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OA/ID Number:	13680
Folder ID Number:	13680-001

Folder Title:
National Urban League Annual Conference 8/8/89 [OA 6267] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	19	2	7

willing to give of himself, to make his community better, becoming involved - appropriate agencies & boards - supporting of law enforcement

- Mattie Pitts - Chair, Citizens Crime Watch, North Side Police Station largest group in Dade Cty
  - 63 yrs. old - husband retd Miami policeman
  - speaks to neighborhood groups
  - Halfway Houses - speaks to young people
  - 14/15 hrs/day - volunteer

articles
Feb
1:00

schools -

son Otis also a policeman retd.

leading contender of community - housing, business raises $ for projects

NW 62nd St & 7th Ave. area - revitalization devastated during riots

MacDuffy riots - 1980
~~policeman~~ citizen killed by police officer

area thriving rather than deteriorating

CS

ops - Op Primavera
Tranquilandia (1984 - Colombia)
IDEC VI

Corps - JC Penney
Coca Cola
NBC
Met Life Ins
Standard Oil
Prudential Ins
Advertising Council
Kellogg Corp
RCA

prevention
article -
Pacific Inst for Research
& Evaluation
1988

30-min.

Craig Chretien - Country Attaché - Peru - DEA

2320 labs require water source — built over or next to a stream

374-3900 leaf → paste (sulf acid, Kerosene)

Terry Burke -
Dep Asst Admin for Operations -
Enforcement + Intelligence

...ir strip / ...ng turnkey

town of
Uchiza - heart of trafficking in UHV
as many as 6 flights a day from Colombia

1st 2 wks. Sept. 1988

near Uchiza, Lawn, David Westrate
Asst Admin for Ops - DEA

...ishing areas

partic in series of ops w/Peruvian police

- clan'd cocaine base laboratory, located under double canopy, adjacent to large running stream, 10 ft wide, 3 ft deep

series of bldgs incl lab, sleeping quarters 40 people, kitchen & dining,

used by several orgs - each

2 series of pipes leading from ~~river~~ stream into lab, + vice versa

across stream/lab - maceration test
leaves + ~~st~~ chems - alkaloids
extracted
part of process - get chems out
of pit. 10 x 40 x 4 deep
lined w/ plastic, filled w/ water & chems

remaining liquid drained into
stream

evidence of insect & mos of use - a
good year

---

3 mos period in 1988 - 78 labs
destroyed, all set up

1/2 mile away - several miles
flows into tributary, to Huallaga,
to Amazon

Gen. Juan Zarate Gambini —
(Gen Zarate)
in charge of anti-drug police for
Peruvian Natl Police — has unit
ready for jungle-type ops —

their intelligence, on-site obs of Peruvian processes of sulfuric acid —

91,000 Kilos of sulfuric acid ~~R~~ dumped into ~~Peru~~ UHV waterways each year

- Decade of the Hispanic

80
2.2
1600
1600
176,0000

~~Paul~~ George Saunders 2601

Shadonn Matthews

Ron Wright 727-3071

FAX 727-1014

Mrs. Razza
501 T St. NW
483-0830 20001

Mrs. Colwell
2411 Wagner St. SE
889-4371

→ ~~Internatl Drug Conf.~~

p. 2, 5

Spike - what used ~~for~~ ?

Jim S. Milford - Exec Asst to Admin. DEA

IDEC II Op. - many same participants

Peru - comme Brazil's rain forests
test - March ~15
Spike 'env. impact study
Went through it
Peruvians - Minister of Interior
mil + police
Jim Milford + Jack Lawn have been there

texts

speech at 9:00
working group reps after

Lehder - Marion, Illinois

Eli Lilley — State Dept.
Spike - what used for? crops?

THE WHITE HOUSE

WASHINGTON

July 25, 1989

522

Dear Mr. Chairman:

I am pleased today to transmit my Administration's proposals for Enterprise Zones. Our proposals contain tax-based incentives for new enterprises and new jobs in distressed urban and rural areas of this country.

As the Committee works to achieve its 1990 budget and revenue targets, I urge you to include our Enterprise Zone proposals in the reconciliation legislation that is now under consideration.

The establishment of Enterprise Zones is a high priority of my Administration. I would therefore appreciate the prompt and favorable consideration of this request.

OMB
Janet Hale
3120
Peroff
Kathy 4/610

Sincerely,

George Bush

215-1263

The Honorable Dan Rostenkowski
Chairman
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

Steph:
P.S. see ~~if~~ what time limit is on E. Zones — seems to be one — see next page.
Thanks

- What action on Hill for enterprise Zones
- The history
- How many in rural areas

THE PRESIDENT'S ENTERPRISE ZONE INITIATIVE

The President's enterprise zone initiative includes three tax incentives that will be available to workers and investors in 50 zones. The 50 zones will be phased-in 15 in 1990, 15 in 1991, 15 in 1992, and 5 in 1993. The characteristics of the zones will be consistent with the distress requirements contained in Title VII of the Housing and Community Development Act of 1987.

1. Refundable Wage Credit for Low-Income Zone Employees

A 5 percent refundable tax credit for the first $10,500 of wages will be provided to individuals working in a zone and having total wages below $20,000. The maximum credit will be $525, and the credit will phase out between $20,000 and $25,000 of total wages.

2. Expensing of Investor Purchases of Small Zone Corporate Stock

Investors may deduct currently ("expense") investment in newly issued corporate stock of qualified small subchapter C corporations.

Expensing will be available for investments in corporations having less than $5 million of total assets, so long as the investments coincide with comparable increases in the corporation's tangible zone assets. Substantially all the activity of qualified corporations must be located in zones.

Expensed corporate stock will be available up to $50,000 annually per investor, with a $250,000 lifetime limit. Expensing will be available to individuals, and gain attributable to expensed stock will be taxable at ordinary rates. Amounts expensed will be subject to existing Code limitations, including the alternative minimum tax, and no "double dipping" with other tax subsidies will be permitted where the result is more than a 100 percent tax subsidy.

3. A Zero Capital Gains Tax Rate on Tangible Zone Assets

A zero tax rate will apply to capital gains realized during zone designation periods on qualified assets.

Qualified assets must be tangible, located in zones, and used in qualified businesses that have operated in zones for at least 2 years prior to gain realization.

Gains qualifying for exemption must accrue after zone designation and before termination of the designation. Assets already located in a zone must be appraised at the time of zone designation, as must existing assets relocated into zones following designation. All qualified assets must be appraised at the termination of zone designation.

Revenue Effect of President's
Enterprise Zone Proposal
50 Zones 1/

	Fiscal Year					
	1990	1991	1992	1993	1994	1990-94
	($'s in millions)					
Wage Credit for EZ Employees 2/	-20	-60	-100	-120	-130	-430
EZ Corporate Stock Expensing 3/	-30	-100	-200	-270	-310	-910
Capital Gains Elimination on Certain EZ Assets 4/	0	0	-10	-130	-310	-450
Total Enterprise Zone Proposal	-50	-160	-310	-520	-750	-1790

Department of the Treasury
Office of Tax Analysis

July 21, 1989

1/ 50 Zones phased-in: 15 in 1990, 15 in 1991, 15 in 1992 and 5 in 1993.

2/ Refundable wage credit for zone employees equal to 5% of FUTA wages up to 1.5 times the FUTA cap ($10,500). Credit phases-out between $20,000 and $25,000 of wages received.

3/ Proposal would permit expensing of investment in newly issued corporate stock of EZ subchapter C corporations.
Expensing limited to $50,000 per year with a lifetime cap of $250,000 per individual.
Limited to investments in corporations with total assets of $5 million or less and limited to corporate stock representing increases in tangible assets of the corporation held in the zone.
Limited to investments by individuals.
Gain on expensed stock will be subject to ordinary tax irrespective of other tax law provisions.

4/ Exemption from tax on gain accrued during zone designation on enterprise zone tangible business assets.
Assets in the zone prior to the date of zone designation must be appraised as of such date to receive tax benefits, although tax is deferred until realization. Only gain accruing after the date of designation qualifies for tax exemption.
Asset must relate to an enterprise zone business which has operated in the zone for at least two years prior to gain realization.
Estimate is stacked before President's capital gain rate reduction proposal.

NOTES: Most revenue loss from elimination of tax on capital gains will occur outside the budget period. Over a ten year period, this proposal will cost approximately $5.0 billion.

Estimates assume 50 zones phased-in in accordance with the pattern described in 1/ above. Estimates also assume the characteristics of zones will be consistent with the distress requirements contained in Title VII of the Housing and Community Development Act of 1987. Any deviation from these assumptions may materially impact the revenue estimates.

1ST STORY of Level 1 printed in FULL format.

April 10, 1989

SECTION: U.S. NEWS; Vol. 106, No. 14; Pg. 20

LENGTH: 5232 words

HEADLINE: Dead zones

BYLINE: By Thomas Moore; Ted Gest; Gordon Witkin; Jeffery L. Sheler; Peter Carey; Stephen J. Hedges; Joseph P. Shapiro; Scott Minerbrook; Pamela Ellis-Simmons; Patrick Barry

DATELINE: New York; Chicago; Los Angeles

HIGHLIGHT:

Whole sections of urban America are being written off as anarchic badlands, places where cops fear to go and acknowledge: "This is Beirut, U.S.A."

BODY:

In "Crack Heaven," a three-block area off Nostrand Avenue in the Flatbush section of Brooklyn, the noise of automatic and semiautomatic weapons, of ambulances and police cars would begin around 8 p.m., residents say, and continue through the night. It often woke up the children in Elaine Underwood's apartment building on East 24th Street. Then, on March 3, New York City police officer Robert Machate was shot to death with his own gun by a man he was trying to arrest, and things got quiet for a while. "It's a terrible thing to say," says Underwood, who is the mother of a 2-year-old daughter named Akisha, "but when that officer died, we all slept through the night for the first time since, I don't know, months. The helicopters and police cars stopped the drug dealers from doing business for about a week. It sounds terrible, but that's when we got some rest."

Twenty years after nightly news programs spilled the carnage of Vietnam into our living rooms, television and daily newspapers are bringing us, live, another escalating war that we are losing. But this time the firefights are taking place on our own territory, within the hearts of our major cities. Every day, there are haunting pictures of the dead being carried off in body bags, of angry, grieving families, of commandos breaking down doors of dilapidated buildings, of armed gangs and wounded children, of burned-out cars and the flash of gunfire. As if to underline this grim message of civil dissolution, these scenes of guerrilla drug battles are often juxtaposed with similar visuals from Beirut, Lebanon, a place that has become a metaphor for institutionalized disorder.

The image that overrides all others is that of urban war zone. However complex the causes and dynamics, however remote any chance of soon resolving this new civil war, one truth is inescapable: From Gangland Los Angeles to Murder Capital Washington, D.C., city after city now tolerates its own Beirut, a no man's land where drug dealers shoot it out to command street corners, where children grow up under a reign of "narcoterror" and civil authority has basically broken down.

Police confirm that identifiable geographical areas with combatlike conditions exist in more than a dozen major cities surveyed by U.S. News

correspondents. They include: New York, Boston, Philadelphia, Baltimore, Washington, Miami, Cleveland, East St. Louis, Detroit, Chicago, Atlanta, New Orleans, Houston, Dallas, Oakland and Los Angeles. Some cities, like Denver and Seattle, have not yet developed outright war zones but are already experiencing skirmishes that may soon ravage some of their neighborhoods as well.

The extent and nature of these dangerous no man's lands vary from city to city. Some are just open-air drug markets on street corners. Some are housing projects and surrounding tenements riddled with crack houses. Some are whole neighborhoods or vast areas of cities, like South Central L.A. or the West Side of Chicago. Many have nicknames, like the Graveyard in Miami, the War Zone in Dallas or the Wild Wild Western District in Baltimore. Some police departments are more than willing to talk about them, hoping the wave of publicity will lead politicians to give them more resources to restore order. Others are guarded, wary that they will be criticized for not doing a better job of controlling their streets.

What constitutes a war zone? These are places where the level of concentrated violence has risen so high that city services barely function, not simply because workers and administrators blatantly redline the areas as in the past or for lack of resources, but also out of well-grounded fear for their lives. The sheer firepower is awesome. Chicago's "gunbuster" unit recently raided a West Side gang's arm cache and found 23 live hand grenades, eight machine guns, seven sawed-off shotguns, a semiautomatic rifle, 20 handguns, a cluster bomb and thousands of rounds of ammunition. "I don't even know what a cluster bomb is," says Lt. Wayne Wiberg, chief gunbuster, "and I don't want to find out." Cluster bombs are antipersonnel weapons, normally dropped from airplanes, designed to kill and maim anybody within a wide area.

Applying triage to crime reports

These local Beiruts look like war zones, too. Unmaintained public housing is literally crumbling, and garbage piles up obscenely in vacant lots, attracting haulers who illegally dump tons more from trucks. Ambulances, firefighters and utility workers often request police escorts, if they go in at all. In Chicago, a 9-year-old boy suffering from an asthmatic attack died last December after paramedics refused to enter a war-zone housing project, claiming they had been assaulted with eggs. Like MASH units in war, overburdened war-zone police districts apply triage to crime reports, focusing mainly on murders and shootings and ignoring burglaries. Implicitly, if not explicitly, many have adopted a policy of crime containment rather than prevention. "Why not let the bozos shoot it out, then go in, pick up the bodies and arrest the winner?" says Cleveland Detective Doug Charney. "That's not what we're paid for, but at least we're using our brains now."

The significance of these Little Beiruts, and what they say about our country, is only now hitting home. Many cops, business people and average citizens had written off the drug-dominated chronic-crime areas of inner cities, arguing that the bad guys, like Mafia gangsters, were largely just killing each other, that the shoot-outs did not affect downtown districts or surrounding middle-class neighborhoods. Even liberal police chiefs, politicians and city officials took the view that the problem was too big and that they had too little money to do much about it. "I don't see how we can manage this problem with our resources in New York," New York Governor Mario Cuomo said recently, echoing the frustration of many other government officials. "It's possible you

won't be able to solve the problem. That's how horrible it is."

But as the homicide tolls continue to jump, city councils, Congress and ultimately President Bush have begun to consider drastic action, such as hiring hundreds of more cops, launching police sweeps in housing projects and schools, and even sending in the National Guard to cordon off the worst areas. Newly confirmed drug czar William Bennett expressed the sudden sense of urgency as well as anyone. Rather than wait the full six months he was given to come up with an overall drug strategy, he launched a number of initiatives he believes will amount to sorely needed "shock treatment" right now. They ranged from declaring the nation's capital the first "high-intensity drug-trafficking area" to pushing Bush, a life member of the National Rifle Association, to halt the import of assault weapons, so many of which end up in the hands of drug dealers. Bennett plans to announce a comprehensive attack plan for Washington this month. "We don't turn to this because we think we've got a quick fix," Bennett said. "We turn to this because, by God, something has got to be done."

Three-year-old Quarshon "Twiggy" Mottley was playing in her home in a drug-plagued northeast Houston neighborhood last summer when her mother's boyfriend burst in, stabbed to death the mother, Lotti Mae Nora, 33, and took her jewelry from her body. He then slashed Twiggy's throat with a butcher knife and threw her bleeding into a closet. Only days before, the 30-year-old man had baby-sat the child in a crack house while the woman ran errands. Twiggy recovered, but she has had trouble adjusting. "She would just go into a daze where she looked off into nowhere," says her father, truckdriver Darwin Mottley, 30. "I have to take her everywhere with me, even to work. She doesn't cry any more, but she'll wake up sometimes and holler, 'Daddy, he got Mama."'

Slums, run-down housing projects and other bad areas have long been neglected by police and other city services, have always harbored drug dealers and users and have always been dangerous places to live or visit. But crack, a powerful and cheap derivative of cocaine, was the powder that ignited many of these neglected areas into actual war zones. Pharmacologists have proved that crack induces considerably more paranoia and violence than most other street drugs. Some 54 percent to 90 percent of those arrested for serious crimes in 11 big cities tested positive for drugs, according to a Justice Department study.

But the economics of crack undid these neighborhoods more than its chemistry. When cocaine, long considered the rich man's drug, suddenly became available in $ 5 crack rocks, even the poor could afford it. What was formerly an upscale-niche product was soon mass-marketed, creating an industry that generates tens of billions of dollars all by itself. Established drug markets that centered on poor neighborhoods and housing projects, and were frequented by suburbanites and down-and-outers alike, suddenly bustled with the profitable new business. Adam Smith's invisible hand of capitalism never worked better. Supply and demand converged there, pumping in serious money and soon serious weaponry and gangsters to take and hold market share. The business lent itself to entrepreneurship. Any kid who mixed baking soda and water with cocaine could start dealing off a street corner, and established gangs had to fight it out with interlopers from out of town or new cowboys from their own turf.

