

# Public Hearing

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before

## SENATE URBAN POLICY AND PLANNING COMMITTEE

"Urban problems in Camden"

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**LOCATION:** City Hall  
City Council Chambers  
Camden, New Jersey

**DATE:** May 9, 1994  
6:00 p.m.

### MEMBERS OF COMMITTEE PRESENT:

Senator Dick LaRossa, Chairman

### ALSO PRESENT:

Hannah Shostack  
Office of Legislative Services  
Aide, Senate Urban Policy and Planning Committee



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**New Jersey State Legislature**  
SENATE URBAN POLICY AND PLANNING COMMITTEE  
LEGISLATIVE OFFICE BUILDING, CN-068  
TRENTON, NJ 08625-0068  
(609) 292-1596

## PUBLIC HEARING NOTICE

The Senate Urban Policy and Planning Committee will hold a public hearing on Monday, May 9, 1994 in City Council Chambers, City Hall, Room 105, Camden, New Jersey at 6:00 pm.

The committee is seeking testimony from local residents and community leaders regarding urban problems in Camden. In order to provide an opportunity for everyone to be heard, witnesses should be concise in their remarks and limit their testimony to a maximum of five minutes.

*The public may address comments and questions to Hannah Shostack, Committee Aide, or make bill status and scheduling inquiries to Rita Nutt, secretary, at (609) 292-1596.*

Assistive listening devices available upon 24 hours prior notice  
to the committee aide(s) listed above

Issued 4/20/94



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**SENATOR DICK LaROSSA (CHAIRMAN):** Thank you very much for coming and joining us here this evening. My apologies for the delay, but it's been a very intense, action-packed afternoon. Fortunately, Mr. Callahan, who knows his way through Camden, hit every traffic light between here and wherever we came from, to slow us down.

I welcome each and every one of you for this meeting of the newly established New Jersey Senate Urban Policy and Planning Committee, of which the Senate President has designated me the Chairman.

I believe that in the years ahead of us, a more aggressive and more targeted urban agenda will be needed. Among those agendas, the development and support of key initiatives will help our cities balance their budgets, clean up once-abandoned properties, repair aging and damaged schools, encourage tenant input into public housing decisions, and leverage economic development opportunities.

We believe that the Senate will have in place the mechanism by which to ensure that such an agenda is developed with information of this new Committee. The Committee has a very distinct responsibility; that is, to seek out solutions that are as unique in nature as the problems that face our urban communities. The Committee will travel into urban areas, as we have done today, and meet with those individuals and leaders who have the ideas that make sense for their communities. We're here today to hear your ideas.

We have had staff invite elected officials, civic, religious, and community leaders, as well as other individuals who we know will make a substantial contribution to the identification and solution of the problems which are with us.

We're not looking for solutions that have been tried and failed, but creative and unique approaches. We want each of you to know that your ideas and thoughts are most welcome. I would ask, however, that in your comments, you make them as

succinct and as direct as possible. I want to emphasize that our session here is one which we desire to bring light rather than heat to the problems. Therefore if anyone feels differently, I would ask them to refrain from any confrontation or attack, and to remember we're speaking of urban problems and solutions.

You'll note the transcribers from our legislative staff. The purpose of the transcription is so that the Committee members and staff will not lose the ideas and thoughts which are presented today. Again, in conclusion, as I see the urban situation, not only in my own district, which includes the City of Trenton, but I've studied the urban situation in New Jersey and elsewhere: urban problems affect suburban areas.

The bottom line is, if we do not begin to address and solve the problems in the urban centers, those problems will just become more manifest and more expensive over time. Someone once said to me, "It costs a lot of money to solve urban problems." My question is, which is more expensive, the cost of doing nothing or the cost of doing something? Hopefully we'll hear what it is that we might be able to do.

With that I'd like to call on our first person to testify this evening, Reverend Edward Walsh, Diocese of Camden.

Father Walsh.

**R E V E R E N D E D W A R D J. W A L S H:** Thank you, Senator. I appreciate the opportunity you have given me to address the most difficult problems facing this community and the State of New Jersey.

I think we can all agree that our mission is to ensure that no one goes hungry, becomes homeless, unemployed, or otherwise denied what is necessary to live with dignity.

I would like to take a few moments to tell you who I am. First, I am a Catholic priest and pastor, who has been working in Camden City, South Jersey, and the State of New



Jersey since 1966, on problems of the community. I have seen many plans and recommendations and very few results, to show the implementation of these ideas, but we must begin, somewhere, to show results. The word today in the State is "output."

