The Contract Buyers League: A Personal Evaluation

Boles, Alan
The activity of the members of the Contract Buyers League is apparently having an additional educational effect. The best evidence for this can be seen in the following remarks made at a Contract Buyers League meeting by a young black man who spends considerable time working with young people in the area.

“I spend a lot of time with student groups—"the now generation." You hear sometimes some people in high school and college talk about what should have been done. The fact is that until Dr. King there wasn't much we could do. But I am so proud to see you, my parent generation, standing up and fighting and being very resolved that you will not be turned around. It gives me an added dimension in terms of my resolve and my hope for the kind of world and society which we are going to have. Some people misunderstand when they hear young people talk about black power. Immediately they begin to react and say that means violence. It doesn’t really. The thing is that people get tired of being misused, and when you get tired, you do whatever you have to do to stop being misused. But with restraint, and cleverness, and skill and cunning CBL has managed to maneuver its way to the doors of victory without giving way to those kind of emotions of hate or shortsightedness or any kind of rashness.

“I know that you have been pushed to the very brink of doing things that some young people are doing now. But I just get a warm feeling whenever I am here and when I think about the kinds of struggles—the mental struggles, not only the financial sacrifice that has been made, and the kinds of doubt that run through everybody’s mind. But when I see so many people who have such a thorough understanding of what they are doing and why they are doing it—my parent generation—I really feel like we can look forward to an America that is really worth living in, a country that is worth living in for everybody. And as long as everybody respects everybody, there is no reason why this country shouldn’t be fit to live in.

“I just wanted to thank you for being what you have been and for making me feel as good as I do about what you have done. And I admire the patterns that you have laid down especially because of your restraint and aggressiveness and the tension between them that you have been able to maintain. Some young people could look at that and learn a lot from it.”

These results are neither as dramatic nor as romantic as revolution. Only Chicago has been affected. But it is a start towards the solutions which American society so desperately needs.
heed to the CBL problem. Many offered advice. A few offered help. The payment strike was undertaken for essentially five reasons:

(1) To hasten the resolution of the lawsuits by forcing settlements with the contract sellers.

(2) To ensure that if CBL won the lawsuits, the sellers would provide rebates to those contract buyers who by the time of final judgement had paid more than a fair price on their contract.

(3) To provide immediate economic relief from heavy monthly contract payments for the buyers who wished to reduce their payments.

(4) To give the buyers a sense of power in resolving the dispute themselves, or at least in adding their economic power to the power of their lawyers.

(5) To provide immediate relief from the indignity of having to make monthly payments to men whom the contract buyers believed had been exploiting them on the basis of race.

The strike really had been envisioned as a complement to the judicial process. It was an effort to improve the quality of justice for black people by stepping up the pace at which the lawsuits were resolved. CBL’s experience with the courts was used to legitimize the strike. CBL had been giving the courts a good-faith try, but the whole process was just too slow. The suits were likely to drag on for years, and the buyers could not accept continuing their burdensome contract payments that long. The strike was designed to remedy that problem. The irony, however, was that over time the strike became unsuccessful and perhaps even counter-productive in its attempt to accelerate the pace of the judicial process. And, on further examination, the third and particularly the fourth rationales above turned out to be fairly insubstantial.

Instead of forcing out-of-court settlements, the strike seemed to have the effect of pushing most sellers farther from the negotiating table. The hold-out did pressure a few small sellers to settle, and it did trigger some mortgage foreclosures which worked to the benefit of the contract buyers. But in general it apparently was not massive enough to provide the economic clout needed to bring the larger seller around. It appears that the sellers survived pretty well—apparently on the payments from the majority of the buyers who did not participate in the strike—and generously indulged their sense of outrage at what they deemed the buyers’ irresponsible and illegal conduct. Negotiating sessions in Judge Will’s chambers ceased as soon as the pinch of the strike began to be felt, and the principal counsel for the majority of the big sellers made it a practice to scream in and out of court that his clients would never negotiate with “a gun at their heads”.