As the foot soldiers of crack established beachheads in city after city, these places spiraled out of control:

* Los Angeles. Drug dealing and high-tech weaponry have escalated the warfare between the city's long-established loosely knit gangs, the Crips and the Bloods. A favorite expression for killing someone these days is "boo-yah" -- the sound from a sawed-off shotgun. The hottest battlefields are four mostly black communities extending from the Harbor Freeway on the east to Los Angeles Airport on the west, touching the San Diego Freeway on the south and coming within 20 blocks of the affluent University of Southern California campus on the north. Outright lawlessness reigns around several projects, according to Deputy Chief William Rathburn, who runs the city's two toughest districts. "We average a murder a day in South Central," he says. "We have drive-by shootings with great regularity. The increase in gang violence has been accelerated by the competition for drug sales, and you are talking large amounts of money, which have provided the gangs with more sophisticated weapons. They buy the AK-47 and a case of ammunition. They are firing 60 rounds at a drive-by."

Several months ago, three telephone-company employes were shot in the area. Martin Luther King, Jr., hospital in Watts has ordered metal detectors for its emergency waiting room to prevent gang members from bringing their guns with them when checking up on injured buddies The hospital is having trouble filling 90 vacancies on its nursing staff largely because of safety concerns, according to one nurse. People in the hottest areas do not use their front rooms at night for fear of drive-bys, Rathburn adds. Many will not turn on lights at night. And some have told him they sleep on the floor for fear of indiscriminate shootings. Rathburn has a tape he made on New Year's Eve from the police-station roof in the hard-core area that captured the constant popping or crackling of guns being fired, occasionally interrupted by machine-gun pumping.

* East St. Louis, Ill. With one of the highest crime rates in the state, the city recently called in the Illinois State Police to patrol its war zones during the night. "There is no order in East St. Louis, there are no neighborhoods that are safe," says John Baricevic, St. Clair County state's attorney. Across the river in St. Louis, ambulance crews routinely call for police escort into the Cabanne Courts and West Side Apartments complex. Says Gary Ludwig, deputy chief of emergency medical services, "We call it Little Vietnam up there."

* New Orleans. There is a large city map on the wall of the police homicide bureau stuck with dozens of red pins that indicate where every murder of the year took place. The map shows that murder occurs across the city not at random but according to a distinct pattern. Most of the pins are clustered in and around several shaded areas, riddled with pinholes from the year before, denoting the most notorious of the city's 11 housing projects. The biggest in the city, a project named Desire, has drawn the largest cluster of red pins this year and last.

A labyrinth of three-story army-type barracks spread over 97 acres, Desire houses some 9,000 women and children on public welfare and assorted male friends and "uncles" who come and go, sometimes protecting the tenants but more often preying on them at will. Apartments and whole buildings are burned out, their roofs caving in as if they had been hit by distant artillery fire. Brick walls are crumbling, and holes big enough for people to crawl through gape between stairways and apartments.

Drug dealers have turned the project into a vast and dangerous bazaar of narcotics that attracts customers from all over the city, the state and Mississippi next door. Courtyards specializing in one drug or another boast

names like Cocaine Alley and Clicker Street. The parking lots have been turned into open-air garages where stolen cars are brought to be stripped. "The maze of buildings creates a casbah effect that breeds crime," says police Superintendent Warren Woodfork. "Whoever designed the projects never thought the 1980s were going to come." Mayor Sidney Barthelemy pinned the label Beirut on the place and hopes to eventually tear much of it down, if he can ever find money to relocate the tenants in smaller units scattered elsewhere.

* Washington, D.C. On Clifton and Euclid Streets, on Orleans Place and Drake Place, S.E., in Trinidad and Columbia Heights, the story is sadly the same. Much of the southeast and southwest quadrants of Washington, D.C., is soaked in drug-related violence and murder (see box, page 30). The city's homicide rate last year, 59.4 per 100,000 population, edged out Detroit's to make it the murder capital of the United States. Killings are even worse this year: 127 dead by the end of March vs. 81 a year ago. "The problem is not under control, to put it mildly," says Assistant Police Chief Isaac Fulwood, Jr.

A study of murder in the District from 1985 to 1988, done by the D.C. Office of Criminal Justice Plans and Analysis, shows that 72 percent of homicide victims were age 18-39; 90 percent of the victims were black, and 63 percent had drugs or alcohol in their systems; of the assailants, 96 percent were black and 75 percent were age 18-39; 26 percent of the perpetrators tested positive for cocaine, 23 percent for PCP and 12 percent for opiates, such as heroin. The majority of homicides were not domestic disputes but targeted murders created by drug conflicts.

Some police and criminologists argue that the absence of dominant organized gangs in Washington is the cause of the recent escalation in violence. In their view, this temporary cycle of turf wars will subside when one group establishes control, providing discipline and structure to the free-wheeling drug markets. This cyclical view of gang development could be no more than wishful thinking, however. Detroit police say the decline in the city's murder rate last year had more to do with the department's crackdown on drug activities than with the establishment of any one gang. And this year neither theory seems to account for a new jump in homicides. By the end of February, 95 people had been murdered, compared with 82 a year ago.

Avoiding aggressive enforcement

The most disturbing confirmation that cities now face combat conditions in some areas rather than traditional crime is the widely held view among law-enforcement professionals that police can no longer handle the problem alone. Patrick Murphy, a former chief of police for New York, Detroit and Washington, D.C., and a law-enforcement consultant to the U.S. Conference of Mayors, reports that many of the police chiefs he spoke to at a recent mayors' conference in Washington on urban crime now believe that things are so dangerous in war-zone areas that some police will avoid aggressive enforcement for fear of getting hurt. "Many cops still roam through public housing every day and night like combat troops who believe that their number won't come up that day," he says. "But in some areas, police won't go in unless there are four or five officers. That attitude frightens me."

Many officials are starting to talk openly about the need for federal troops. "The police don't have the staying power or the manpower," says Hubert Williams, president of the Washington, D.C.-based Police Foundation and former Newark

police chief. "We need to declare martial law and get the drug dealers out of there." Some officials in Los Angeles; Compton, Calif.; Washington, D.C., and New York have called for sending in the National Guard to cordon off and patrol war zones. Under a $ 40 million appropriation in last year's Anti-Drug Abuse Act, the Guard is already helping Texas and Florida patrol borders for drug smugglers and last week announced it would provide similar drug-interdiction services for law-enforcement agencies in 10 other states. Customs agents have been pleased with the help. But many local officials say they are opposed to using federal troops. "I think it would be a farce. It would be Kent State all over again," says New York special prosecutor Charles Hynes, referring to the college campus where young, inexperienced guardsmen killed four persons during an antiwar protest.

A year ago, February 26, rookie New York City police officer Edward Byrne, 22, was sitting alone in his police car in South Jamaica, Queens, where he was guarding the front door of a drug-trial witness. Two members of a crack "crew," allegedly acting on orders from the dealer on trial, sauntered up to the car at 3 a.m. and shot Byrne in the head. One of the men now on trial for the murder bragged to his girlfriend about shooting the cop. "Bang, bang, bang, bang, four to the head," said Todd Scott, according to testimony. "That's all it took." Assistant District Attorney Kirke Bartley called it "a declaration of war against our society and a message: 'Oppose us and die."' After a day's deliberation, a jury convicted Scott, 20, and two accomplices of second-degree murder last week.

Short of sending in the Guard, cities are beginning to experiment with a number of other extreme police measures. The evidence seems to be that drastic action can indeed be effective, but only for a short time. Last September, the Chicago Housing Authority enlisted police help to cordon off five of its buildings, searched every apartment for drugs and threw out anyone who was not related to tenants, including boyfriends. The crackdown led to a small rash of marriages and a nose dive in the crime rate. The 24 members of Atlanta's elite year-old "Red Dog" unit, armed with sawed-off shotguns and wearing blue jumpsuits, yellow ascots and flak jackets, started assaulting street dealers in "jump-out" operations about a year ago. In eight months, they arrested 987 people and confiscated $ 106,000 in cash, 175 weapons and 8,000 hits of crack. Riding horses, vans and patrol cars, Dallas police last fall raided a downtown area known as the War Zone, rounded up drug dealers and bulldozed empty buildings. Houston police have launched similar raids this year. And New York City's Tactical Narcotics Team (TNT) has conducted buy-and-bust operations in targeted crime-ridden neighborhoods for a year. After TNT troops moved in, homicide rates fell dramatically, down 50 percent in an area of Southeast Queens and another area in East Harlem.

A question of civil liberties

The American Civil Liberties Union has challenged many of these police actions, arguing that many suspects are arrested based on scant evidence of drug violations. The ACLU won an out-of-court agreement with the Chicago Housing Authority, for example, which subsequently dropped the visitor curbs and limited searches to housekeeping inspections that preclude rummaging through tenants' drawers. Others question what these actions accomplish. One common complaint is that such raids just shove dealers out of one neighborhood and into another. The police, caught between critics who say they are doing too little and those who say their aggressive tactics are overburdening the system and trammeling civil

liberties, have become understandably testy about the whole issue. "What more do you want us to do?" Washington police Chief Maurice Turner snapped at reporters after a TV interview recently. "We arrested 43,000 people last year."

What Turner is really asking, as are many other police chiefs in major cities around the U.S., is what is the U.S. government going to do? The drug problem and its accompanying violence have clearly outstripped the resources and capability of local governments, police departments, courts and prisons to cope with them. It is a national epidemic that spreads from city to city, attacking communities with the weakest resistance, infecting healthier surrounding sites and then overwhelming the immune system of the whole body politic. Exasperated local police chiefs like Turner, who have seen their forces trimmed in the face of rising crime, and seen their veteran cops drained off by better-paying jobs, admit their efforts are just a holding action until the federal government steps in. "The phenomenon we're witnessing in Washington is not one the criminal-justice system as originally conceived was really designed to deal with," says Jay Stephens, U.S. Attorney for Washington, D.C. "It was [designed as] a system to deal with aberrant behavior.... What we're seeing now is not aberrant criminal behavior but widespread disregard for the law, and lawlessness."

The unavoidable fact is that even as law-enforcement agencies bring in more drug offenders, they are overwhelming already-creaky back-office operations, from crime labs to courts to prisons. Police crackdowns cannot hope to be successful if those arrested cannot be brought to trial and put away. Next to low pay, the cops' biggest complaint around the country is that the criminals they risk their lives to bust end up back out on the street, sometimes before the officers have finished the paper work.

Since the system's resources are not keeping pace with the exploding demand to imprison drug convicts, street dealers know the odds are in their favor. The chance that any offender will end up in prison is low. Of 185,423 state and local drug-trafficking arrests in 1986, only 28,282 did more than one year in jail. Of 18,106 federal narcotics cases referred to prosecutors, just over half did time. The median sentence was 3 1/2 years.

Special efforts to address the drug menace often run into these existing problems. Drug courts set up to expedite the backlog in cases in New York and New Orleans have speeded up trials and increased convictions. But with sentencing up, says Harry Connick, New Orleans's district attorney, "the state prison is full, and the jail is backing up with people waiting to get into prison." Many are housed temporarily behind police headquarters in a tent city that resembles a POW camp.

The massive volume of drug arrests has jails bulging all around the country. In Chicago, misdemeanor busts have become almost meaningless because the 5,580-bed Cook County Jail is overflowing, forcing the release of some 90 offenders a day on individual-recognizance bonds. The nation's state-prison population is growing by a net of 900 inmates a week -- the equivalent of two new prisons opening weekly -- pushing the total to an estimated 630,000 at the end of last year, a number that exceeds national prison capacity. Add the 300,000 in local jails at any given time and another 50,000 or so in federal prisons and the U.S. could hit the million mark this year.

Back in 1977, Tedd Miller saw Washington's Columbia Heights neighborhood as a smart place to buy a house. "It seemed to be an up-and-coming neighborhood," says Miller, 43, associate admissions director for the Georgetown University Law Center. But two years ago, the atmosphere started to change. "You're approached by someone trying to sell crack, and then next thing you know, there's three of them," he says. Last year, neighbors who wanted to sell a house figured they'd wait until the cold weather so prospective buyers wouldn't see the crack dealers hanging around. "But in the winter, they stayed there," laments Miller. "If it was raining, they had an umbrella. If it was snowing, they had heavy coats and boots. That's when we knew we had an entrenched problem."

Today there is an open-air drug market on the corner near his house. There are more crack houses around the corner. People walk up and down selling crack 24 hours a day. He hears gunshots on a regular basis, and there was a murder around the corner at the beginning of the year over drug trafficking. After Miller joined the neighborhood advisory commission and attended numerous rallies against crime and drug trafficking, he was threatened. Last spring, he bought a vicious Rottweiler to roust addicts from a garage next door. About the same time, his son Atiba, 12, was approached by a fellow sixth grader with an offer to become a drug courier. And last fall, someone menacingly accosted Atiba on the street and told him that local dealers knew who he was and knew who his father was. The Millers reported the incident, but police said there was little they could do. "I used to send my son out after dark to pick up a bottle of milk at a nearby store. Now, not only will I not ask him to go out, but I wouldn't go out unnecessarily myself."

At the same time he fears for his family's safety, Miller worries that he and his family and friends are becoming dangerously indifferent to the violence that surrounds them: "We're tolerating more than we would have even eight months ago. The height of it was about three months ago when I saw a man dead with a bullet wound in his head. I remember how I used to feel if I saw a dead animal in the road or something. I couldn't eat. But this just sort of struck me as routine, like I almost expected to see it."

The most effective efforts to restore law and order in war-zone areas have originated not with the police but with communities that have decided to fight back, with or without the police. Some have taken a page out of the movie "The Magnificent Seven" in which a poor Mexican village terrorized by banditos hires a group of gunslingers from Texas to drive the villains out. In Washington, for instance, tenants at the Mayfair Mansions housing complex invited in the Black Muslims, who began patrolling the area 24 hours a day by foot and confronting street dealers directly. Today, crime has largely disappeared there, gunfire is rarely heard and children play football and skip rope outdoors once more. The antidrug campaign of the Muslims, who call their security unit the Dopebusters of the Fruit of Islam, is so popular that the group has been deluged with requests to help elsewhere.

Some people resort to outright vigilantism. In Detroit last year, 25 residents of an old Polish-Ukrainian neighborhood on the city's southwest side, disgusted by drug dealers propositioning their children and engaging in sex on the front porch of a crack house, armed themselves with baseball bats, boards and pipes and stormed the place. Days later, someone torched the house. Last fall, two men were acquitted of arson charges even though they admitted burning down two suspected crack houses. "They were pushed to a point where they felt they had to take action," said one juror. "The police couldn't stop the crack

dealers." Dealers now avoid the neighborhood.

Special vigilance

In Cleveland, a group of tenants at the Lakeview Terrace Estates housing project, fed up with drug dealing, violence and the lack of security, pressured the housing authority to let them run the complex themselves. They immediately shifted more of their budget to security, hiring their own force of six armed guards and four dispatchers to protect the 834 units, compared with 47 guards the city employs for its 12,000 other units. Lakeview residents, led by organizer Lena Jackson, scrutinized prospective tenants more closely and helped police evict and convict drug dealers by hiring a detective and organizing their own sting operation. Now, the tenants' association helps set up drug counseling and treatment for residents, including putting preteen children of abusers into "Ala-Tot," a support program modeled after the Al-Anon and Alateen programs for relatives of alcoholics. Before they took over, some residents called the project "Saigon," recalls current resident manager Dexter Lowe, "because you had to fight your way out of here just like you had to fight your way out of Saigon." Today, the crime rate has dropped significantly, and there are 3,000 people on the waiting list trying to get in.

One of the more successful strategists plotting ways for communities to take back their own ground is Bill Lindsey, the visionary director of Fort Lauderdale's housing authority. He moved into a privately owned slum tenement there in 1972 as a VISTA volunteer, packed a .38-caliber handgun, hired some ex-cons to help him oust dealers and organize a rent strike, cleaned up the building and eventually so impressed the city that he won the housing-authority job. Lindsey has since turned 10 other projects in the city's worst neighborhoods into model housing, or "oases," as he calls them. The idea is that, by creating these oases of good housing in bad areas, the surrounding apartment buildings in between will slowly be persuaded to clean up their own act too.

"Police fail because they attack and withdraw," says Lindsey, explaining why law-enforcement agencies cannot eliminate war zones by themselves. "I can't think of anything more politically expedient and less long-term problem solving than running around doing drug raids in public housing. What that does is enforce the government failure model that 'We're doing all that we can do, and nothing can be done.' They have to have a war plan, and the war plan has to take into consideration that they're going to have to occupy the neighborhood on a long-term basis."

Politicians and cops have made careers talking tough about the war on crime and drugs. But tougher laws and more police sweeps will do little, if any, good if criminals bounce back out on the street in short order. The truly tough officials will be those who manage to do something with the criminals that police arrest. Allocating more money for jails, prosecutors and treatment programs is hazardous for politicians constrained by tight budgets, but the political dangers pale beside the life-threatening risks people take every day in city war zones. Two weeks ago, Lee Arthur Lawrence, 51, a Miami grocer who received a flurry of local publicity for driving drug dealers away from his parking lot, was shot dead in a drive-by execution.