I would like, this evening, to be as precise as possible about my views.

First, Federal, State, local government, and the private sector must work cooperatively and must provide funding to implement all the elements of an adapted strategy.

I have come to believe that we cannot solve all the problems in a community overnight. We cannot, because we are dealing only with the symptoms and not the problem itself. As long as we deal with these individual symptoms, we stand little chance of solving the problems.

These symptoms: unemployment, welfare, family breakdown, etc. -- we could go on for many, many more -- are overwhelming problems and are so overwhelming that our tendency is to ignore them and to feel helpless to attack them.

North Camden Development Task Force has accomplished what some have called impossible in the past four years of joining together and working together. I am convinced that in this time, it is time to create this kind of partnership to tackle the waterfront question.

That is why I ask you to consider the best way to convene an economic summit of the brightest minds and the best experts in our community to plan for community economic development that identifies roles, resources, job skill needs for the future, and promotes a coordinated development strategy.

Thank you for your time and concern for the future of Camden County and the State of New Jersey.

Thank you.

SENATOR LaROSSA: Father, thank you very much. An urban economic summit is an interesting concept, and I think we'll take that to heart.

FATHER WALSH: Thank you.

SENATOR LaROSSA: Father, if you have the opportunity, if you have an idea of the -- either by name or by general function as to whom you'd like to see participate in something like that-- If you would communicate that with us, I would appreciate it.

FATHER WALSH: I will. Thank you.

SENATOR LaROSSA: Juan Gonzalez, Hispanic Bar Association of Camden County.

**J U A N J. G O N Z A L E Z, E S Q.:** Yes. Good evening. Thank you. I wish to address the body this evening on a subject matter that, although it may not directly fall under your jurisdiction, however, it does impact urban areas and would have a direct impact on the City of Camden. I'm referring to several bills which basically relate to the tort reformation in New Jersey.

Specifically they are Senate Bill No. 423 and Senate Bill No. 424. The first one basically boils down to "loser pays." That bill proposes to require or call for the compensation or reimbursement of the attorney's fees and court costs by a plaintiff who brings an action pursuant to a personal injury. So, in effect, that will cut off access to the legal system by the poor, in the sense that it will create an inhibitive threat and intimidate the poor -- those individuals in areas like Camden, for bringing personal injury suits, because of the fear that if they lose, they are going to have to pay the insurance company's attorneys and the court costs.

In New Jersey, as I'm sure this body is aware, there is already on the books a frivolous lawsuit law which penalizes and serves to prohibit or minimize the frivolous actions being brought.

Another piece of legislation, which is proposed is Senate Bill No. 424, which would call for the elimination of

the contingency fee arrangements, for again, the personal injury matters and cases regarding negligence of parties or individuals.

Like the first bill that I addressed, this will also cut off the access to the legal system by the citizens of this State, specifically the poor and those in areas like Camden. The contingency fee agreement calls for-- If there's an accident and an individual wishes to pursue a legal claim pursuant to the injuries in that accident, then an attorney like myself -- and I'll be frank with this group -- would take on the case with the understanding that if a lawsuit is filed or a settlement is reached with an insurance company, then the attorney would be paid at the end of the case on a contingency fee basis, which typically boils down to a third of whatever the recovery would be.

Here, if this bill is enacted and if this law is passed, what would happen is, as I said initially, there would be a cut off of the access to the legal system by the poor and those individuals who cannot afford to pay an attorney up front, or to pay an attorney by the hour for a personal injury case. I bring this to the attention of this body, not only as an attorney -- as I mentioned, I am an attorney -- but as a member of the Hispanic Bar Association of New Jersey, which stands strongly against this proposed legislation, as well as a member of the Camden County Bar Association, which, likewise, stands strongly against this legislation.

There are several other bills, but I won't prolong my speech here. Basically the tort reformation as presented, at this point in time, is in favor of the insurance companies and it boils down to being against the poor and individuals in areas like Camden and other urban areas.

Thank you.

SENATOR LaROSSA: Thank you, Mr. Gonzalez.

You'll want to keep an eye on things. If you want to leave us with your address, what we can do is, when those

bills are, in fact, posted in the committees, in front of the appropriate committees -- we can, once we have that notice, let you know. So if you have a desire to come to Trenton and testify in front of the appropriate committee, we can keep you informed on that.

MR. GONZALEZ: Thank you. I did submit my name, phone number, and address, I believe. It's my understanding that these bills are in committee currently.

