also supported the ordinance.

"Why should someone have the right to instill fear into people with homes and families?" asked Kozara. "Block-busting is intolerable. If real estate dealers would leave us alone, we could have harmony on all sides around our neighborhood."

Mrs. Olga Onisko, 20146 Yonka, said it was "high time" that such an ordinance was adopted by the city.

OPPOSITE VIEW

Don DiFabio, 20123 Mackay, an engine development engineer for the Ford Motor Co., said such an ordinance would probably have little effect on block-busting.

"It will give people a little more security and peace of mind," said DiFabio. "But there are always people who will move when a neighborhood changes. The real estate dealers will be looking for them."

The meeting was one in a series held in the area by the Archbishop's Committee on Human Relations at the suggestion of August Lang, 20497 Gallagher, president of the East Outer Drive Improvement Association.

"Real estate dealers have been trying to panic the neighborhood — I thought it was time for us to learn the principles of an integrated neighborhood," Lang said.

LIE TO OWNERS

Lang said some real estate dealers were telling people in the neighborhood, bounded by Seven Mile road, Dequindre, Eight Mile road and Ryan, that their neighbors were putting homes on the market and that

nearby homes were being sold to Negroes.

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