GRAPHIC: Picture, No caption, STEVEN M. FALK FOR USN&WR; Picture, Street lords. Los Angeles gang members rule communities with awful shows of force. The local

expression for killing someone is "boo-yah"-the sound from a sawed-off shotgun, PATRICK FRILLET -- SIPA; Picture, Body counters. In Boston, as in other places, medics and police attend the wounded, but they have little power in the worst areas, RICH FRIEDMAN -- BLACK STAR FOR USN&WR; Picture, Guardian. Residents of some besieged war zones, like those in this Chicago housing project, have fought back by tightening security and screening all arrivals, KEVIN HORAN FOR USN&WR; Picture, Shut-in. When Washington, D.C., crack dealers approached Atiba Miller, 12, his father bought a menacing Rottweiler and forbade Atiba to walk outside alone, CHARLIE ARCHAMBAULT FOR USN&WR; Picture, Handcuffed, Most cities, like Boston, have overflowing jails, RICK FRIEDMAN -- BLACK STAR FOR USN&WR

SUBJECT: Crime

ENHANCEMENT: Drug and narcotic violations; Metropolitan areas; Crim rate; Murder; Gangs

Withdrawal/Redaction Sheet
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	Joe Watkins to David Demarest, re: Thoughts on the Bush Strategy for Black America. (4 pp.)	08/02/89	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: National Urban League Annual Conference 8/8/89 [2]

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR DAVID DEMAREST

THROUGH: SICHAN SIV
DEPUTY ASSISTANT TO THE PRESIDENT

FROM: JOE WATKINS
ASSOCIATE DIRECTOR OF PUBLIC LIAISON

DATE: AUGUST 2, 1989

RE: THOUGHTS ON THE BUSH STRATEGY FOR BLACK AMERICA

Since the President will be addressing a number of key black groups in the next few weeks and months, I thought that it might be helpful to share a few thoughts on some of the areas of critical concern to black Americans and how the President might begin the task of addressing some of those concerns. Needless to say, the following list is not all inclusive; however, it may provide the beginnings of a foundation upon which to build a more comprehensive strategy. Here are my picks for key items on the black agenda:

1 - FAMILY

Over the last few decades the black family has become an endangered species in America. Recent surveys show that in 1987 42% of black families were single-parent/female-headed households and that 52% of black children in 1987 lived in such households. Black female teenagers, according to the most recent numbers available, will be responsible for about 50% of all adolescent out-of-wedlock births and young black males make up a disproportionate share of the US prison population. The poverty rate for black families has increased from 20% in 1969 to 30% in 1987. These grim statistics only underscore the reality of the terribly precarious state of the black family in America.

Family is extremely important in our society and it is probably safe to assume that one's ability to compete successfully in this society is often directly impacted by family upbringing and support or the lack thereof. It is also probably safe to say that if the current trends continue, our society will be a most divided one, consisting primarily of haves and have-nots, with a disproportionate share of the have-nots being black.

On the bright side, the President has a real opportunity here to take the offensive by dedicating himself to the enhancement of black families. Besides encouraging churches and community-based organizations to help him in promoting the strengthening and

stablization of black families, he might offer to take a second look at The Family Support Act of 1988. By amending one or two key provisions of that bill, the President would demonstrate his strong support for for keeping the poorest families together. (Nota Bene: The current bill doesn't assign high priority to training low-income and young non-custodial fathers, and doesn't set minimum nationwide AFDC needs and payment standards). Perhaps Bill Roper's Low-Income Opportunity Board could undertake a study to find new ways of keeping two-parent low-income families together and then make those recommendations to the President.

2 - EDUCATION

The President has stated on a number of occasions that education is the best economic program and the best way to bring about economic parity for minority groups. As a longtime supporter of early childhood intervention through Project HeadStart, historically black colleges and universities and the Job Training Partnership Act, the President can proudly point to his record. However, the greater challenge in the next couple of years will be to reduce the high drop-out rates of black youths in inner-city schools (due partially to a pervading sense of hopelessness and the lure of fast money from the sale of illegal drugs), which only exacerbates chronic high unemployment and crime rates. Besides pointing to federal initiatives currently in place, another idea the President might consider in tackling this tough issue is to continue to encourage more public/private partnerships in city-wide school districts based on models like the "I Have a Dream" program, the Cities-In-Schools program or the "Say Yes to Education" program, which, interestingly, has a very large and easily replicated college student volunteer component. (Such programs could perhaps be incorporated into the 'YES' program). He might also point to Mr. Bennett's plan to combat the drug problem in this country (when it reaches a publishable conclusion) and explain how that will impact the black youth population in particular.

Another key issue will be college loans. Although the President has been a strong supporter of black colleges and universities for a long time that support should not be read as disinterest in the great number of black applicants to predominately white colleges and universities. The availability of scholarships and loans will continue to have a profound impact on the percentage of black youths seeking a college

education. While programs like ACCESS in Boston and the "Say Yes to Education" Foundation in Philadelphia provide last-dollar amounts to impoverished minority students who have been accepted to college, the availability of federal dollars will be an important indicator of this Administration's commitment to the black community.

3 - ECONOMIC DEVELOPMENT AND OPPORTUNITY

This area is absolutely critical to black Americans, the President and the Republican Party. As far as the black community and the President are concerned the creation of real economic opportunity and development are the most appropriate remedies to overcome grossly disproportionate poverty rates, to boost employment within the community, to boost income levels and to help blacks enter the American economic mainstream. Politically speaking, a measurably successful economic opportunity program could bring about a substantial return for the Republican Party beginning perhaps as early as 1990.

The President has often stated his support for minority business and his desire to encourage minorities to become entrepreneurially-minded. In this regard, there may be a couple of things that the President can do to plainly demonstrate his good intentions to blacks. Besides encouraging the cabinet departments to set and seek to meet minority business goals, the President might consider authorizing a White House Initiative on Minority Business Enterprise. Unlike President Reagan's White House Task Force for Minority Business Expansion, which was headed by Sam Pierce and housed at HUD, this group might be co-chaired by a leading black businessperson and a committed Fortune 500 CEO/Chairman (who might even be recently retired). Reporting more appropriately to the Secretary of Commerce, this group might have as its charge a mandate to find new and measurable ways of enhancing minority business opportunities and providing incentives for minorities to become entrepreneurs.

4 - HOUSING

Although this area is too hot to touch at present, there are some real opportunities to make some significant headway through creativity, such as tenant management possibilites. However, I repeat: this area is too hot to touch at present.

While he won't have easy answers to the aforementioned issues, the President will have the black community's attention as well as possibly gain their support if 1) he takes the bull by the horns by demonstrating that he understands the importance of these issues to the community and 2) shows that he is attempting to deal with them in a substantive way.

The Urban League, the National Baptist Convention and the National Black Leadership Forum await us.

Let me know what you think.

One underreported example of this Administration's vigilance in the civil rights area is the North Carolina case of Carpenter v. Skinner. In Carpenter the Justice Department has been defending a federal statute that requires a 10 percent minority set-aside for construction of interstate highways. We think the regulations take a flexible approach, allowing departure from the 10% goal based on the availability of disadvantaged businesses to work on the contracts. The flexibility of this program contrasts with the rigid program that the Supreme Court struck down in January of this year in the case of City of Richmond v. J.A. Croson Co. Under the Richmond plan, certain minority groups were designated to receive at least 30% of the City's construction contracting business without regard to whether the particular minority had historically been discriminated against in the Richmond area and without regard to whether the specific individuals and firms receiving the funds had themselves been socially or economically disadvantaged. I believe that the inflexibility of Richmond's plan made it vulnerable to constitutional attack. But, as the Justice Department's position in Carpenter clearly demonstrates, all such programs are not at risk, nor will we allow them to be.

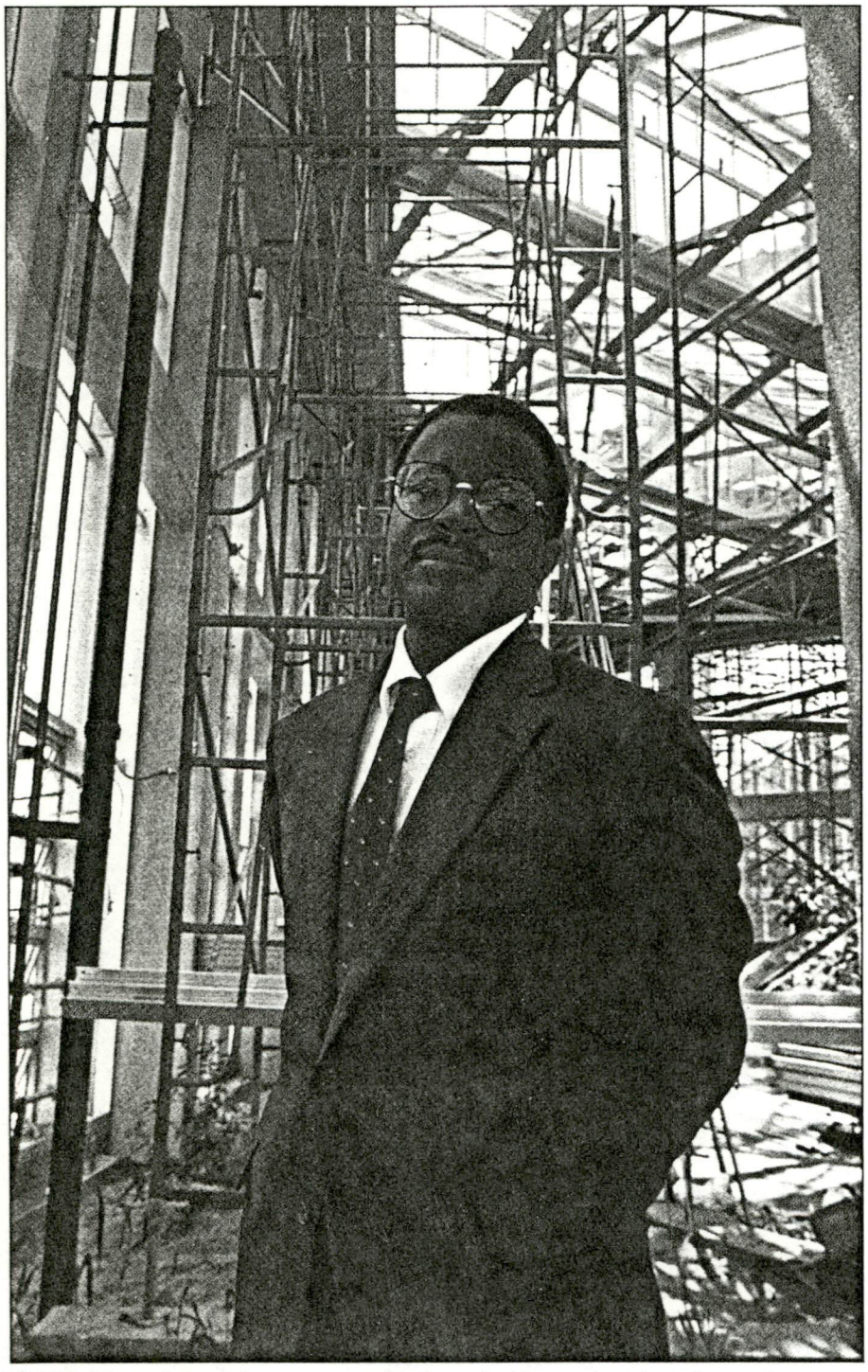
As some of you know, the Justice Department has also been vigorously prosecuting a highly publicized desegregation case against the City of Yonkers, New York. For over thirty years the City had discriminated in the location of public and subsidized housing in order to maintain racial segregation. Though the City has steadfastly resisted complying with the district court's orders, this Administration continues to demonstrate its commitment to ending this kind of discrimination.

Our commitment to protecting civil rights is also clear in recent cases in which we supported minorities victimized by the methods by which their cities elected members of their respective city councils. For example, we have supported black registered voters in Gretna, Louisiana, and black and Hispanic citizens of Baytown, Texas. Both cities elected council members on an at-large basis subject to a majority vote requirement. As a result, no minority citizen had ever been elected to the council of either city -- notwithstanding that approximately 28% of the people registered to vote in Gretna are black, while blacks and Hispanics together constitute approximately 25% of the population of Baytown. When the cities appealed to the Supreme Court, we recommended that the justices deny review and throw out the discriminatory procedures. That is exactly what the Supreme Court did.

7/28/89

From Tom Boyd
Off of Pol. Development, DOJ
633-4601

Young Tycoons



E.R. Mitchell Jr., at the site of a conservatory his firm is building at the Atlanta Botanical Gardens, says his father coaxed him into the business after the would-be banker earned his MBA degree from Harvard University in 1980. Since then, the younger Mitchell, as president of E.R. Mitchell Construction Co., has boosted annual sales from $200,000 to $11 million. "We want to make a statement in the industry that we are honest and fair," says the native Atlantan. While the award-winning firm has built schools, public and private residences, and train stations, its most challenging task was to build a publicly opposed, private truck-train piggyback center in his hometown. He met the $17.5 million challenge of the joint-venture project. As president of the National Association of Minority Contractors in Atlanta, he is battling biases that lock minority firms out of construction projects backed by White-owned companies.

Fast-growing firms are bringing success to 35-and-under entrepreneurs

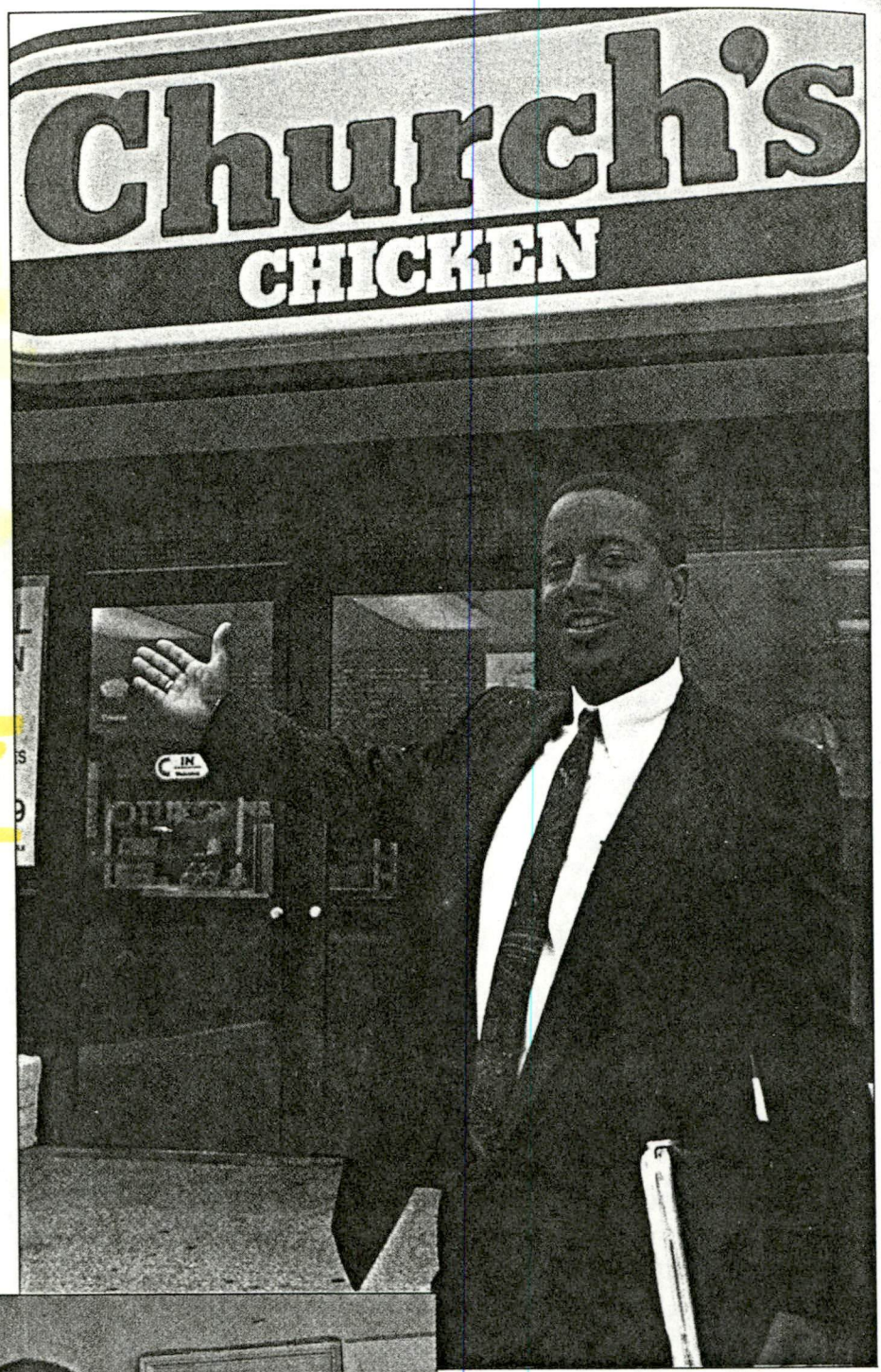
THEY are winners in a high stakes arena where multi-million dollar deals can be won or lost with "the wrong image." They are young, Black, and aggressive entrepreneurs. They call the shots and get the jobs done. They are nine of the most enterprising men and women from around the country who are age 35 or younger and whose companies do millions of dollars in business. Their success stories are featured on the following pages.

One surefire Black Atlanta tycoon owns a company that built a $17.5 million truck and train transportation facility. And one owns a Long Island firm that is responsible for building a $2 million waste recovery plant. Others have carved niches in the financial market and auto industry. San Francisco-based Grigsby, Brandford & Co., Inc. is arranging the financing for the City of Los Angeles' $3.5 billion waste water treatment program. And Chicago-based Ariel Capital Management, Inc. handles investments for Detroit's police and fire retirement system and an $8.5 million mutual fund.