As the spectre of evictions loomed larger, the strike was viewed less as an economic club and more as a political tactic. The hope among some CBL members was that widespread public revulsion at the evictions would lead Mayor Daley to intervene and bludgeon the sellers into negotiating. While widespread public revulsion did ensue,
CBL lawyers were skeptical of the

There are about

The mainstay CBL lawyers, along with

volunteer lawyers were summoned to

strike-appeals, criminal trespass suits,

legal problems occasioned by the

problems raised by the strike would

complicate and impede their work on

the main federal suits and would anger

Judge Will. The propheses of the CBL

lawyers were largely fulfilled. Al-

though a large number of additional

volunteer lawyers were summoned to

the CBL cause to work solely on

eviction cases and strike problems,

difficulties of coordination and

strategy among the new and old groups

of lawyers proved insurmountable.

The mainstay CBL lawyers, along with

their non-lawyer staff workers, were

burdened with the majority of the

legal problems occasioned by the

strike—appeals, criminal trespass suits,

the escrow money and evictions.

The strike also detracted from the

willingness of many contract buyers to

cooperate with the CBL lawyers in the

work on the main federal lawsuits.

There are about 3,500 plaintiffs in the

two federal suits. The plaintiffs were

turned up after an elaborate search

process, which involved at various

times canvassing neighborhoods,

checking land titles at the title com-

pany, advertising in newspapers, word-
of-mouth publicity, examining records of

the Federal Savings and Loan

Insurance Corporation and following

up lists of contract buyers provided by the

sellers themselves. Most people got

into the suit because they happened to fall under the court-formulated definition of the plaintiff class and were uncovered in the discovery process, rather than because they had actively sought to include themselves in the case. Approximately 700 were involved in the strike. Perhaps another 300 have actively participated in the CBL organization in other ways. That left about 2,500 plaintiffs who had few direct ties with the CBL organization; while they naturally hoped for a favorable outcome to the controversy they may have had misgivings about getting involved.

As the winter of 1970 wore on, CBL became identified in the minds of many of these people, not as the organization which was trying to rectify their exploitive housing agreements, but as the outfit which, through some mysterious process, got them evicted from their homes. Consequently, they wanted to have as little to do with CBL as possible for fear that contact would lead to eviction. Workers on the CBL suits found many buyers reluctant to respond to interrogatories propounded by the defendants or to a questionnaire devised by the CBL lawyers, and generally reluctant to offer their cooperation. A few buyers, without informing the CBL lawyers or their staff, settled with their seller for contract reductions smaller than was fair, and then got dismissed from the suit. A small number of highly disaffected CBL members on the South Side, who broke away from the organization as a result of tensions produced by the strike even attempted to interfere actively with the discovery process.

The strike also alienated Judge

Hubert Will, who had previously taken a sympathetic position toward CBL. As the strike continued and CBL press releases became slightly more strident, the judge began to take personal affront. He felt in particular that the CBL slogan “Justice Delayed is Justice Denied” was hurled to the public as a slur on his handling of the case.

Though Judge Will certainly did not react to these imagined insults by slowing down the pre-trial proceedings, his increasingly hostile attitude and outbursts of temper tended to make hearings a personal and professional ordeal for the CBL lawyers.

As I stated at the start, the strike was also prompted by CBL’s fear that if it won the lawsuit the sellers would find some way to avoid paying damages to buyers who had paid more money to the sellers by the time of judgement than the sum of the principal and interest on the fair price established by the court. Despite the legitimacy of this concern, CBL discovered after the payment strike had begun that only a fairly small proportion of the strikers were even very close to having paid this amount.

Judge Will’s order of April 3, 1969, containing a scheme to withhold half of the seller’s profits from each monthly contract payment, seemed adequate to meet the problem of providing a cushion for damages. However, near the outset of the strike Judge Will announced he would not enforce this arrangement, which then lapsed until the next spring.