SENATOR LaROSSA: That's correct, but we don't know when they are going to be posted to be heard in committee. So the possibility is that you may want to testify in front of the appropriate committee, as well.

MR. GONZALEZ: Thank you.

SENATOR LaROSSA: So we'll let you know when that occurs.

MR. GONZALEZ: Thank you very much.

SENATOR LaROSSA: Thank you.

Charles Arena, ABCO Insurance Agency.

**C H A R L E S N. A R E N A:** Good evening. My name is Charles Arena. I'm an insurance agent and business owner in the City of Camden and have been for over 10 years. I am also President of the South Jersey Insurance Producer's Association, which represents many agents in the South Jersey area.

I'm here tonight to make you aware of the redlining and discrimination from the insurance carriers against the consumers in Camden regarding automobile insurance. I know that your particular Committee is concerned about redeveloping urban areas. That becomes a problem when you have a situation where insurance carriers do not want to write insurance in urban areas, such as homeowners and automobile insurance.

I will give you some examples and some additional information. The Insurance Department mandatorily assigned me to a company in October of '93, in order to write business in the underserviced areas. Camden, being an underserviced area,

because insurance companies are not willing to open the market in such areas, causing the Department of Insurance to have a PAP program, which is a Producer Assignment Program.

The PAP program was specifically designed to appoint agents to carriers, due to the fact that many of the insurance companies in New Jersey did not have proper representation in urban areas such as Camden, Newark, Trenton, and Atlantic City. The PAP program was designed specifically to provide these underserved areas -- let the people have access to auto insurance. That's why the PAP program was developed.

I am presently a terminated agent, because after writing business with First Trenton for only five months, they harassed my agency in order to avoid writing business in Camden. First Trenton uses unethical business practices, and I am currently appealing their allegations.

It might be interesting to let you know that there are four major insurance agencies in Camden that are no longer in business because of tactics of insurance companies. Would you like me to name the companies?

SENATOR LaROSSA: For the record, you might as well.

MR. ARENA: Don't want to know?

SENATOR LaROSSA: No, please, you might as well state it for the record. That way we'll have it as part of the transcript.

MR. ARENA: I can't hear you.

SENATOR LaROSSA: State it for the record. That way we'll have it as part of the transcript.

MR. ARENA: First Trenton, a division of Travelers, now does not have an agent in Camden and does not have to replace a terminated agent because-- Further proving that the companies are deliberately redlining and discriminating against the consumers and minorities in the inner cities, First Trenton has developed an audit program in order to terminate agents of their choice.

The reason I am explaining all this to you is because an audit was performed on an agent in Cherry Hill. He was cited for numerous violations, and First Trenton only sent him a letter to correct his practices, which were clear violations of the New Jersey Administrative Code which sets forth rules and regulations in the insurance industry. The letter that this producer received was not even carbon copied to the Insurance Department, evidence that they wish to control who they terminate, who they don't terminate, and it's quite obvious-- I could stand here all night telling you of their tactics.

I would like to update you on the existing auto insurance market in Camden. One of the only companies that is writing business in Camden is called NCIC. They happen to be writing 80 percent of the business in the urban areas. I want to give you some examples of why that is, and why the citizens of Camden and other urban areas are being taken advantage of.

The people in Camden have access to what is referred to as preferred carriers such as Prudential, Travelers, and Ohio Casualty. I'm just saying they have access to those carriers. They would have rates-- I'll give you an example. A person with two cars -- full coverage, if they can get a policy from one of those carriers I just mentioned -- it would run about \$2300. But with NCIC it would run \$3400. So the people in Camden are paying about 30 percent more for their auto insurance only because the Insurance Department wishes to close their eyes and to let this practice exist.

You asked for how do we correct this? Well, that's what the automobile reform was all about. This problem was covered. All the Insurance Department has to do is enforce the Automobile Reform Program that was put through legislation. There would be proper access in the City of Camden. You would also solve your problem in regard to insuring buildings and businesses in Camden, but redlining has been a problem for a long time.

That was one example. Another example is to take one person at full coverage, which is liability, comprehensive, and collision. First Trenton would run \$1450; NCIC would run \$2273, so people are paying \$811 more for insurance due to the fact that they don't have access to the major carriers with preferred rates in the urban areas. This is a big problem.

SENATOR LaROSSA: A quick question, Mr. Arena. Are you an independent agent?

MR. ARENA: Excuse me?

SENATOR LaROSSA: Are you an independent agent?

MR. ARENA: Yes, I am.