Others among the young tycoons have taken a departure from service-oriented businesses to produce tangible goods. A Black-owned metal stamp operation supplies bumper reinforcements for the Ford T-bird. The firm of a Los Angeles duo supplies better men's shirts to the prestigious Bloomingdale's department stores.

The young tycoons have taken divergent but nonetheless trying roads to success. A few started with family backing. But at least one, Carlton Guthrie of Trumark, had to pound the pavements to raise $10 million to buy his firm. He got the capital based on his and his brother Michael's impeccable

 Continued on Page 102



Eric L. Holoman (right), at one of his firm's 16 Church's Chicken stores in Los Angeles, says he is proud that the company has nearly 170 employees from "economically disadvantaged areas who are getting an opportunity to go from the working class to the middle class" by learning salesmanship, accounting and management. The company president converted stores that were barely turning a profit when his family-backed Holoman Food Services took them over in 1987 into a $16 million plus operation by instituting management training, refining cooking and cleaning procedures and improving service. Holoman, 28, a University of Southern California graduate, sold more than $16 million in CD's in his first six months as supervisor at American Savings and Loan in Los Angeles. He also started a brokerage and financial management firm.

YOUNG TYCOONS *Continued*

reputations, salesmanship and management talents. Most subscribe to common principles: bountiful optimism and self-confidence; a righteous belief in hard work and in the importance of preparation, innovation and integrity. A 15-hour plus workday is standard fare. Nicholas Brandford, executive vice-president of Grigsby, Brandford & Co., Inc., is even "on call" for his clients. Another tireless tycoon is Reginald Barron, 34, who converted a Chevrolet dealership with admittedly the worst customer-satisfaction rating in New England into a booming, $41 million business. As he sees it, "If the only opportunity I had was to make a dealership successful in the middle of the Mojave Desert, I would have to figure out how to [make it work]."

The entrepreneurs' commitment to

Napoleon Brandford III is on a mission to create a full-service investment firm with a global scope. And this East Chicago, Ind., native is well on his way as executive vice-president of Grigsby, Brandford & Co., Inc. investment bankers and financial advisors. As the firm's director of public finance, he helped it negotiate $3.6 billion in municipal bonds last year. Dedication to service and innovative solutions also helped the firm become the first minority-owned company ranked in the Top 100 Wall Street firms that are lead managers for municipal bond issues. Brandford, 35, earned a master's degree in public administration at the University of Southern California before coordinating bond issues for Dade County, Fla. He also worked for Shearson Lehman Brothers, Inc. before joining Calvin Grigsby, president of the firm, in business in 1985. He says he hopes the firm can help Black elected officials find creative solutions to urban problems.

Continued on Page 104

Barbara Ware, once a CETA trainee, is chief operating officer for J.O.W., Inc., a construction firm she and another veteran of the federal training program started. Born in Brooklyn, N.Y., and orphaned at age 12, Ms. Ware, 33, and partner Pat Sullivan each took $150 to start J.O.W. in 1980 from their homes. Now, the Long Island, N.Y.-based general contractors do $3.5 million in business a year, have 60 employees, 10 of whom are women, and do house weatherization, office renovation and build sewage treatment plants. One of J.O.W's projects is to build a $2 million waste management plant in the firm's home-base of Hempstead, N.Y. Ware credits her success to good management and organization, adding that she tries to steer clear of federal loans, which she calls "business welfare." She also says J.O.W., an acronym for Job Opportunities for Women, does not accept jobs it can't do well.

YOUNG TYCOONS *Continued*

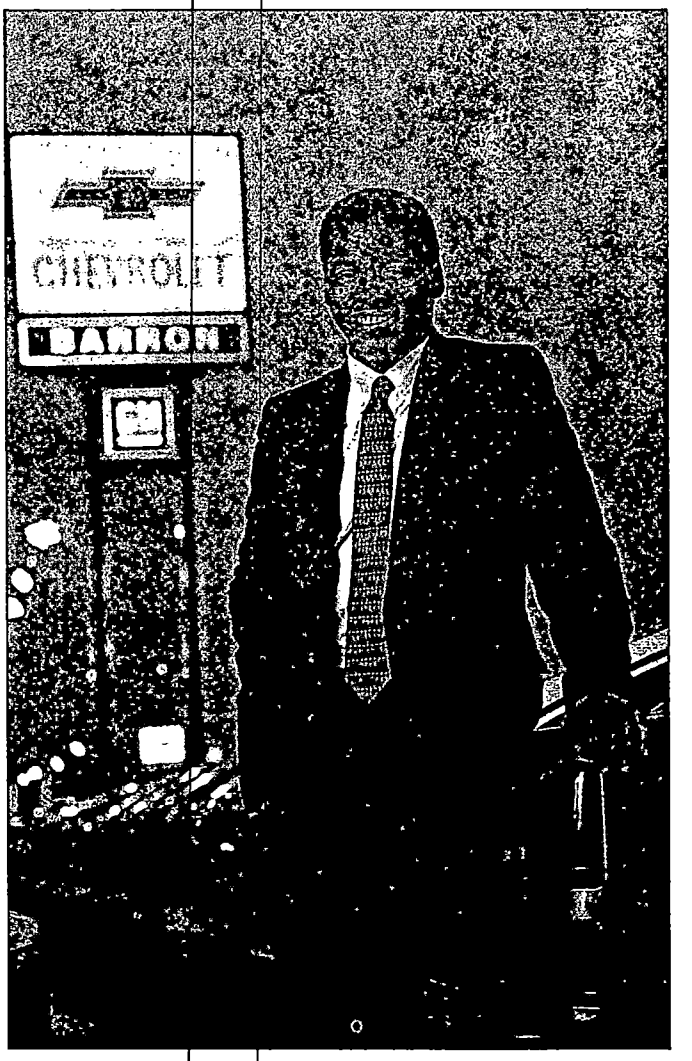
success extends beyond their own business enterprises. Many of them, after attending to family matters, spend time reaching back to help the less fortunate. Don and Ron Polk, 32-year-old twin brothers and the principals of Romar Apparel Groups, helped California youths learn retailing principles by setting up a non-profit store. Barbara Ware, 33, the chief executive officer for J.O.W. Inc., and a former CETA trainee and supervisor, began her construction firm to continue to prepare New York women for non-traditional jobs. Others exhibit the social consciousness of Ware, who does career counseling in prisons. The entrepreneurs are on the boards of the Urban League, American Lung Association, and other charitable and civic groups. Eric L. Holoman, 28, whose Church's Fried Chicken franchise employs more than 200 people in low-income L.A. neighborhoods, says that when he speaks to young people about the importance of staying in school and learning such skills as how to read a corporate balance sheet, he stresses, "A few of you might drive the same car as I do, but which one of us has to look over his shoulder?"

Lance H. Herndon, 33, president of Access data processing consulting firm, "never accepts that something should be done because it has always been done that way." That attitude has made his 8-year-old Atlanta, Ga., firm one of the Southeast's largest Black-owned firms of its kind. With a gross of nearly $3 million, Access' clients include IBM, Coca-Cola, Equifax and American Software. The Brooklyn graduate of City University of New York was a senior consultant with an Atlanta firm before he launched Access. The firm develops plans for everything from computerized payrolls to software packages such as the one that plugged Atlanta banks into the Plus System automated teller network.

Don and Ron Polk are carving a niche in the $4 billion shirt industry by selling their better men's shirts under the Romar label to department stores. An outgrowth of a college retailing enterprise, Romar Apparel Groups was the Polks' second venture when they started it in 1984. The first was a jeans retail business they operated while Don (r.) attended Boston University and Ron California State University in San Bernardino. With no other Black shirt manufacturer to turn to, the Polk twins networked with other firms and politicians. After meeting industry leaders, Ron says: "We pooled our resources so that whatever their production needs were we could do it. That left them without any excuses for not doing business with us." Don says their success also is the result of planning and tenacity. The firm soon will market T-shirts emblazoned with Walt Disney characters and produce Magic Johnson sportswear.

Continued on Page 106

John W. Rogers, 30, is president of Ariel Capital Management, Inc. an award-winning investment firm. Begun in 1983, it manages more than $450 million in funds invested by clients including Howard University, Ford Motor Company and the City of Chicago. Rogers also is chief investment officer for Ariel Growth Fund, a mutual fund. The Chicagoan, says he enjoys the challenge of finding companies that have carved a niche in their particular industry. "I find it exciting trying to discover the next IBM, or the next McDonald's and being early and right and getting the profits that come from it," says the Princeton University graduate.



Reginald Barron, 34, (above), had a successful car dealership in Texas as the oil industry was bottoming out. That gave him the incentive to turn a Danvers, Mass., dealership with a bad customer-service rating into a $41 million operation. The Philadelphia native and former sprinting champion happened into car sales after buying a Chevy 11 years ago. He convinced a dealer to hire him by telling him he planned to make $80,000 in five years. By then he was earning much more as a partner in an El Paso dealership.

Michael and Carlton Guthrie, are building their fortune by making bumpers, braces, and other metal-stamped car parts at their Lansing, Mich., firm, Trumark, Inc. At the heart of the $16 million operation they revived over the past three years is a philosophy that they will exceed the expectations of their clients, says Carlton, (l.), 35, president. Says Carlton, "Its a process of continually jumping through hoops. But it's a strategy that sets you apart from those who try to simply take dollars out of the pockets of their clients."

A COMMON DESTINY

BLACKS AND AMERICAN SOCIETY

Gerald David Jaynes and
Robin M. Williams, Jr.
Editors

Committee on the Status of Black Americans
Commission on Behavioral and
Social Sciences and Education
National Research Council

NATIONAL ACADEMY PRESS
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Just five decades ago, most black Americans could not work, live, shop, eat, seek entertainment, or travel where they chose. Even a quarter century ago—100 years after the Emancipation Proclamation of 1863—most blacks were effectively denied the right to vote. A large majority of blacks lived in poverty, and very few black children had the opportunity to receive a basic education; indeed, black children were still forced to attend inferior and separate schools in jurisdictions that had not accepted the 1954 decision of the Supreme Court declaring segregated schools unconstitutional.

Today the situation is very different. In education, many blacks have received college degrees from universities that formerly excluded them. In the workplace, blacks frequently hold professional and managerial jobs in desegregated settings. In politics, most blacks now participate in elections, and blacks have been elected to all but the highest political offices. Overall, many blacks have achieved middle-class status.

Yet the great gulf that existed between black and white Americans in 1939 has only been narrowed; it has not closed. One of three blacks still live in households with incomes below the poverty line. Even more blacks live in areas where ineffective schools, high rates of dependence on public assistance, severe problems of crime and drug use, and low and declining employment prevail. Race relations, as they affect the lives of inhabitants of these areas, differ considerably from black-white relations involving middle-class blacks. Lower status blacks have less access to desegregated schools, neighborhoods, and other institutions and public facilities. Their interactions with whites frequently emphasize their subordinate status—as low-skilled employees, public agency clients, and marginally performing pupils.

The Washington Post Magazine

Irresistible Force

Kimi Gray and the Miracle of Kenilworth-Parkside

By David Osborne

The Pollution Solution: Dr. Ozone Explains It All for You - By Curt Suplee

The Washington Post Magazine

'THEY CAN'T STOP US NOW'

Kimi Gray and the other residents of D.C.'s Kenilworth-Parkside complex have overcome poverty, crime, drugs and innumerable layers of public housing bureaucracy—not to mention charges that they're just cogs in Jack Kemp's propaganda machine. Their goal? To take control of their own lives

By DAVID OSBORNE ● *Photographs by* ELI REED/MAGNUM

IT WAS AUTUMN 1986, AND AFTER THREE YEARS OF WAITing, Kimi Gray was about to get her first glimpse of the city's plans to renovate her home. In 1983, the federal Department of Housing and Urban Development had awarded the city a grant to modernize the 464-unit Kenilworth-Parkside public housing complex in Northeast Washington. After dragging its feet for years, the city had hired an architectural firm. But when Kimi and her staff had asked to meet with the firm to explain what they wanted done—as required by HUD—the architects had repeatedly demurred. It wasn't time yet, they said. They weren't ready. Apparently, they did not relish the prospect of planning a major renovation project with a roomful of poor black women.

Finally they had agreed to a meeting. As they unfolded their sketches and presented their plans, Kimi's anger grew. Where were the plans for a new heating plant? What about the underground water pipes that kept bursting? What about the plumbing? These were pretty colored drawings, but they were fluff. They had nothing to do with Kenilworth's real problems.

Michael Price was the first to speak. A decade earlier, Price had been a high school dropout, hanging out on the streets. Kimi had convinced him to go back to school, then sent him to college through her College Here We Come program. Now a professional architect, he was repaying his debt, helping the Resident Management Corp. negotiate the renovation plans.

Price asked about the heating plant, the plumbing, the pipes.

"I was shocked, because they knew that half of that stuff I would catch," he says. "I guess they banked on me just letting it ride—being polite and not saying anything. But I got quite angry."

Other residents picked up on his anger. Finally, their board chairman stood up and walked slowly to the front of the room. "No hard feelings against you all," Kimi said, "but your supervisors sent you down here to get your asses kicked. And that's exactly what we're going to do tonight." She proceeded to take apart the drawings in harsh language and great detail. Other residents joined in.

After 45 minutes, Kimi entertained a motion to adjourn. "You just pack up and go home," she told the architects. "We'll deal with it."

And deal with it they did. Kimi went to HUD and demanded that the agency refuse to reimburse the $500,000 the city had already paid the architects. By failing to consult with the tenants, she argued, the architects had broken their contract. HUD agreed, and the city was out $500,000.

> WHEN KIDS STARTED HEADING OFF TO SCHOOL, WORD SPREAD QUICKLY: 'MAN, THIS STUFF IS REAL! PEOPLE REALLY GOING TO COLLEGE!'

'It's Economics, That's What It's All About'

IT WAS NOT THE FIRST TIME THE IRRESISTible force of Kimi Gray had met the immovable object of the city bureaucracy. And it was not the first time the irresistible force had won.

A massive figure with short cropped hair, large earrings and several pounds of jewelry around her neck and wrists, Kimi—as virtually everyone calls her—patrols the Kenilworth-Parkside development like a mother bear circling her cubs. Her voice erupts out of her slow-moving body like a volcano: one moment soft and low, the next exploding in a shout, the next dissolving in deep, rich laughter.

Sitting at her desk or behind the wheel of her ubiquitous van, wearing her jewelry and her bright yellow dresses, she brings the full force of her personality to bear on everyone who crosses her path.

Whether it is a child who needs discipline: "What you doing, girl? Why aren't you in school?"

Or an employee who deserves her praise: "I want to thank you so much, Lonnie. I understand the parade was *excellent.*"

Or a teenager with a wad of bills: "Little boys went out two Sundays ago, they came back, they had a knot. I said, 'Where's that money from, boy?' They say, 'Kimi, we worked!' They go over to the Eastern Market and sell tie-dye shirts they made—they work about three or four hours, they make about $75 or $80."

Or a D.C. police officer who neglected to invite her to his backyard barbecue: "Okay, do me a favor. You put a message on the board, in dark Magic Marker print. Tell him I got a CONTRACT on his head, for not inviting me to his damn cookout Saturday! And tell him I say when he gets off work at 3:30, report to my office! Immediately! Underline immediately!" Her voice returns to velvet: "Thank you, my love. Bye bye."

Kimi's desk sits where a receptionist would normally be, right by the front door, so the residents can always find her. Her assistants work upstairs, away from the constant stream of visitors. They field the calls, slip her messages, bring her paperwork to sign between sentences. This is a woman who has won award after award, who has been invited to the White House, who has preached her message from Paris to Seoul. But when a resident comes in, she drops everything.

"The only way that you'll truly get my time is getting me away from this property," she tells the public housing director of Alaska, who wants her help. " 'Cause if a resident walks through this door with me, I don't care who's here, he's my first priority. And I won't try and make believe it's no different, okay?" Reporters wait hours for an interview, weeks for a return phone call. Jack Kemp recently waited an hour and a half for a photo session at her office; finally, he gave up.

Somehow, through it all, things get done. It is easy to exaggerate the accomplishments of Kenilworth-Parkside, and Kimi Gray's supporters have often done so. Kenilworth residents are still poor: Many are single mothers, some are on welfare. Drug use is still widespread. This is still public housing, and though the grass gets cut, it still has that public housing shagginess around the edges. Twenty-five percent of the rent money still goes uncollected. All that said, there is no denying that a remarkable transformation has taken place.

The drug dealers who once used Kenilworth-Parkside as an open-air market are gone.

Teenage pregnancies have fallen.

Residents who once lived with gunfire now walk the project streets in safety. The crime rate has fallen from 12 to 15 reported crimes a month—one of the highest levels in the city—to 2, according to the police.

In the 15 years since Kimi founded College Here We Come, according to her records, more than 600 residents have gone to college. In the previous 15 years, two had.

In 1986, the accounting firm Coopers & Lybrand released an audit of Kenilworth-Parkside. During the four years that Kenilworth had been managed by its tenants, the firm reported, rent collections increased 77 percent—seven times the increase at public housing citywide. Vacancy rates fell from 18 percent—then the citywide average—to 5.4 percent. The Kenilworth-Parkside Resident Management Corp. helped at least 132 residents get off welfare: It hired 10 as staff and 92 to run the businesses it started, while its employment office found training and jobs for 30 more. (Others received part-time jobs.)