CBL also argued as justification for the strike that the monthly contract payments constituted an economic hardship from which the buyers deserved immediate relief. There is no doubt that the highly inflated contract payments have been a heavy burden for many CBL families. However, there is a real question whether the families would prefer to reduce monthly payments to a more comfortable level or to continue to pay the full amount each month and thereby reduce the outstanding balance much more quickly. My own observation was that most contract buyers were disturbed by the feeling that their contract balance was shrinking too slowly to be paid off more than by the economic deprivation caused by the monthly payment. And in fact, when given the choice of making their full monthly payment to the CBL escrow fund, or paying an amount equal to 25 percent of their income into the fund, the vast majority of buyers elected to pay the full amount.

All this is not to say, however, that valid and sufficient reasons for the payment strike were lacking. But the most compelling reasons cannot be framed in terms of economic hardship or legal strategies, simply because CBL at the core is not about either. CBL had evolved into a unique community organization whose arsenal of weapons contained both litigation and Alinsky-style action tactics. But this is an un-
easy combination, since a community organization which uses legal tactics to fight issues and build itself up may find those same tactics eroding its foundations.

In my opinion, the prime function of CBL was to bring ghetto people together, to give powerless people an issue around which they could organize, to provide them a sense of dignity and control over their environment. While the contract issue is of course extremely important in itself, it should be viewed primarily as a means toward CBL’s main purpose of building power in the ghetto. Such a purpose may very well be contrary to the ideal of litigation. By shifting from “street tactics”—picketing, visits to realtors’ offices and homes, publicity campaigns, etc.—to litigation, a community organization runs the risk of transferring initiative and power from the hands of the people into the hands of lawyers.

The strike was a way of retrieving the sense of direct participation in the struggle which had lapsed when the federal lawsuits came into the forefront of CBL tactics. Until the end of the strike CBL members were twined together like steel cable in their common effort to defy the contract sellers, to hold back payments, to present their arguments to the public and to ward off the sheriff’s eviction forces. Until the beginning of April 1970 when Sheriff Woods managed to perfect his eviction technique, morale had soared and CBL had become a much more vital organism than ever before. Winning the contract dispute is not the sole purpose of CBL, though it has to win such issues to remain credible. Its purpose is to build the ghetto’s power. The issue central to the contract dispute is not really the contract sellers’ ill-gotten financial gains, but rather the questions of power and dignity that are wrapped up in the seller-buyer relationship. The buyers were initially angry at being victimized because of their race. But in addition to this injury of inflated prices and bad terms, most buyers were continuing to suffer the humiliation of subsequent dealings with the sellers, in which they were saddled with costly, substandard insurance, gouged on home repair work, and had extra, unexplained charges added on to their accounts—all by sellers who made no attempt to extend any understanding or courtesy to them.

The judicial process itself became something of a vehicle to recoup this dignity. Any observer at the weekly CBL meetings could sense the obvious delight of the buyers that the big-shot downtown attorneys were in their corner for once and that those lawyers willing not just to argue for them but to confer with them. Pre-trial hearings in federal court were often heavily attended by CBL members. Interest in the proceedings was intense. With the lawyers cloaked as champions of the people, a certain vicarious fulfillment flowed from the courtroom hearings. With the buyers feeling the support of their attorneys—the sellers themselves.

The payment strike was much the better way to regain some of this dignity, because it meant the direct participation of the buyers in their own battle. The strike won on. The obstacles to a timely, favorable ruling on the Illinois eviction law became less negotiable. The spectre of evictions loomed up as reality. And it became apparent that the people did not want to pay the sellers largely because of the humiliation of dealing directly with the sellers. The main issue was not so much whether CBL was willing to phase out the strike and relinquish the hold-out money CBL was willing; the real issue was to whom CBL was willing to relinquish that money. CBL even offered twice to pay all the sellers’ costs on the contracts and turn over the balance of the monthly payments to the clerk of the federal court—a scheme that came very close to the economic arrangement outlined in Judge Will’s order of April 3, 1969. Significantly, what the CBL proposal left out was the provision in the court order calling for the buyers to make their payments directly to the sellers. The strikers could not stomach the idea of resuming the old relations with the sellers. In their corner, the sellers could not swallow the notion of having contract payments to them filtered through a court-appointed agent.

In the course of his involvement in the lawsuit, Judge Will recognized the link between the contract payments and the deprivation of dignity which the buyers felt. “Only the most