SENATOR LaROSSA: Okay. Do you have any dealings with the organization, the Independent Insurance Agents of New Jersey? Their lobbying group is out of Hamilton.

MR. ARENA: The big "I"?

SENATOR LaROSSA: All right.

MR. ARENA: I'm familiar with the Broker's Association.

SENATOR LaROSSA: Okay. As a point of information-- I don't know how often they communicate with the independent agents that are out there, but I'd like to give you a name of a person who works on behalf of the independent agents. In fact, we had a meeting with a group, carriers and underwriters, who specifically deal with urban insurance issues. I'll give you the full address later, but it's Eileen Kean (phonetic spelling). You may not recognize the name but, in fact, there is a division of the Independent Insurance Agents of New Jersey that deals primarily with urban insurance issues, so you might be interested in communicating with them. They might be able to give you some additional help or additional insight on some of the issues that you are raising.

MR. ARENA: Senator, I attended that meeting a few months ago up in North Jersey. I appreciated your comment and your effort in there, but I feel that's a very limited -- limited access to the marketplace. There are agencies in

Camden now -- and as I said to you, there were four major agencies that have been closed down -- they represented probably 10 or 15 people in those agencies that no longer have jobs. To revamp that situation and bring a couple of people in to open up new agencies-- The carriers that are there now should be made to do their jobs. To recirculate that-- I don't think that is going to amount -- it may work in a few isolated cases, but I don't think it's going to amount to an appreciable factor in this particular problem.

This information that I'm presenting to you has been presented to the Insurance Department. The Insurance Department claims that they have not heard from the consumers in urban areas, and that's easy to explain. I'm telling you that the consumers in the urban areas are not aware of the market; that they only know what is available to them in the city and have no idea of what they're entitled to. That's a problem. But if the carriers had proper representation in the urban areas then they would be doing their own marketing and doing their own business activity. You would have businesses moving into the city, and that's been stifled at this particular point.

Thank you.

SENATOR LaROSSA: Thank you very much. I keep forgetting that insurance is a major issue as well, in the urban centers. With all of the other issues -- drugs, crime, poverty, and so on -- we keep forgetting that is certainly, as far as attracting business, a major issue. I appreciate your reminding us.

Eric Damiani.

**E R I C D A M I A N I:** Good evening, Senator, and other Committee members. My name is Eric Damiani. I'm on the Board of Directors of the Independent Insurance Agents of Camden and Gloucester Counties.

In organizing this Thursday's march on Trenton, which is in support of Senate Bill No. 158 and Senate Bill No. 685,



I've talked with hundreds of agents out in the marketplace. They have told me that the many problems they're faced with and that their clients are faced with-- I believe that the redlining and discrimination has been an issue affecting the residents of Camden and other areas for a long time.

The insurance companies' voluntary markets have traditionally written little or no business in urban areas like Camden. This was part of the criteria of the New Jersey Fair Act, which caused Governor Florio to assign agents to some of the companies that weren't represented in this town, along with other urban areas.

I was one of those agents that was forced upon a company, which Mr. Arena has also been with, First Trenton Indemnity Company. Many of the companies forced to write business through this program in areas like Camden have used unethical procedures to limit this business or to stop the writing of this business.

The company -- again, First Trenton -- has kept the PAP agents from using preferred rates, not allowing us to bind coverage immediately, requiring applicants to pay the entire, full-term premium, and canceling the insurer who has had an applicant or a person in their home with a suspended license. This has redlined and discriminated against many people from seeking coverage with a company like First Trenton that has a 30 percent to 40 percent discount over the companies that are readily available in the marketplace.

Although First Trenton has since been ordered by the Department of Insurance to correct these practices, they have targeted the PAP agents with an audit process that is not in accordance with what their regular appointed agents must submit to. The fact that the assigned agents have been treated so differently than their regular appointed agency force should raise many questions as to why, and what effect did it have.

The PAP agents have a limited two-year contract. They're pretty much all over us constantly -- procedures and again -- just unreasonable aspects of business, like not giving us preferred rates and binding authority, while their regular agents, who are writing in towns like Medford, are allowed to do whatever they want to do.

I know of one First Trenton agent who was appointed under the regular contract; he's been with them for ten years. He's closer to the City of Camden than my agency is, and he has no business here. He has not written one policy in the City of Camden. I've been with First Trenton for about 16 months, a much shorter time, and I have over 150 policies here.

Now there's a State program, the Producer Assignment Program. I was able to try to get business here, and they're all over me. If you look at this other agent, who has a voluntary relationship with the company-- I don't understand why he has no policies here. So you have to look beyond that and say, it must be the company dictating policy to him.