Overall, Coopers & Lybrand estimated, four years of resident management had saved the city at least $785,000. If trends continued over the next six years, it would save $3.7 million more. (The federal government would reap additional savings.)

Since the Coopers & Lybrand audit, a complete renovation of Kenilworth has begun under HUD's normal renovation program. (Hence only about 70 units are now occupied; more than 300 families have been temporarily relocated.) The most amazing moment will come next year, if the renovation is completed on schedule: The residents will buy the development from the city for $1. A community of 3,000, once characterized largely by families on welfare, will have become a community of homeowners, the majority of whom work.

It is an incredible story, but not a unique one. Residents in a handful of other public housing complexes around the nation have similar stories to tell. They are testaments to the power of empowerment—vivid demonstrations of what happens when ownership of public services is pulled out of the hands of bureaucrats and put in the hands of those receiving the services. They are living proof that when people are treated as clients for whom decisions must be made, they will learn dependency; but when they are given control over their destinies, they will learn independence.

These stories are also tales of salvation through self-help, rather than salvation through politics. "Self-sufficiency" is the driving theme at Kenilworth-Parkside; one hears the phrase constantly, from all sides. "It's economics, that's what it's all about," says Kimi Gray. "We can talk racism and all this and that, but it's economics. If you got some money, you can buy a lot of this stuff we're talking about begging for, okay?"

Finally, the story of tenant management and tenant ownership is a story of extraordinary political role reversals. Empowerment of poor people was a theme close to the heart of the New Left, carried forward into populist citizens' organizations with fanciful acronyms: ACORN, COPS, BUILD. But in Washington, conservatives like Jack Kemp and Stuart Butler, director of domestic policy studies at the Heritage Foundation, led the charge for tenant management and ownership—and they convinced Ronald Reagan and George Bush to come along.

Low-income housing activists have supported tenant management for two decades. But when Reagan and then-Congressman Kemp picked up the cause—and added the wrinkle of *selling* public housing to its tenants—red flags went up throughout the liberal community. Reagan cut federal funding for low-income housing from $24 billion to $8 billion a year. He slowed construction of public housing from more than 30,000 units a year to fewer than 5,000. And Jack Kemp voted with him. To many liberals, Kemp's talk of tenant management, his constant invocation of Kenilworth-Parkside and Kimi Gray, are political cover for a devastating retreat from federal commitments to the poor. Worse, they say, proposals to sell public housing to tenants are a ploy to get the federal government out of the housing business. (See box, Page 16.)

"Mr. Bush projects a gentler, kinder nation," says Maxine Green, chairperson of the National Tenants Organization. "Fine. Let the tenants have a kinder, gentler position, with the funds that are required to make that kind of a nation. But don't go into the capital, where you have 59 public housing developments, and sing about one.

"Kimi Gray was an active member of the National Tenants Organization," Green adds. "I give myself credit for sitting with her and giving her a direction. And now Kimi has joined, to my understanding, the Heritage Foundation."

A lifelong Democrat, Kimi does not let such suspicions worry her. She is a savvy politician who uses her relationship with Jack Kemp to the advantage of her residents—just as she does her relationship with Democrat Marion Barry. She understands that Kemp and Barry will use her in turn. (Kemp is so eager to be identified with Gray and tenant management that his staff volunteered an interview for this article without being asked.)

For Kimi Gray, economic self-sufficiency for her residents overrides all other goals. "I've been approached by some people who say, 'Well, Kimi, now you're a Republican,' " she explains. "And I say, 'No, I'm a dollar bill. And on each bill there's a different president. My family was poor when we had Roosevelt in the White House, we were poor when we had Kennedy, we were poor when we had Nixon and Ford and Carter. And we're no richer now.'"

'The System Penalizes Performance'

KIMI ODESSER HOUSTON WAS BORN ON JANUARY 1, 1945. She was raised in the Frederick Douglass public housing project in Southeast Washington by her mother and grandmother. Her father died when she was 7.

"Odesser's my grandmother's name," Kimi says. "She and I did not see eye to eye, not one day of her life. Now I know why, because we are identical. She was a strong-willed old southern lady who had a lot of morals and principles, and she didn't tolerate bad behavior.

"When I was young, my grandma told me, 'No, babe, you cannot be *as good as* him, you gotta be *better* than he is.' When I ran track, I didn't want to run with the girls, 'cause I knew I could beat them. I wanted to run against the boys, okay? You can't be as good as them, you got to be better than them—as long as you keep thinking that way, that's what you'll be. And that's what I tell all my kids."

Kimi was an organizer from the start. In first grade, she got her first formal assignment: Her teacher made her substitute teacher—"and I just took over." When she was 11, she was elected citywide chairman of the youth section of the Junior Police and Citizen Corps.

But Kimi's energy was not always channeled into civic duty. "I put the J in juvenile delinquent myself," she says today. When she was 14, she had her first child. When she was 16, expecting her third, she married. At 19, with five children, she separated from her husband and went on welfare. She was 21 and miserable, living with her five children in a tiny apartment, when she got an apartment at Kenilworth. It was "1966, December the third, on a Wednesday," she says. "That's how happy I was to get this unit out here."

A complex of 37 low-rise buildings, Kenilworth-Parkside is sandwiched between the Anacostia River and I-295 hard by the Maryland line. It opened in 1959, about the time public housing began its downward spiral. The federal program had been launched during the New Deal as transitional housing for working people who hit hard times. Once constructed, units were not subsidized: Local public housing authorities charged

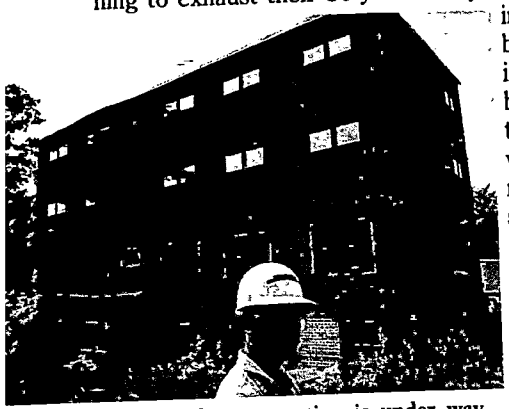
Children get a lot of attention at Kenilworth's Learning Center Here head teacher Renee Sims holds Antoine Anderson, 4.

enough rent to cover their operating costs. They screened carefully, and their standards were rigid. Parents had to be married. Many authorities excluded people on welfare. And if residents found better jobs and could afford to move out, they had to.

The program worked well for two decades, but during the boom times of the 1950s, the middle class headed for the suburbs, working families moved out of public housing, and poor migrants from the South poured in. Urban renewal hastened the process: When redevelopment agencies needed to move poor people out of the way of their bulldozers, they pressured the housing authorities to take them—regardless of their incomes, moral standards or presence on the welfare rolls.

Public housing's new residents were poorer; many had trouble coping with life in urban high-rise apartments; and many were black—which often meant they were ignored. Yet as this radically different population moved in, few housing authorities did anything to address its problems.

Meanwhile, early public housing developments were beginning to exhaust their 30-year life cycles. Yet because tenants' incomes were falling behind expenses, housing authorities were burning up the reserves they needed for renovation. When they raised rents to cope with the squeeze, Congress slapped them back, limiting rents to 25 percent of family income.



A complete renovation is under way, scheduled for completion next year.

Soon Congress had to provide an operating subsidy. With Washington making up the difference between expenses and income, local housing authorities now had little incentive to run businesslike operations. If they saved money or increased their income, Washington gave them smaller subsidies. As a spokesman for the Council of Large Public Housing Authorities puts it, "The system penalizes performance." To make matters worse, until 1980, Congress provided no capital budget to finance renovation.

Welfare policy also undermined public housing. Congress decided to deny welfare to most families if the father was present—which drove many fathers away. Meanwhile, welfare mothers in public housing got subsidized rent, which meant that if they left welfare to work, their rent often tripled or quadrupled.

In some cities, including New York, dedicated housing authorities made the program work against all odds. But in others, many of the largest, most congested public housing developments sank into a vicious cycle of drugs, crime, violence, teenage pregnancy and welfare dependency. The crisis earned its most enduring symbol in 1972, when the St. Louis housing authority quit trying to rescue a 15-year-old, 43-building development called Pruitt-Igoe, and simply blew it up.

In Washington, the housing authority lost virtually all ability to respond to its 50,000 customers. The director of a 1987 blue ribbon commission that investigated the system described it to The Washington Post as "total chaos." Drugs and crime were rampant; half the residents were not paying rent; repairs were so slow that the vacancy rate was approaching 20 percent; and the vast majority of eviction notices were never even served. Then-public housing director Alphonso Jackson described an agency riddled with employees "who are not capable of doing their jobs," property managers who "just sat in their offices all day," engineers who were "creating havoc in our boiler rooms"

Kenilworth-Parkside and the Politics of Public Housing

THE DAY KENILWORTH-PARKSIDE RESIDENTS ANNOUNCED the deal designed to turn them into homeowners, Jesse Jackson and D.C. Del. Walter Fauntroy held a "counter event." Though the sale would not take place for another two years, the Reagan administration had scheduled the announcement for 10 days before the 1988 election.

"This administration is having a housing press conference instead of a housing policy," Jackson declared. "My fear is that an uncritical media will let them have this photo opportunity and escape responsibility for the fact that they have cut the federal housing budget by 75 percent, at a time when 7.7 million people are in inadequate housing, when 5.4 million needy families receive no housing assistance, when 3 million to 5 million Americans are homeless."

So it was that Jackson, the Democrat most admired by poor blacks, and Fauntroy, the Democratic sponsor of a bill enabling Kenilworth residents to buy their homes, came together to denounce the sale. If ever one scene could capture the bizarre politics surrounding Kimi Gray and Kenilworth-Parkside, it happened on that chilly October afternoon. Few issues so disorient the political gyroscopes of Washingtonians as tenant management and ownership of public housing.

Neither issue is new. Tenants in Boston's Bromley-Heath project pioneered tenant management back in 1973, after crime got so bad that stores wouldn't deliver and taxis wouldn't drive into the area. Residents of St. Louis's Cochran Gardens tried it three years later. Born of crisis, both efforts achieved startling results: Crime rates dropped, vacant apartments were renovated, jobs were created, and residents were hired. Today, 13 public housing developments are managed by their residents.

Local housing authorities have been selling units to tenants even longer. Most such "turnkey" sales have involved single-family homes or small apartment buildings, sold to handpicked tenants with decent incomes; efforts to sell larger complexes have generally failed. There have been exceptions: Louisville recently sold a 100-unit complex to its residents as condos. But most turnkey sales of large projects have faltered because the tenants did not go through the process of organizing and taking control of their community.

"The psychological transformation doesn't happen when today I'm a renter and tomorrow I'm an owner," says David Freed, a consultant who specializes in low-income tenant buyouts. "It happens when there is a process that renters go through together, and there is a change in people's view of themselves and their neighbors. I see it again and again: It's that conversion experience."

The Kimi Grays of the world understand this. Several years ago, Robert Woodson of the National Center for Neighborhood Enterprise asked public housing tenant leaders to draw up a list of policy changes that would remove barriers to their success. Based on that list, they developed seven amendments to federal housing legislation. Woodson took them to then-U.S. Rep. Jack Kemp and recruited Fauntroy to co-sponsor the bill. Their 1987 legislation specifically targeted the transformation process: It gave resident councils the right to manage their own developments; it gave them priority for HUD renovation grants; it set up procedures by which they could buy their projects after three years of successful self-management; and it appropriated

$5 million to train residents in self-management at 50 projects.

As HUD secretary, Kemp says, he would like to provide training grants to several hundred more groups during the next four years, help perhaps 50 of them begin managing their own developments and see perhaps half of those push on to financial ownership. He has already persuaded President Bush to support a $44 million home-ownership fund to help this "urban homesteading" along.

"I'm not suggesting that we're going to force it down people's throats, or that everybody should be treated in exactly the same manner," Kemp says. "But I at least want the opportunity out there for everybody." He promises to support the kinds of subsidies provided at Kenilworth-Parkside.

"What I want to do is not just curse the darkness," says HUD Secretary Jack Kemp. "I want to light some candles."

Kemp's strategy has sown confusion and anger among liberals, who often find their enthusiasm for tenant empowerment overwhelmed by their distrust of conservative motives. Liberal critics articulate three basic criticisms of the strategy:

1. It won't work. Specifically, critics argue that management of large properties is too difficult for most tenants; that ownership is too expensive for the poor; and that there are too few leaders like Kimi Gray to make it widely replicable.

This line of reasoning simply misses the point, supporters retort. Yes, self-management is difficult, they agree, but where tenants do not want management responsibilities, other tactics are available: Some resident councils have significant input into housing authority decisions; some hire and fire their own private management companies; some create partnerships with private management firms. The point is to empower residents, by whatever means they choose.

When tenants are powerless, advocates argue, they become dependent. "Bureaucratic, command-control approaches transfer the will for self-achievement away from local people, to bureaucracies," says Robert Woodson. Look at most D.C. public housing projects: Residents have no power to police their communities to enforce standards of behavior, to evict criminals. If someone deals drugs out of the apartment next door, they can complain, but the system rarely responds. So they give up.

As with self-management, empowerment advocates do not argue that ownership is for all tenants; even Kemp envisions a limited number of sales. They understand that most tenant groups could not afford to pay even the operating expenses on their apartments. But as Robert Woodson and Kimi Gray point out, resident management corporations do not just do housing; they do *economic development*. They create jobs, provide training and raise incomes. Where they succeed, ownership can become realistic.

"The conservative agenda," says public housing authorities spokesman Gordon Cavanaugh, "is ending public ownership of public housing."

Are there enough Kimi Grays out there to replicate the Kenilworth-Parkside story a thousand times? Woodson points out that every vital organization—whether Kenilworth-Parkside or IBM—owes its start to a strong leader. So why not create more opportunities in poor communities, and see how many leaders emerge?

2. The dwindling stock of public housing should be preserved for the poor. At the insistence of liberals, the Kemp-Fauntroy bill required that housing authorities replace any unit sold with a new unit of public housing. It also stipulated that any unit later resold had to go—for a limited price—to a low-income person, a resident management corporation or a housing authority. Some liberal critics want more, insisting that if buyers rise to middle-income status, they be forced to sell and move out.

In fact, tenants are no longer evicted from public housing when their incomes rise—their rents simply go up, remaining at 30 percent of their incomes. So even under current circumstances, some units are "lost" to middle-income people. But even if this were not the case, supporters ask, what is wrong with "losing" public housing units, if the people in them make the jump into the middle class? Public housing and welfare operate as traps, creating powerful incentives to remain poor and dependent. Should they not be redesigned to function as ladders out of poverty?

Besides, doesn't the current system guarantee the loss of thousands of units every year? Today, 78,000 of the nation's 1.4 million public housing units are vacant, ripe for decay and eventual destruction. Many will be lost forever—added to the thousands already "deprogrammed."

What we need, argues Woodson, is a new system: "If 20 percent of public housing was under the management of residents, we could save $5 billion a year."

"We are dealing with social behavior," adds Bertha Gilkey, who led the tenant takeover at Cochran Gardens. "You can spend $22 million on fixing up those buildings. You can spend $32 million. But unless you change the behavior of the people who live there, they're still going to tear them up." If Gilkey's experience is any indication, empowering tenants can not only change that behavior, it can actually *increase* the supply of low-income housing. Cochran Gardens has already developed 1,300 units of new housing, in partnership with private development firms.

3. Unless it is accompanied by significant new funding for low-income housing, the Reagan-Bush embrace of Kimi Gray is a political sideshow designed to distract voters from the appalling homelessness that is the real result of conservative housing policy. Gordon Cavanaugh, a spokesman for the Coalition of Large Public Housing Authorities, pulls no punches: "I think the conservative agenda is ending public ownership of public housing, and they cloak that agenda in the rhetoric of empowerment. I mean, this is the same crowd that killed HUD's 235 program, which was designed to subsidize low-income people into ownership. This is the same administration that is trying to kill the Farmers Home program that does much the same thing. Why wouldn't I be skeptical about what we're about here? We've had an administration which for eight years fought to kill all the programs that provided low-income home ownership, and all during that time we had this thing waved in our faces."

Jack Kemp responds that many federal housing programs deserved to be eliminated, because—like public housing—they flushed enormous sums down the toilet. "But what I want to do is not just curse the darkness," he is quick to add. "I want to light some candles." And candles, he agrees, cost money.

This is Kemp's quandary: Until George Bush is willing to propose significant new funding for urban homesteading, Kemp will face a political stalemate. Liberals will continue to distrust conservatives because they have gutted funding for housing. Conservatives will continue to distrust liberals because they are unwilling to restructure programs that waste billions of dollars every year. To break the logjam, Bush will have to demonstrate a commitment to both restructuring *and* investment. Kemp understands this, and says he has made it plain to the president. "The jury's out," he acknowledges, "but I'm confident we can get a program." —D.O.

A foot patrol at Kenilworth: Residents have learned to trust the police.

and administrators who regularly submitted reports full of inaccurate data.

College Here We Come

KIMI GRAY STARTED ORGANIZING VIRTUALLY THE DAY SHE arrived at Kenilworth-Parkside. She got training and then a job with a federally funded social services organization, working with delinquent youth. (Today, her only income is from her $22,000-a-year job with the D.C. Department of Recreation as a counselor to troubled youth. She receives no salary as Kenilworth board chairman and says she donates all speaking honoraria to College Here We Come.) In the early '70s, she began trying to breathe new life into Kenilworth's moribund residents council. Then in 1974, "Some students came to me and said, 'Miss Kimi, we want to go to college.' What the hell did I know about going to college? Well, I've always worked with young people—always—because they have their dreams, and they're our future. So I said, 'Let me check it out.' "

With help from the local Community Action agency and the city's resident services staff, she gathered information on colleges and financial aid and set up a regular Tuesday meeting with the kids. Soon she and her helpers were tutoring them, bringing in black college graduates to talk, drumming up scholarship money, helping kids find summer and part-time jobs and helping them fill out applications.

With the money from their jobs, the students opened bank accounts. After all the scholarships and loans and work-study jobs had been hustled, if a student still needed $600 or $1,000, College Here We Come kicked in the rest—much of it raised from bake sales and raffles.

To make the program intriguing, Kimi took her students out to play tennis, had birthday parties for them and took them on weekend trips to visit colleges. "That brought about a lot of unity among them," she says, "till it became a family. So we went through the winter and the summer together, and when it was time for our first group to go away, we cried. The hardest job was us departing from one another. When you would go to the bus station, we all would pile in the car."

When kids started actually leaving for college, word spread quickly: "Man, this stuff is real! People really going to college! These children couldn't believe that. Poor people, from public housing, their mothers on welfare, absent fathers, going to college?

"Seventeen kids went to school the first August. That first semester when they came back, we must not have slept for two days. They had so much to tell us. Kids were out West, down South, up North, they were everywhere. They couldn't believe it! They were sharing experiences: 'Well, let me tell you about this!' 'Well, did you know this?' 'Well, it's nothing like this.' "

Nine of the original 17 graduated, and four went on to graduate school. Of the 600 Kimi says have gone to college since, she guesses 75 percent have graduated. (There is no way to independently verify such numbers, and Kimi has been known to exaggerate. But graduates of the program back up the figures.)

Whatever the numbers, College Here We Come is clearly an in thing to do at Kenilworth. Even 16-year-old boys who hang out on street corners look up to those in the program. Every year, Kimi asks graduates to come back and share their experiences with the younger kids. "That's all I ask of 'em: 'Come back and share something. Pass it on.' "

Michael Price was in one of the early groups. When Kimi first asked him what he wanted to do with his life, he told her he

wanted to go back to school and become a draftsman. "No," she said. "You don't want to be a draftsman. You want to be an architect. That's where the money is." She helped him earn his high school degree, then sent him off to Paine College in Georgia. He lasted a semester.

"Kimi was very disappointed and angry at me," Price remembers. "But during the winter of '77, I said, 'Look, I want to try it again.' " This time he attended Elizabeth City State University in North Carolina. After a shaky start, he earned a high enough grade point average to transfer to the architecture program at Howard University.

"It was difficult," he says. "I'd call Kimi, and sometimes I'd cry, and she'd cuss me out. She'd tell me, 'Yeah, you're not going to succeed. You're not going to make it.' I'd be so angry, I'd sit back down at my drawing board, at 3 o'clock in the morning, and I'd say, 'I'm going to make it. You think I'm going to quit, but I'm not.' She used reverse psychology on me, and it worked.

"At other times, she would be just as gentle as could be. She'd say, 'I know it's hard, but you gotta hang in there, Mike. You know what our dream is.' " From the beginning, she had told him, "'Mike, you go to school and become the architect, and I'll stay home and do the legwork, and together we're going to do Kenilworth.' And we did it." After five years as an architect—including his stint at Kenilworth—Price is now a construction superintendent for the Temple Group Inc. "I just thank God that Kimi was there for me," he says. "She's a beautiful person." He pauses, and laughs. "And she can be a *dangerous* person."

The Force of Peer Pressure

DESPITE THE STUDENTS' SUCCESS, CONDITIONS WERE STILL going downhill at Kenilworth. The resident council seized on a HUD program through which a private management company ran the project, but things went from bad to worse. The roofs started to leak. There was no grass left, no fences. Rubbish was rarely picked up; rats infested the buildings. Drug dealers were common, and the management company put a bulletproof barrier around its office. For three years, residents often went without heat or hot water.

Not long after Mayor Marion Barry took office in 1979, Kimi told him her residents wanted to manage Kenilworth themselves. He agreed. The tenants wrote their own constitution and bylaws, their own personnel and policy procedures, their own job descriptions. The bureaucrats "*could not* believe it," Kimi says. "Public housing residents? I said, 'The worst it can do is have wrong grammar in it.' But at least we would understand and we would know clearly what was in it, right? So therefore we could enforce what we knew we had written." Besides, if HUD wrote it, there would be 10 lawyers in the room, writing "rules for things that don't even exist."

> THERE'S LITTLE CRIME AT KENILWORTH NOW. 'WE STILL HAVE A LITTLE MINOR DRUG TRAFFIC,' SAYS SGT. ROBERT L. PROUT JR. 'BUT IT'S NOTHING LIKE IT WAS.'

Knowing tenant management was on the way, Kimi says, the private management company left Kenilworth-Parkside on December 31, 1981. "It was the coldest winter since 1949," she remembers. "I'll never forget it: We were having a New Year's Eve party, and it seemed like every pipe on our property started bursting. The Lord had seen fit for us to take on this, and He said, 'I'll really give you a challenge.' " It was the perfect metaphor for the way D.C. spends money on public housing—people shivering while hot water ran down the middle of the street.

The residents patched the pipes with rubber hoses, put their own staff in place and got the housing authority to start replacing pipes. On March 1, 1982, the Kenilworth-Parkside Resident Management Corp.—a nonprofit organization—signed a contract to manage the property. Its elected board of residents, chaired by Kimi Gray, held monthly meetings of all tenants. They hired and trained residents to manage the property and do the maintenance. In what Kimi dubbed a "Bring the Fathers Out of the Closets" campaign, they hired absentee fathers. They set up fines for violating the rules—littering, loitering in hallways, sitting on fences, not cutting your grass—and created a system of elected building captains and court captains to enforce them. They created mandatory Sunday classes to teach housekeeping, budgeting, home repair and parenting. And they began to bend the force of peer pressure toward their own ends.

"The only way you can make a change is through peer pressure," says Kimi. "Rules can't be enforced if you have to go through judiciary proceedings." For instance, "If your momma was a bad housekeeper, and if her stove broke down, we would put the old dirty range out in front of her house, so everybody could see it. Leave it there *all day long*. Go get the brand-new stove, in the carton so everybody could see it, have it brought down, but not to your house." Instead it would go to a good housekeeper, whose old stove would go to the bad housekeeper. "Now when your momma learns to keep the stove clean, she'll get a brand-new one."

The Resident Management Corp. limited use of the day-care center to mothers who worked, went to school or were in training. As demand rose, they trained residents to provide day-care in their apartments. They had their college students do a "needs survey" to find out what people wanted. Based on the results, they created an after-school homework and tutorial program for kids whose mothers worked full time. They set up courses to help adults get their high school degrees. They contracted with a doctor and a dentist to set up part-time office hours and make house calls at the development. They set up an employment office to help people find training and jobs. And they began to create their own businesses, to keep money and jobs within the community.

The first was a shop to replace windows, screens and doors, owned by a young man who could neither read nor count. In return for a start-up loan from the resident council, he trained 10 students, who went on to market their skills elsewhere in Washington. The board fired the garbage collection service and contracted with another young man, on condition he hire Kenilworth-Parkside residents. At one time or another over the next five years, Kenilworth had a cooperative store, a snack bar, two laundromats, a beauty salon, a barber shop, a clothes boutique, a thrift shop, a catering service, a moving company, and a construction company that helped renovate vacant apartments. All employed residents, and all were required to hire young people to work with the adults. Before relocation of several thousand residents during the renovation shut most of the businesses down, 120 residents had jobs at Kenilworth-Parkside.

Gradually, maintenance improved as well. If something needed repairing, the managers and maintenance men lived on the property. "It has to be someone who's there all the time, on the property," says Renee Sims, head teacher at the Learning Center. "Because if you have someone outside managing it, and a pipe bursts over the weekend, you're not going to get it done."

Kimi and her managers estimate that in 1982, when they took over, less than half the rent was being collected. There

continued on page 27

KIMI GRAY

continued from page 19

was no heat or hot water, few other services, and people had caught on that if they didn't pay, there were no penalties. Resident manager Gladys Roy and her assistants began going door to door, serving 30-day eviction notices. They explained that if people didn't pay the rent, they couldn't afford the repairs people needed. If people did not have the cash, they worked out payment plans or collected what they could. As services improved and the managers kept up their door-to-door rounds, rent collections gradually improved. They were up to 75 percent by late 1987, according to Dennis Eisen, a real estate consultant hired to prepare a financial plan for tenant ownership.

'My Fear Was Drugs and Crime'

DENISE YATES MOVED TO KENILWORTH with her parents in 1979. She was 22, unmarried, with one child. Their new apartment was "depressing," she says. "The roof leaked terribly. There was no heat for weeks at a time, no hot water. The grounds weren't kept up. Cars were parked up on your lawn. There were burglaries, there were rapes, there were drugs, there were shootouts. The person who lived there before was selling drugs out of the house, so we had a problem with people constantly knocking on the door at night."

Yates had never lived in public housing, never been on welfare. Now she was doing both: "Sitting at home, nothing to look forward to but the monthly check. I knew I was worth more than that." A high school graduate and a good typist, she enrolled in a shorthand program to become a steno clerk. She took a civil service exam. And then she waited. No job offer came from the city, and when she looked elsewhere she could find nothing.

"When we moved into public housing," she says, "my fear was drugs and crime." Her fears came true when one of her sisters was raped. "From that point on, all our thoughts were negative. We basically stayed to ourselves." She was afraid to let her kids—she had two now—play outside alone, because of the drug dealers. She was trapped.

In 1982, the Resident Management Corp. hired Denise as a clerk typist. She began to understand that she was not alone, and she began to find her voice. By 1985, she had been promoted to assistant manager. But the job did nothing to change her fears: If anything, the drug dealing intensified. Hundreds of dealers lined Quarles Street every night, selling to people who pulled off I-295, a block away. Mothers kept their children barricaded indoors.

Many of the worst offenders lived at Kenilworth. "These guys were not cream puffs," says Sgt. Robert L. Prout Jr. of the Sixth District police. "We had people here wanted for bank robbery, very serious crimes. And we were somewhat reluctant to come over here because the citizens were hostile to the police."

Even when they came, they had trouble making a dent in the drug problem. "Drug dealers are a lot smarter than we give them credit for," says Prout. "What they would do is stash their drugs in various locations. We would confront them, and they wouldn't have any drugs on them."

Finally Kimi called a meeting and invited the police. At first, most residents wouldn't come. "They thought if the police were there, the people that attended were gonna snitch on other residents, or on kids of other residents, and get them arrested," says Prout. "It took a long time for them to develop confidence in us."

The residents first asked for foot patrols at Kenilworth. Then they suggested a temporary station—a trailer—right on the grounds. The police agreed. "By putting guys over there, on a regular basis, they began slowly to develop a sense of trust in us," Prout explains. "And they began to give us information. At first it was channeled through Miss Roy or Kimi or one of the other people who worked for her. Then it became a thing where people were not afraid to be seen talking to us right on the street. We would tell them who we were looking for. And little by little, people would call up on the phone and give us information, and we'd come over. We would ask the residents to tell us where the stash was—if it's in a trash can, or hanging from a tree, or whatever. And they would. And now it's got to the point where we have mothers that have sons that if they're wanted for something, they'll pick up the phone and call us."

Kimi remained the role model. She turned in anyone who was selling drugs—even members of her beloved College Here We Come. Her own son was arrested for dealing in Southwest D.C. "I'm not cold, now, I'm a loving mother," she says. "But my son was 26, living in his own apartment, and he chose that as his way of life. After I spent my money to send him to college for two years, he decided that he wanted to be a hustler. So I figured he must have wanted to go to jail to see what that experience was like too. He's home now. Don't smoke, drink or nothing, works two jobs. He learned his lesson. The best thing I think I did was I didn't cater to him while he was incarcerated. I was hurt. But my momma and my grandma always said to me, 'You make your bed hard, you got to lay in it.' "

Every household in which someone was dealing got a 30-day eviction notice. The message was for the mothers: "Put him out, or lose your place." If nothing happened, "We got with the attorney down at the Housing Department, and we wore 'em to death, till we got them to take our cases to court. Now once we got to court, we were all right, because we would take residents with us down to court to say, 'No, your honor, that fella cannot stay in our community any longer.' " Four families were evicted, Kimi says. "That's all it took. People seen, 'Hey, they serious.' "

Evictions did not stop the dealers who lived elsewhere, of course. Finally, in 1984, the residents decided to confront them head on. "We got together and we marched," says Denise Yates. "Day after day, and in the evening too. We marched up and down the street with our signs. We had the police back us. Maybe half the community would march. A lot of teenagers and little kids, in addition to mothers."

At first the dealers assumed it was a temporary nuisance. But after several weeks of disrupted business, they began to drift away. That was the turning point. Today "there's very little crime" at Kenilworth, says Prout. "We have almost no break-ins. We still have a little minor drug traffic. What that is, that's your 15- and 16-year-olds that still live here, who try to do what they saw their friends do. But it's nothing like it was."

Making the change was not easy. Residents were threatened. Someone cut the brake lines in Kimi's car, put sugar in her gas tank, slashed her tires. "They cut the brand-new tires," Kimi says. "That's when I got angry. I knew the guy that was the main guy, that I figured paid somebody to do it. I said, 'You went a tad too goddam far! You know how much those four tires cost me to go on that van? More than the damn van cost!' I said, 'Now I'm goin' to cut your damn tires up!' " For good measure, she threatened to send her brother, who stands 6-foot-3, to call. "And he's been nice to me ever since"—until he left for jail, that is.

Kimi's confidence rubbed off. "When people saw she didn't show any fear of being seen with the police, or riding through the neighborhood with us, then they more or less followed suit," says Prout.

The lesson is clear: The police can make raid after raid, but only if a community decides to take responsibility for its own safety can the police be truly effective. "We tell them, 'The police can't be here all the time,' " says Prout. " 'You

live here, you know more about what goes on, you know who does what. It's just a matter of whether you want your community, or whether you want them to have your community.' "

Carrots and Sticks

WEEDING OUT DRUG DEALERS IS NOT the same as ending drug abuse, of course. Dr. Alice Murray, a psychologist who runs Kenilworth's Substance Abuse Prevention project ("SAP, because you're a sap if you take drugs") believes that "a large percentage of the families" still at Kenilworth have at least one family member with a drug problem. She helps an average of two people a month get into treatment. "Crack is the problem at the moment," she says. "They experiment with it for six months, and then they're really into it. It is highly addictive."

Murray and her staff of six have a budget of $300,000 from the city. They attack the drug problem in a dozen different ways. Narcotics Anonymous meets every noon. A "Chief Executive Officers" program puts young mothers through 15 weeks of training—three days a week, six hours a day—in everything from child rearing to personal responsibility. The Teen Council (a youth version of the Residents Council) operates a Youth Enterprise Program—"to get young people to understand how they can take their skills of hustling on the street and use them in a positive way, the way people make money in America." In addition to running their tie-dye clothing business, the kids design, produce and sell greeting cards, and they bake and sell cookies. They are paid wages, returning the rest of their earnings to the program.

During the summer, Murray's staff operates two "academies," one for 5- to 9-year-olds, another for teenagers. "We call it an academy, not a camp, because though it's play, we want them to maintain their academic skills," Murray explains. Virtually all the children at Kenilworth participate. They play, do arts and crafts, take trips, work on academics and receive substance abuse education—all with a heavy stress on emotional and family health.

Other efforts include a mandatory eight-hour substance abuse prevention program for new residents; counseling for

How Not to Manage Public Housing

GETTING ACCURATE INFORMATION from the city about Kenilworth-Parkside's finances is a bit like getting a straight answer from the Cheshire Cat. The D.C. Department of Public and Assisted Housing (DPAH), which runs Washington's 59 public housing projects, makes Alice's Wonderland look absolutely straightforward. How much of Kenilworth's operating expenses are covered by rental income? DPAH doesn't know. "We looked for that," says Alphonso Jackson, who ran DPAH for 18 months before leaving last December in frustration. (He now runs the Dallas Housing Authority.) "Those records were nowhere to be found."

DPAH does not keep separate accounts for each of its public housing developments, so it cannot say how much rent is coming from each. You want to know how much resident management at Kenilworth has saved (or cost) the city? Sorry, DPAH doesn't know. You want to compare expenses and rental income at Kenilworth with those at other developments? "I think even the GAO gave up on that," says Valerie Holt, DPAH's deputy director for finance and subsidized housing. (The General Accounting Office is conducting a study of Kenilworth-Parkside for the Senate Subcommittee on Housing and Urban Affairs.)