As you see in a lot of recent newspaper articles, there are letters coming out now with Allstate or Liberty Mutual-- Some of these different companies, I don't know the particular ones-- I think Liberty Mutual was a particular company, where there was a memo found that told agents not to write business, or to slow down the writing of business.

I really believe that's, again, discrimination and redlining. I believe that a Senate Committee should be formed to investigate redlining and discrimination practices by the many insurance companies. I am willing to make myself available to provide the documentation, the evidence that I've accumulated with one company, First Trenton, to a committee like that. But I really think that this problem has become a crisis in the marketplace. As these agents with two-year contracts are forced out of the marketplace over the next few months, you're going to see a real outcry from the urban

centers, because there will be no representation here. Right now, as agents, we represent the people in towns like Camden, and we're really their voice. As a member of, again, the Independent Insurance Agents, talking with these many agents out there-- I just can't believe no one is taking notice of it.

I would also like to ask the Senator to support Senate Bill No. 685, which will extend the contracts of the assigned agents, under the Producer Assignment Program, three more years. I think that's crucial, because there's nothing in place, right now, to replace the representation of the companies that the PAP agents represent. I think in the last two years something should have been done to allow the market to be opened to these people. So that's why that bill is crucial, because with the next three years, there could be something done to work on this problem with equal access and equal opportunity.

I also ask the Senator to support Senate Bill No. 158, which has to do with the nonrenewal policies of the insurance companies. Again, I wrote-- The first four months I was with First Trenton, they didn't allow me to write at preferred rates. I was only able to write at a higher rate. The following year, they nonrenewed 100 percent of all my clients for the months of December and January. Why? This is because, again, I'm an agent that's servicing an urban area. I'm actually in a suburb, but I'm actually servicing a lot of people in an urban area.

I would also, additionally, like to request, since as of today these bills haven't been posted to be voted on, if there's anything that you can possibly do tomorrow and request them to post these bills. I don't know your particular feeling on those two bills, but I think they are very important. You know, speaking with Senator Cardinale, he seems to be very much up on it.

Thank you.

SENATOR LaROSSA: Mr. Damiani, I appreciate your comments. The person to address in terms of posting the bill is the Committee Chairman, and that would be Senator Cardinale. If you need his address or the way to contact him--

MR. DAMIANI: I have a meeting with him Wednesday.

SENATOR LaROSSA: Okay, terrific. If you're meeting with him Wednesday, the redlining issue is obviously-- I remember a number of years ago, in terms of the banks with the mortgages, in terms of the whole redlining question as it related to mortgages-- If you, in fact, can put your comments to paper, as well as some of the documentation you referenced, I would urge you to bring that to Senator Cardinale's attention. If you can make a second copy of it and supply the Committee with it, we'll try to get some follow-up on it, as well. Because obviously, it will be a very salient issue, if it isn't already. It already is a salient issue as we try to get involved with urban renewal. It's going to become even more critical.

I appreciate your comments.

MR. DAMIANI: Thank you.

SENATOR LaROSSA: Thank you.

James and Louise Dobbs.

**J A M E S E. D O B B S:** Good evening to the Senator, and the body, good evening.

Being President of the Whitman Park United Neighbors Association, I come to ask for funding to help clean up our neighborhood.

I would like to start off by saying approximately five years ago, we got together as a body in the 1300 block of Jackson Street and organized a Block Committee. We became aware of the neighbors and the problems that were flagging our neighborhood. We began to work together to overcome and be successful in maintaining our block. Our block is a safe

block. Other blocks have taken pattern after us and are trying to organize themselves. We are growing, but we need funds to help us to continue to grow.

We have established a relationship with the Camden Police Department to help us in our effort. June of '93, we first came together with the Camden Police Department.

As of November, we appointed our first officers; as of November 15, we started our committee. We are asking if you could help us, in any way to clean -- for funds to clean up our block: brooms, bags, cans, shovels, and more streetlights in alleys.

Number two: There are houses-- There's a house and store at Chase and Norris Streets that has been vacant for some time. We understand that it is owned by the City of Camden. The neighbors of Whitman Park would like permission to use the building as a ministration, a community meeting center, and a safe haven for the youth of our community, and also for the senior citizens of our community.

Number three: Our main aim is to clean up our neighborhood of drugs and crime and to unite our neighbors of Whitman Park in this effort and to hold monthly meetings. We hold monthly meetings every third Wednesday of every month in the Parkside area. We're working to organize a town watch for Whitman Park. We are also working to get our charter.