Within the fog of nonexistent and often-conflicting numbers, however, a few things are clear:

- DPAH signs an annual contract under which the Kenilworth-Parkside Resident Management Corp. handles all expenses save utilities. In 1987 and 1988, DPAH provided just over $1 million a year.
- DPAH in turn receives an operating subsidy from HUD. Again, it is impossible to isolate Kenilworth's share from that of the 58 other projects. But when HUD required a figure in planning for the sale of Kenilworth, Jackson "guesstimated" it at $1.7 million to $1.8 million. He added that DPAH absorbed about a third of the total in overhead.
- Several programs at Kenilworth are subsidized separately. For instance, the Substance Abuse Prevention project receives $300,000 a year, half from DPAH, half from another city agency.
- DPAH has received roughly $23 million from HUD to renovate Kenilworth-Parkside under the federal modernization program. This translates into nearly $50,000 per unit—double the average cost in neighboring Baltimore, though the renovation required may be less extensive there. The whopping price tag has led some critics to charge that the Reagan administration shoveled money to Kenilworth far in excess of what other projects received. The administration did insist that a renovation grant go to Kenilworth to support tenant management and to pave the way for ownership. But the cost per unit is so high mainly because DPAH manages renovation so ham-handedly. Other DPAH renovation projects have cost even more—and contractors' bids today are coming in at *$80,000* to *$90,000* per unit.

According to virtually all knowledgeable observers, DPAH is a textbook case of how not to manage public housing. "I've been chairman of the Committee on Housing and Economic Development since 1981," says D.C. Council member Charlene Drew Jarvis. "Since then, there have been eight heads of the department. The department has suffered from a lack of continuity of leadership, a problem with timely contracting, a relative absence of contract monitoring and an absence of skilled workers. The simple tracking of work orders has even been a problem."

The problems were exacerbated in Kenilworth's case, Jarvis adds, by "tension" between DPAH and HUD after HUD insisted that a renovation grant go to Kenilworth.

"They said to me, 'This wasn't one we'd planned to do, so we'll just have to get to it when we do,' " explains Margaret White, manager of HUD's D.C. field office. "We could not get the housing authority to send the paperwork to us." It was as though there was a concerted effort to delay, to drag it out, to obfuscate, to pull red herrings across the trail."

White, as it happens, was on temporary reassignment as this article went to press, pending the investigation of management failures in *her* office. Part of the nationwide HUD scandal probe, the D.C. investigation focuses on the theft by private escrow agents of proceeds from the sale of foreclosed properties. So far, it is unrelated to public housing.

Still, if one did want to examine problems in D.C. public housing, DPAH would be an obvious place to start. The problems at Kenilworth have been endless.

After two years of inaction by DPAH, leaking roofs threatened to make Kenilworth unsalvageable. To save it, White

addicts and their families; referrals to in-patient and out-patient care; follow-up with families after treatment; a program to help parents work with the public schools; and a teen pregnancy prevention program.

"What we're working for is a change of behavior and attitude," says Murray. In the case of teen pregnancy, it appears to be working. Accurate numbers are hard to come by at Kenilworth (when asked how much welfare dependency had been reduced, for instance, Kimi Gray and her top two managers gave wildly different figures). But all sources agree that teenage pregnancy—once the norm—has dropped significantly.

"One of the things that this community has brought back is a kind of old-fashioned

finally ordered that the roofs be done separately, driving costs up. Then the architects' drawings turned out to be "inadequate," to use Jackson's phrase, because "DPAH did not hold the architects and engineering firms accountable." While units stood vacant, pipes and other equipment were vandalized. DPAH finally fired the original contractor, and HUD has threatened to do the same with the second. With so many complications, the original $13.2 million renovation grant ran out, and DPAH went back to HUD for $9 million more.

"My honest perspective on it," says Jackson, "is that it was incompetence on the part of DPAH that took so long to get that project started. What I had in D.C. was unorganized chaos."

Roland Turpin, who succeeded Jackson at DPAH a few months ago, declined to be interviewed for this story. Instead, he provided a statement: "We are fully aware that there are problems, but we are firmly committed to this home ownership conversion for the residents of Kenilworth-Parkside, and we'll do whatever is appropriate to see that it becomes a reality."

Meanwhile, most Kenilworth residents are stuck in other public housing projects, where they were relocated several years ago. "I tell you, every time I ride by that place, I get totally infuriated," says former Kenilworth resident and architect Michael Price. "The people downtown go home every night to their plush homes in the suburbs or wherever, and the residents are in housing projects like Kenilworth was back in the 1970s. They weathered that storm, and it's not fair for them to be moved into a brand-new storm. The people in that bureaucracy ought to be horsewhipped." □ —D.O.

shunning," says Murray, "a way of saying, 'This is behavior we will not tolerate. Should it happen, then we put you through all the services, but we don't expect it to happen ever again.' It's done in a very kind and gentle and loving way, but there's shame when it occurs—which is not the case in the outside community."

By shunning negative behavior, supporting constructive behavior and offering treatment for people with drug problems, Kenilworth's leaders are trying to build a viable culture. It is a constant effort, using both carrots and sticks. Mothers turn children in for drug dealing; College Here We Come attends every high school graduation to cheer its members on.

"Development begins with a belief system," says Robert Woodson, whose National Center for Neighborhood Enterprise has worked with Kenilworth since 1981. "What Kimi and other tenant leaders have done is just self-confidence, and they've passed that self-confidence on to others. Only when you overcome the crisis of self-confidence can opportunity make a difference in your life. But we act with programs as if opportunity carries with it elements of self-confidence. And it does not."

This is where ownership comes in. Kimi and her colleagues believe that when they become property owners, the process of building self-confidence and opportunity will take another quantum leap. Late next year, if the schedule holds, the last family will move back into the renovated development (courtesy of a HUD grant of roughly $23 million). Not only that, they will own the place. The experience cannot help but send a powerful message.

It will not be easy. It costs close to $400 per unit per month simply to maintain and operate the complex. Federal subsidies will continue for five more years, probably somewhere between $1.2 million and $1.7 million a year, but that will not be enough. At some point, the Resident Management Corp. plans to sell shares in a limited equity co-op for perhaps $10,000 per unit—though details are still sketchy and no one knows what kind of down payment, if any, will be required. The residents also hope to borrow $1.75 million, to put in air conditioning, dishwashers, a community cafeteria, tennis courts, racquetball courts, a locker room and a swimming pool. Financial plans are still extremely tentative. But one recent version called for Kenilworth to raise rent collections from 75 percent to 92.5 percent by 1995, drive residents' average income ($10,200 by 1987, at least for reported income) up 6 percent annually and put $500,000 of the HUD subsidy in the bank every year—just to stay afloat when the subsidy ends.

The strategy is ambitious and the assumptions optimistic, but according to experts on co-op conversions, it is not impossible. It will require a more businesslike operation, particularly when Kenilworth becomes dependent on bankers rather than bureaucrats. "It will require strong property management, fiscal oversight and also very good tenant education," says David Freed, a real estate consultant who specializes in low-income co-op conversions in D.C. "The key to good cooperative ownership conversion is the quality of the leadership. And they have superb leadership."

'The Door Is Open'

KIMI GRAY IS NOT WORRIED ABOUT whether her residents will be able to afford ownership. She's got bigger plans than that.

There's the reverse commute program—from inner city to suburbs—that she's working on with a grant from the Department of Transportation. And the shopping mall she wants to build next to Kenilworth. And the self-help credit union, and the industrial facility and the construction company. There are two buildings she is trying to buy and renovate—to train her construction company and house her college students. There's a building she plans to put up for senior citizens. And there are the condos she wants to develop, so the most successful Kenilworth residents can move up without leaving the community.

On a recent Monday, Kimi spent an entire afternoon at the D.C. Department of Public and Assisted Housing—cajoling the director, talking to his lawyer, rounding up the right people and shepherding them back to the director's office, all to get title to land Kenilworth will own in a year anyway, so she can start building her senior housing now. After three hours of tireless and expert manipulation, she still did not have what she wanted.

"You know," she said as she left the building, "every time I get the runaround, I think about the same thing. They have to deal with me, 'cause I've got all this publicity, and this is how they treat me. How the hell do you think they treat Mrs. Jones?"

There is no time to be bitter, however. There is too much to do. It is 1989, and the dam is finally breaking. "Folk want freedom," Kimi says, as she climbs back into her van and heads for one more meeting. "Folk want power. The door is open—they can't stop us now." ■

David Osborne is the author of Laboratories of Democracy, *which examined social and economic policy innovations in state government in the 1980s.*

THE BLACK ALMANAC

Fourth Revised Edition

By

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Chairman / Department of History

Morehouse College, Atlanta, Georgia

BARRON'S EDUCATIONAL SERIES, INC.

WOODBURY, NEW YORK

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serve their self-respect in a racist society. Another contributing factor is that "black life has not been valued." Because of this, Pouissaint said, some police officers do not follow up on solving crimes in black neighborhoods and the media fail to give much attention to homicide unless it involves whites. Poussaint contended that the American black community was "in a state of despair and demoralization," partly because of its failure to realize some of the dreams of the civil rights era and partly because of governmental corruption. When official corruption goes unpunished, he said, a "jungle mentality is created and people begin to believe that they can do whatever they can get away with." Reduction of crime among blacks, Poussaint suggested, required the development of new values and psychological as well as political approaches. He called for the regulation of violence depicted in the media, particularly as portrayed in black "exploitation" films; the establishment of homicide prevention centers to help potential criminals before they commit murder; the control of handguns; increased black employment, particularly among youth; and the promotion of black pride or black consciousness programs. Although the matter was defined by Poussaint as a black health problem, he concluded that it would take interracial cooperation to solve it. Poussaint is the author of the book, *Why Blacks Kill Blacks.*

May 17. The twentieth anniversary of the historic Supreme Court decision, *Brown* vs *Board of Education*, which outlawed school segregation was observed in the nation. In assessing the impact of the decision, the editors of the Atlanta *Constitution*, the South's leading daily newspaper, admitted that even after a generation, racial prejudice and discrimination have not been eliminated. This fact gave credence, in the editors' opinion, to the view that one cannot legislate morals. Yet, the *Constitution* said, "there is no denying that tremendous progress has been made in race relations in our country since 1954 . . . The progress, the vast changes in education, in employment, in housing, in politics, was the result of a struggle for civil rights that was given a decisive impetus on the day the Supreme Court ruled in the case of *Brown* vs *Board of Education of Topeka* in 1954." The noted black syndicated columnist Carl Rowan, in his assessment of *Brown* twenty years later, found that "we are still a

racist society," and that the historic school decision did not deliver justice to the black plaintiffs of 1954, or even to their children. "Some of the litigants in that 1954 decision," he said, "never saw a day of desegregated education. They saw evasion, circumvention, massive resistance and a generation of litigation." One of the plaintiffs, Linda Brown Smith (the "Brown" in the famous 1954 case) is now a grown woman with children of her own. Before a meeting of the Association of Social and Behavioral Scientists (ASBS), a mostly black professional group, in Atlanta in April, 1974, she recalled her family's motivations for permitting her to become a plaintiff. The family was incensed by the fact that their children had to wait in oftimes inclement weather to be taken to black schools in Topeka when a white school was within walking distance from their home. Ironically, Mrs. Smith said she now opposes crosstown busing to achieve racial desegregation in the schools.

May 18. Benjamin L. Hooks, the only black member of the Federal Communications Commission (FCC), called for increased participation by whites in the NAACP. Although Hooks acknowledged that there was a difference between being born black and being born white, in that those "born black live in the valleys while those born white live on the mountain tops," he also said, "We made a mistake when we close the doors on our white brothers." Hooks also urged more blacks to join the organization as he spoke to the 38th annual NAACP Freedom Banquet at Port Huron, Michigan. Hooks was appointed to the FCC by President Nixon in 1972. Other blacks, including the late Harlem Congressman Adam Clayton Powell, Jr., had repeatedly asked the NAACP to purge itself of white influence.

May 22. U.S. District Court Judge Frank M. Johnson, Jr. in Montgomery, Alabama rejected crosstown busing as a remedy for the desegregation of some predominantly black schools in Montgomery County and instead ordered a new desegregation plan, one which allows, with some exceptions, elementary school children to attend neighborhood schools. He sanctioned the creation of a biracial committee to help the school board carry out the program. In approving the new plan, Johnson rejected proposals submitted by blacks and the federal government. He said those plans would re-

BY RICH LIPSKI—THE WASHINGTON POST

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COURTLAND MILLOY

A Death in the Neighborhood

Willie Anthony was sitting on the front porch yesterday where his wife had been killed by a stray bullet early Sunday morning, watching employees from the D.C. Department of Public Works fix the sidewalk in front of his house.

"Now that's something," Willie said to his brother, Raymond. "We've been trying to get that sidewalk fixed for years."

"Look at that," said Raymond, pointing at two D.C. police patrol cars parked a few yards away at the corner of 51st Street and Hanna Place in Southeast Washington. "We're getting more protection, too."

Inside the house, D.C. Council member H.R. Crawford (D-Ward 7) could be overheard on the telephone making arrangements for weeds to be cut on a vacant, city-owned lot near the Anthony home and for a fence to be put up to prevent drug dealers from tromping through residents' back yards.

Other calls went to his staff, who arranged for Willie and his 7-year-old son, LeVar, to receive victim assistance benefits and for his wife, Rhonda, who was 33, to receive a proper burial.

Willie, a 37-year-old assistant manager of a U.S. Senate restaurant, was grateful. But his cousin, Horace Johnson, could not let the irony pass in peace.

"So this is what it takes to get things done around here," he fumed. "Somebody's got to die?"

For the past three years, Hanna Place residents have attempted to get increased police patrols along their street. Ever since a police crackdown on illegal drugs in the nearby East Gate housing project began, the drug dealers have been relocating on Hanna Place.

What makes this street attractive is that it connects to an asphalt footpath that leads down a steep hill to Benning Road, where the projects are located. Not long ago, the city finally erected wooden stakes along the hillside to prevent drug dealers in 4-by-4 vehicles from driving up the path.

But residents were unable to get the city to erect a fence that would stop pedestrian traffic from the projects. Nor could they get the city to mow the weeds on the city-owned property through which the trail passes, weeds in which drug suspects hide.

Crawford said money was allocated for a fence months ago, but became tied up in a bureaucratic bungle.

"There are many factors that contributed to the death of Rhonda Anthony," Crawford said as he surveyed the neighborhood yesterday. "Neglect by the District government is certainly part of it."

Saturday night had been cool and breezy, just perfect for sitting out on the front porch. Or so it seemed to Willie. He had just returned from taking LeVar to see "Batman." While Rhonda put LeVar to bed, Willie relaxed on an easy chair outside.

Willie said he had noticed a group of young men congregated on the corner at the end of the asphalt trail. But they seemed only to be joking around, so he ignored them.

Then Rhonda joined him, especially pleased that he had spent time with their son. It seemed to be the happy end to a beautiful day for two people who had dated and lived together for 16 years. Two years ago, Willie had "made it right," as he put it, by asking for her hand in marriage.

They didn't have a lot of money, Willie noted, but they had a lot of love, and it showed in Rhonda's eyes as she pulled out a folding chair and placed it close to his.

Rhonda sat and asked a question, "How was the movie?" But before Willie could answer, a gunfight broke out on the corner. Suddenly, Rhonda stood up, in shock, then fell. She had been shot in the head.

An hour later, she was dead.

Willie's eyes were bloodshot yesterday from no sleep and a lot of tears. Occasionally, he forced a smile as he reassured his son that everything would be all right.

"Mama's gone away and won't be back," he told LeVar after the boy woke up Sunday morning. LeVar's eyes welled with tears. "Okay," the boy replied, then went outside to play.

As Willie recalled the ordeal, his voice cracked and his eyes glazed. With both hands, he grabbed the front porch railing, steadying himself as he hung his head.

LeVar was in the front yard, playing with a plastic hamburger that transformed into a robot. He seemed excited by all of the attention his home and his neighborhood were getting. People were coming by, rubbing his head and patting his father on the back. Even police officers were waving at him.

"Mama's gone to heaven," LeVar said as he hopped on his bicycle for a ride along a strip of freshly smoothed sidewalk.

"Damn," Willie heaved. "Deep down, he thinks she's coming back."

Cousin Horace stood up to comfort Willie but was himself crushed by sadness.

"Hey, you," he shouted tearfully at a public works employee who was shoveling asphalt into the sidewalk cracks. "You think that's going to patch this up?"

Front-Porch Slaying Leaves Neighbors Angry

Encyclopedia AMERICANA

U.S. CONSTITUTION BICENTENNIAL
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BROWN v. BOARD OF EDUCATION was a 1954 decision of the U. S. Supreme Court that voided state laws and state constitutional provisions requiring or permitting the segregation of white and black children in public schools on the basis of race. Chief Justice Earl Warren, writing for a unanimous court on May 17, 1954, held in *Brown* v. *Board of Education of Topeka* that such laws and provisions denied to black children the equal protection of the laws guaranteed by the U. S. Constitution.