If there is any way that we could ask you for funding for this, we would appreciate it. Our main aim is our kids and our senior citizens.

SENATOR LaROSSA: Have you brought that request to City Council?

MR. DOBBS: We spoke to Ms. Faison and Mr. Devlin. Those are the only two members of City Council, so far, that we have spoken to.

SENATOR LaROSSA: Unfortunately, the request you're making is something that would be dealt with at a municipal

government level. I would suggest that the most expeditious way to try to get a response-- The most expeditious way to try to get some assistance on this would be to go directly to-- To try to contact Linda -- I don't know what her last name is -- in the mayor's office, Mayor Webster's office. I think they will be able to give you some assistance there. Linda Boone, I believe.

MR. DOBBS. Okay, thank you, sir.

SENATOR LaROSSA: Thank you very much.

The floor is yours, Keith.

**K E I T H W A L K E R:** I'm going to-- Keith Walker, city resident from the Morgan Village section of the city. I spoke earlier on creating real employment opportunities via repairing the infrastructure, new housing starts, housing rehabs, and things of that nature. I said that it was basically a 10-year plan. We could reasonably look at employing 500 people for 10 years, doing those things. Rebuilding the infrastructure, rehabing houses. Of course, we have a lot of them that need to be torn down also, but new housing starts, cleaning up the neighborhoods, these are real employment opportunities.

What do we get in return? Once again, we have lower crime, because people are employed; that's pretty simple. We have lower taxes, because the tax burden is spread out more evenly across the resident base of the city. We lessen the drug crisis, because when people are employed their stress levels are a lot lower, and they don't turn to those manufactured sources of dulling pain.

As I've travelled around, and I've spoken to people, I've found two things. I studied history and political science in college. There were two things that we heard, and we read about constantly. During the industrial period, the industrial boom for our country, we heard these -- I guess I would call them standards, standards for this country. Actually they were standards for the world. Standards for excellence. We don't

hear them anymore; one was "Yankee ingenuity" and the other was, "good old American know-how." You never hear those things anymore. We keep hearing that there are no manufacturing jobs, everything is service-oriented now. People want to get jobs, you go out to McDonalds and you get a job.

I beg to differ, because there are opportunities; that "Yankee ingenuity" knows that there are opportunities. We need to start pulling these things out of our people. Creating these real employment opportunities is a way of pulling these ideas, bringing that "Yankee ingenuity" back to the surface, bringing that "good old American know-how" back to the surface.

I'll use a perfect example. We all use telephones and invariably-- Me, I'm kind of clumsy. I'm a Marine, too, so I'm really -- I'm doubly clumsy. I always drop the handset. I have to replace my phone because I drop the handset. How many people have to replace an entire phone because of a handset? Most of us, I would imagine, most of us who are clumsy. There's an opportunity there for someone -- not me, because I don't want to do it -- for someone to manufacture handsets, just handsets, and market handsets for telephones.

So there are business opportunities. There are manufacturing opportunities. We need to open ourselves up and we need to realize from where we sprang. We need to understand where our roots are as a nation. We need to start working toward finding these opportunities that do exist in a highly technological society. But -- I don't want to digress -- if we attack some of the basic needs in our society -- in our urban centers--

Stop having the "if you can't lick 'em, join 'em" mentality, meaning if we have a drug problem, what do we do? We dump more money into police. We dump more money into social programs. That's not solving the problem. What happens is, you end up with a wheel that generates it's own power. If we

want to eliminate these things, let's do some realistic programming, some programming that's going to generate real dollars and not social service dollars, which are a drain on our society.

If you look at the City of Camden, we have massive quantities of Federal and State aid coming in. Over the past 10 years, as a matter of fact, about a billion dollars. If you look at the City of Camden with a billion dollars dumped in, there is no conceivable way the City should be in the condition that it's in today. Yet it is.

The reason is that people, if they know that there's a money tree, a never ending chain of dollars that are going to come in, then there's no incentive to do anything different. There's no incentive to exercise creativity or any kind of "Yankee ingenuity." So we need to tie those dollars to something realistic.

I believe that if we, if the State and the Federal government, want to put money into the City of Camden, then have some requirements -- have some realistic employment opportunities. The giveaways are a burden on everybody. It's a burden on the people who are taxed -- whose wallets are taxed to provide the money. It's also a burden on the people who receive the funds, because it -- in essence, it's a trap. Once you get used to that, you fall into an acceptance mode; easy dollars, they come easy and they go easy. There's no-- limited accountability, there's all kinds of games that are played, and the people just don't have an incentive to make those dollars work.

If we're going to bring State dollars in, if we're going to bring Federal dollars in, let's point those dollars toward some viable economic programs, viable employment programs. We need to invest in, once again, the infrastructure, rebuilding of that, new housing starts in old



cities such as Camden. We need to look at new industry that is in tune with the high-level technology that we've achieved and that we know is going to increase as we go into the new century.

We need to focus on not so much dollars for -- in terms of grants -- but dollars that the State can get back, the Federal government can get back. I will say that I am somewhat conservative, because I believe that some of the things that have happened in our society have been liberal to the extreme of being radical. As a consequence, we're in a state now where all kinds of ills are beginning to surface here. There seems to be no real control in our society.

Too many of us are surrendering. An example of that is the graffiti that we have. When I was growing up, you didn't see graffiti. Once in a while you did, but if you were a child, you didn't let anybody see you put graffiti on the wall. We started getting a lot of graffiti, and how did we address that? Well, we said that it was art. It's urban art now; it's not graffiti anymore. So we have all this ugly, so-called art on our walls: it's peeling, it's chipping, there's no maintenance on it. We're living with the fact that we surrendered to a group of people who didn't want to follow the rules of our society.

All too often we do that. So we need to stand tall. We need to begin to invest our dollars wisely, stop the giveaways, hold people accountable. Let's all be responsible, and make our dollars work for us. I think it's a sin that the City of Camden, for years, has gotten dollars from the State. Basically every taxpayer in this State has been burdened with taking care of Camden. As you drive around this city, where did their dollars go? There's nothing to show for it. If I lived in North Jersey, or I lived in Atlantic County, I'd be very, very upset. I think I'd probably start giving Patrick Henry speeches about what the heck was going on in the City of Camden?

Once again, Senator LaRossa, when you're talking to the full body, some of the things that need to happen are when we send the dollars to Camden, make sure that they're going for the right things. The infrastructure needs to be repaired, has to be; nobody's coming in here if it's not. We need new housing starts. Our police officers, our educators, our business people, our white-collar workers don't want to live in this city if they have to live in dilapidated housing, in old crumbling neighborhoods. They're not going to live here. We need to rehab our existing housing.

Camden, historically, or for the past 10 years, has been considered a mecca for low-income housing. So what does that mean? That means everyone needs to have their share of low-income housing, because all of us aren't going to be middle class or lower middle class or what have you. But Camden has become a mecca, and there are areas of the city -- that I wish I could have taken you to earlier, had I been available -- that are so dense with public and low-income housing that anyone, anyone looking at them would say, "Good God, there's no way that this could be socially healthy. No way, the whole environment is negative."

So we need new housing starts. We need-- Instead of building public housing, more public housing units, more low-income units -- when we rehab the units that I talk about in the 10 year plan, we can start moving people into those houses. We have, in this city, over 2000 vacant units, today. I don't know how many of the public housing units are vacant, but quite a large percentage of those are, also.

We certainly need to exercise some responsible action on the part of the city, but we need, unfortunately-- We're going to need the State and the Federal government to, kind of, give a few people a shove or, if necessary, a kick. Okay? That's all I have.

Thank you very much for coming to our once great, and soon to be great again, city.

SENATOR LaROSSA: With the interest that you take, we'll once again rise as it were. Phoenix is in Arizona, but we have a lot of cities in New Jersey that could benefit from the same basic concept. I would hope, Keith, that we have a way to contact you? Your address and phone number?

MR. WALKER: Yes, true to my word, I did bring some cards with me.

SENATOR LaROSSA: Okay, terrific. Because, as I said in the past, the Committee will return, and when we return, it will be with some legislative ideas, some specific concepts. We want to reach back out into the community and have people such as yourself participate in those conversations and discussions. Because, again, no matter what we come up with, the people who live there have to be a part of that process.

Just out of curiosity, are you a Camden native?

MR. WALKER: Yes.

SENATOR LaROSSA: So you really bring a lifelong perspective to the table.

MR. WALKER: Thank you.

SENATOR LaROSSA: Thank you very much.

Is there anyone else? (no response)

No?

All right, thank you very, very much. As MacArthur once said, we shall return, but with some other information.

**(HEARING CONCLUDED)**



APPENDIX



**Bill Goes To N.J. Senate Floor On Charging Auto Non-Renewal Tactics, End 2 For 1 Swap**

By Vincent R. Zarnte

TRENTON, N.J. — Insurance agents in New Jersey hunt by the new auto insurance law about non-renewal of insurance policies have scored their first victory in an attempt to get the non-renewal law changed. A Senate Insurance committee has released for floor vote a bill that would ban companies from

**Motorists warned on agent cuts**

By JOE DONOHUE

to 750,000 insured including many with records, could end up their policies can by year's end. Legislators

**The Pru's squeeze play**

Agents say insurer coerces customers

Prudential to probe agents

**N.J. insurers seeking rate hikes, surcharges**

Associated Press

TRENTON — Some major New Jersey auto insurers have asked the state Department of Insurance to approve surcharges and rate hikes for certain types of coverage. The rate hikes — some of which are in the double digit range — generally apply to personal injury protection, uninsured motorist and liability coverage. The Star-Ledger of Newark reported yesterday. The surcharges are being sought to help pay off losses in the now-defunct Market Transition Plan.

The state's third-largest insurer, Prudential, has no plans for a rate hike but wants to impose a \$126 surcharge.

And Selective Insurance, ranks as the seventh-largest in New Jersey, has a 10.4 percent rate \$119 surcharge.

So far, the best insurance rates are with clean records. The extra cost to drivers at Allstate can be as high as \$630 per year. Some Allstate agents, whose

**Allstate shifting motorists into high-risk insurance pool**

Associated Press

TRENTON — Allstate Insurance Co. is dumping at least 90

reported in Thursday's editions. The state Insurance Department gave Allstate and Hartford companies permission to do so, which met yesterday in Clark, said hundreds

**Insurance brokers warn drivers on fallout from layoffs of agents**

62,000 drivers are insured by the PAIP.

that would endanger

Cardinale said he has received an opinion from the non-partisan Office of Legislative Services that his legislation is constitutional. He said

Page One  
The companies on a  
The layoffs will begin

Continued from P  
their auto coverage.  
owners have the right  
to 2 percent of the  
the state each year  
department may  
with careful study  
state sure the

State orders Prudential to probe its agents' auto policy sales practice

up with more negative marketing techniques." That, he said, will mean "more trouble for the public."

But not all drivers agree that is a problem. Ed Gross, a mayor

have the right to drop every two new policies. PROPAC, for one, has a list of yesterday's investigations by them were told they were told the companies with the complaint policies with the complaint not lose their auto coverage. "lying" of insurance product violates state regulations.

Deputy Insurance Commissioner Ed Gross said Prudential agreed to carry out the investigation and also to make restitution to any customers who feel they had been pressured into buying other policies in order to keep their rates," she said.

Commissioner wants firm to explain memo

TRENTON (AP) — The state insurance commissioner has asked the Prudential Insurance Co. to explain an internal memo that says auto insurance companies can't

more and more New Jersey motorists get their automobiles insured because of the consequences in the years to come.

**Allstate puts 90% in high risk**

Most new policy holders charged extra

man, said company "over 90 percent new"

— have been given state approval to create separate indemnity pools. The programs chiefly are meant for high-risk drivers but the state also let the companies include some drivers with clean records. The extra cost to drivers at Allstate can be as high as \$630 per year. "I feel like it's a lousy deal," said Lynne Ollwerther, an Allstate agent in Hazlet Township. "First, the rate is higher, which is what they are looking for. They (Allstate) maybe feel like writing less policies." Allstate and Hartford both deals with the state Insurance Department to keep Jersey state because of the 1990 reforms created by former Gov. J. Florio.

Allstate had been barred by the state Insurance Department from using the non-renewal provisions. April 1, and company spokeswoman Pat Joyce said Allstate plans not to renew about 13,000 of its almost 2,631 auto policies last year, state records show. While the company refuses to say how many policies it let lapse so far this year, spokeswoman said it will expand its use of the non-renewal provisions in the state law. Peter Cammarano, the Insurance Department spokesman, said motorists are free to go elsewhere for coverage. But he said that "the Insurance Department would like to see more motorists active while that law is already used by

**Insurers dropping thousands of policies**

N.J. reform lets them cut 2% of policies

**WHAT IT MEANS**  
State law allows insurers to cancel 2 percent of their auto policies each year and to cancel one policy for every two new ones they write. Three major companies are eligible to invoke these provisions and more will be by December. The companies can claim to cancel coverage for thousands of motorists.

Prudential asked to explain memo May be violating state law

By BARRY HANCOCK

State Insurance Commissioner Drew Karpinski asked Prudential officials for a full explanation of a program that could be a violation of the state law.