The Topeka (Kans.) Board of Education had established segregated elementary schools. Attorneys for black children contended that the segregated schools were not equal and could not be made equal. A U. S. district court disagreed, but Warren wrote that to "separate them from others of similar age and qualifications solely because of their race generates a feeling of inferiority . . . that may affect their hearts and minds in a way unlikely ever to be undone." He added, "Separate educational facilities are inherently unequal." On May 31, 1955, the court asked local courts to require "a prompt and reasonable start toward full compliance" with the decision, and said that local administrative problems should be resolved "with all deliberate speed."

Opponents of desegregation criticized the court's reliance on psychological and sociological data. They contended that the court was in effect passing legislation and was encroaching on states' rights. In later years the Supreme Court struck down attempts by state legislatures and local school boards to avoid compliance.

BROWNE, Hablot Knight (1815–1882), English caricaturist, who is best known, under the pseudonym *Phiz*, as the original illustrator of many of Dickens' works. He was born at Kennington, Surrey, on June 15, 1815. He began drawing highly spirited caricatures at an early age, and in 1836 he succeeded Robert Seymour as illustrator of the serial publication of Dickens' *Pickwick Papers*. So successful was Browne's work that he was engaged to illustrate many of Dickens' novels, including *Nicholas Nickleby* (1838–1839), *David Copperfield* (1849–1850), *Bleak House* (1852-1853), and *A Tale of Two Cities* (1859). He subsequently illustrated novels by Charles James Lever and William Harrison Ainsworth. Browne died at West Brighton, East Sussex, on July 8, 1882.

BROWNE, Robert (c. 1550–1633), English Puritan leader, who was an early advocate of the right and the necessity of founding Separatist congregations. Browne was born in Tolethorpe, Rutland, and was educated at Corpus Christi College, Cambridge. There he was influenced by Thomas Cartwright and other Puritans who strenuously advocated further steps in the English Reformation that would bring the Elizabethan church more closely into conformity with the principles of Calvinistic Geneva. Though most Puritans hoped to gain their ends from within the church by Parliamentary reform, Browne was among the minority whose zeal outran their patience. By 1580 he and a number of his followers (later called Brownists) had formed an independent congregation, contrary to the statutes of Elizabeth I. Browne was briefly imprisoned for his defiance of the law and then fled to Holland. There he published two books in 1582. His *Treatise of Reformation Without Tarrying for Any* defended the Separatist action, and *A Booke Which Showeth the Life and Manners of All True Christians* set forth the principles that were later associated with Congregationalism (see CONGREGATIONALISTS).

Browne was quarrelsome and unstable in his policies, and he was constantly embroiled in controversy with his friends as well as with his enemies. By 1585 his views had changed sufficiently to lead him to make his peace with the established church. In 1591 he was ordained in the Church of England and given a parish in Northamptonshire. There he remained for 42 years. Browne never wholly abandoned his earlier views, but he apparently felt that the gathered spiritual fellowship of "true Christians" could be maintained even within the established church. There is some indication that he occasionally ministered to secret Separatist congregations in the vicinity of his parish. He died in Northampton jail in 1633, having been committed as a result of a brawl with the parish constable.

POWEL MILLS DAWLEY
The General Theological Seminary, New York

BROWNE, Sir Samuel James (1824–1901), British general, who invented the "Sam Browne belt." He was born on Oct. 3, 1824, in India. A valiant officer in Britain's conquest of India, he lost an arm in a cavalry charge in 1858 and led a division to take the Khyber Pass in 1878. He died at Ryde, Isle of Wight, on March 14, 1901. His sword (or pistol) belt, used by officers in many armies, is a broad waist-belt supported at the left side by a narrow strap crossing the right shoulder.

BROWNE, Sir Thomas (1605–1682), English writer, physician, and antiquarian, who ranks as one of the most important figures in the literature of the baroque age. In both his thought and his distinctive style, Browne as a Renaissance man represents the transition from the religious world view of the Middle Ages to the world view characteristic of modern man—scientific, rational, and skeptical. In contrast to Sir Francis Bacon, whom he admired, Browne was neither willing nor able to give his whole intellectual allegiance to the emergent attitudes of secularism and specialization. He remains, to borrow the words in which he describes man, "that great and true *Amphibium*, whose nature is disposed to live . . . in divided and distinguished worlds." His writings, whether on religion, archaeology, or common superstitions, reveal an essentially religious temperament. There is a quality of wholeness, both psychological and artistic, in everything Browne wrote; it is this quality, perhaps, that explains the popularity he has enjoyed among literary intellectuals in the 20th century, an age of fragmentation and specialization. Equally important to Browne's reputation is his memorable and uniquely expressive prose style, which may account for the special love felt for him by such varied prose artists as Samuel Johnson, Herman Melville, and Virginia Woolf.

Life. Browne was born in London on Oct. 19, 1605, the son of a mercer. He was educated at Winchester and Broadgate Hall (now Pembroke College), Oxford. Subsequently he attended what were then the three great Continental centers for medical studies—the universities of Montpellier,

NATIONAL PORTRAIT GALLERY, LONDON

Padua, and Leiden. At the lat
gree. He then established him
in Norwich, England, where h
devoted to his profession and

Browne was married in 164
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Pseudodoxia Epidemica (1
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of his own.

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gress in 1957 signaled its willingness to help effect change by passing its first civil-rights law in more than 80 years. The act dealt rather ineffectively with voting rights.

By 1957 a significant new organization and the most influential civil-rights leader of the decade had emerged. Continued discrimination on the Montgomery, Ala., buses was met by ministerial leadership in the formation of the Montgomery Improvement Association, and a successful boycott of the bus lines followed. The Rev. Martin Luther King, Jr., was catapulted to the front, and under his leadership the Southern Christian Leadership Conference (SCLC) was organized in Atlanta in 1957. The charismatic King was totally committed to nonviolent direct action that would "create such a crisis and foster such a tension" that a community which had constantly refused to negotiate would be forced to "confront the issue." King, a moderate, stood between the forces of complacency and the forces of hatred and bitterness that were close to advocating violence. His methods were Gandhian but with more emphasis on love of those guilty of injustice. In contrast to Gandhi, King and his followers were members of a minority group; the success of assertive nonviolence thus depended in great measure on the inherent goodwill of the white majority.

The SCLC tactics were adapted from CORE, which under the leadership of James Farmer began to expand rapidly in the late 1950's. But it took a new organization, the Student Nonviolent Coordinating Committee (SNCC)—which King helped organize—to inject a more zealous tone into the movement. Beginning with four students sitting in at a lunch counter in Greensboro, N.C., on Feb. 1, 1960, SNCC was formally organized at Shaw University in Raleigh the following April. The sit-ins, which SNCC was designed to coordinate, had already spread throughout the South, and those engaged in this activity were carefully selected and trained to endure all kinds of verbal and physical abuse without resorting to counterattack. The composure of the blue-denimed youth won much sympathy and admiration, and their actions were upheld by the Supreme Court in December 1961.

By that time a stronger civil-rights bill had been passed in 1960. John F. Kennedy—not yet fully committed to civil rights but providing more moral leadership than his predecessor—had become president, and the Freedom Rides had begun in early 1961. Started by CORE, this action to test segregation in bus terminals serving interstate passengers mushroomed when SNCC joined. It reached jail-overflowing proportions when hundreds of volunteers—white and black—reacted to the burning of one bus and the abuse and beating of the occupants of another. More than 600 federal marshals were sent into the area to protect the riders, and the Legal Defense and Education Fund saved CORE from financial disaster by providing bail bonds and counsel. The next summer, CORE successfully conducted its Freedom Highways campaign aimed primarily at desegregating accommodations in restaurant chains.

The summer of 1962 also saw several organizations form the Council of Federated Organizations (COFO), which sought to teach blacks in Mississippi what they needed to know to register to vote, to persuade them to try to register, and through orderly procedures to get officials to register them. But rebuffs, reprisals, and dilatory tactics prevented significant numbers of blacks from joining the registration rolls.

Sit-ins, wade-ins, freedom rides, limited boycotts, demonstrations, marches, and other types of creative disorder were gaining public acceptance and convincing many white persons of the legitimacy and morality of the blacks' demands. But events in highly segregated Birmingham, Ala., in April and May 1963 probably did more than any other single thing to gain widespread public support for the civil-rights movement. Picketings and sit-ins at some stores resulted in the jailing of 2,400 persons. Dogs and fire hoses—by order of Police Commissioner Eugene "Bull" Connor—were directed at a large crowd of street demonstrators that included many high school and younger students. The photograph of a police dog leaping at the throat of a schoolboy outraged public sentiment, brought nationwide financial and political support, and fostered increased pressure for action by the federal government.

In June 1963, President Kennedy called for new legislation. More than 200,000 people marched in Detroit to demand immediate steps for equality. The degree of public support for civil rights was best exhibited by the march on Washington, D.C., on Aug. 28, 1963. More than 250,000 persons from all over the nation gathered in almost religious attitude at the Lincoln Memorial and demonstrated by their presence the intensity of the nation's "moral crisis."

Even as such nonviolent tactics received wide public support, white extremists in the South stepped up their reprisals. Medgar Evers, field secretary for the NAACP, was shot to death at his home in Jackson, Miss., on June 12, 1963. On September 15, four black girls were killed in a church bombing in Birmingham. The violence continued in 1964. For their "Mississippi Summer," COFO sent 1,000 students, teachers, and other persons into the state to encourage, train, and sustain blacks in registering and voting. Harassed in every way—even by bombings and beatings—the freedom workers endured much. On June 20 three of them were murdered near Philadelphia, Miss.

Congress Responds. The civil-rights bill had made no material progress in 1963. But then, after President Kennedy's assassination on November 22, President Lyndon Johnson called on Congress to pass his predecessor's legislative program. Administration pressure combined with public indignation finally proved effective. A Senate filibuster was broken, and the "Magna Carta" for black Americans, the Civil Rights Act of 1964, was passed and signed into law on July 2. The law forbade discrimination in the use of most public facilities. The government at long last had declared for equality.

A "white backlash" against the civil-rights movement developed during the presidential campaign in 1964. Black leaders closed ranks against Barry Goldwater, the Republican candidate, who was the beneficiary of the backlash sentiment. The backlash proved not so strong as many had anticipated, and President Johnson was reelected. But the civil-rights movement seemed to be making little progress. Blacks continued to have great difficulty registering in many places, and the situation in Alabama was especially bad. In March 1965 a march to dramatize the demand for voting rights was halted

white families) lived in poverty. Blacks had completed 7.9 years of school; whites, 10.6. And the black illiteracy rate, although far lower than in former years, was still 7.5% in contrast to 1.6% for whites. Infant mortality was twice as high for blacks, with 44 babies dying per 1,000 births. Afro-Americans were 50% more likely than whites to die of accidents and violence (a rate that increased to 70% more likely in 1975). Such statistics indicate the continued poverty and vulnerability of black families.

But economic diversification had increased, so that while 65% of black families were impoverished, with incomes of less than $5,000 per year (in 1967 dollars), 7% of black families lived comfortably on incomes of $10,000 per year or more. The median black family income of $3,353 had risen to 58% of the white ($5,776). Whereas only 1.6% of Negroes in the age group 25–29 had completed four or more years of college in 1940, nearly 5% had in 1960, in comparison to 11.1% of the same group of whites. Finally, 40% of the black population lived outside the South. As the civil rights era opened, blackness was no longer a sure indicator of poverty, ignorance, and Southernness.

THE ERA OF STRUGGLE

The background of the revolutionary civil rights movement lay in the willingness of blacks to confront and protest racial oppression in the 1930's. While the war dampened mass protest, the postwar years witnessed the NAACP's successful assault on the principle of separate but equal in education. Spearheaded by talented lawyers like Charles H. Houston and Thurgood Marshall, the NAACP began to demonstrate that separate was inherently unequal by winning a series of cases in the 1950's. In *Brown* v. *Board of Education of Topeka* and three associated cases, which capped NAACP efforts, the U.S. Supreme Court ruled in 1954 that racial segregation in public schools was unconstitutional. This decision set the stage for continued black protest against other forms of segregation, as well as a massive, violent countermovement of whites against desegregation.

The Civil Rights Movement. The civil rights era began in 1955 in Montgomery, Ala., when a black woman, Rosa Parks, was arrested for refusing to give up her seat in the front of a city bus to a white man. Montgomery Negroes waged a yearlong boycott of city buses that ended victoriously when the U.S. Supreme Court declared segregation in buses unconstitutional. The Montgomery boycott produced the Montgomery Improvement Association, headed by an eloquent young minister named Martin Luther King, Jr. The association soon became the broader Southern Christian Leadership Conference (SCLC), which waged the most spectacular protests of the early 1960's, producing the federal civil rights legislation that reshaped Southern race relations. But in the late 1950's, white supremacy still seemed entrenched in the South.

Events in Africa provided a contrast, as former colonies gained their independence, beginning with Ghana in 1957. In 1960, 17 African states became independent, whereas it seemed that Afro-Americans would long remain without first-class citizenship. In 1956, Autherine Lucy had been expelled from the University of Alabama and more than 100 Southern congressmen and senators declared their allegiance to segregation in a "Southern Manifesto." Between 1955 and 1959, more than 200 separate acts of violence were committed in the South against black protesters and their allies. Although in 1957 federal action forced the desegregation of Central High School in Little Rock, Ark., public schools in that city and in four school districts in Virginia closed rather than desegregate. The weak federal Civil Rights Act of 1957 (the first since Reconstruction) promised to facilitate voter registration for Southern blacks, but three years of work increased the number of black voters by less than 3%. Another weak Civil Rights Act, passed in 1960, also aimed at voter registration, but Southern white opposition continued to stifle black voting, particularly in the Deep South.

The combination of antiblack violence, disfranchisement, and segregation produced astonishing growth for an organization that had existed for decades but became well known nationally only in the late 1950's. In Chicago in 1934, Elijah Muhammad had established the headquarters of the movement that came to be known as the Nation of Islam. The "Black Muslims" began to grow rapidly in the 1940's and 1950's particularly among prisoners like the Nation's most prominent convert, Malcolm X. A charismatic speaker, Malcolm X lent the Muslims' creed of self-defense, separatism, and black racial superiority a persuasive quality that reached a national television audience in 1959. Malcolm X toured college campuses, damning the "blue-eyed devils" (whites) and the whole system of American racism. Throughout the early 1960's, until his assassination in 1965, Malcolm X provided a defiant counterpoint to Martin Luther King's and SCLC's nonviolence and love of the enemy.

Nonviolent Direct Action. The 1960's opened with nonviolent direct action, when four students at North Carolina Agricultural and Technical College decided to protest lunch-counter segregation in Greensboro. They were soon joined by other black and white students in Greensboro and across the South, making sitting-in a regional

In Montgomery, Ala., on Dec. 1, 1955, Rosa Parks refused to give up her front seat to a white. A lengthy bus boycott followed as a major step in the rights-protest era.

UPI/BETTMANN

TALKING POINTS FOR THE PRESIDENT'S REMARKS

TO THE NATIONAL URBAN LEAGUE

1. Recent studies on poverty tell us that the level of poverty has been at a high plateau for ten years or more. And let's say right up front that black and other minority Americans suffer most when poverty is high.

2. President Lincoln used to say that to know where we have to go, we need to know where we have come from. It is a tribute to the hard work and dedication of millions of minority Americans -- and those in the social service sector -- that about forty percent of black households are in the middle income category. 2.5 million new jobs were filled by black Americans over the last five years or so.

3. Your own recent study on The State of Black America 1989 says that there were 301,000 black owned businesses in 1982. From where we've come, that is an important achievement. But we need to be concerned, not about the past, but about the future. And there's a long, long path we have to travel together. Secretary Kemp and I agree that we must double or, if possible, triple that number before the end of the next decade.

4. And today I want to repeat the pledge I made in the first days of my administration: we are "dedicated to making America...an opportunity society...an economy that's thriving and creating jobs; cities that are filled with enterprise and offer residents a good life and a good living; neighborhoods that are vibrant and safe, with affordable houses going up, old ones being restored."

"It means giving people -- working people, poor people, all our citizens -- control over their own lives. And it means a commitment to civil rights and economic opportunity for every American."

5. I want my administration to launch a crusade to get rid of the scourge of poverty as a way of life, a sacred mission to put economic opportunity, enterprise, jobs, and hope within the reach of every American man, woman, and child. To accomplish that mission, I have established a 6-point offensive:

First and foremost, the urban and rural pockets of poverty in this country must become thriving centers of enterprise, jobs, and prosperity. Congressmen Charlie Rangel and Bob Garcia have offered legislation to make enterprise zones a reality. I call on Congress to make passage of enterprise zone legislation a top priority in this session.

You know only too well how difficult it is to bring seed capital into poor urban neighborhoods, but without capital investment, the dreams of young black and minority entrepreneurs cannot become a reality. Enterprise zones cannot create enterprise unless we unlock the flow of new capital. We must substantially reduce the capital gains tax rate across the nation, and eliminate the tax in enterprise zones -- not because the rich want it, but because those who want to be rich need it.

Second, I have instructed HUD to do all they can to encourage resident management and, ultimately, home ownership by the poor in public housing. Nothing builds pride so much as having a real stake in the American Dream.

Third, I am pleased that Congress has passed a strong Fair Housing Act. There can be no excuses. Housing, under this administration, will be open to all regardless of race -- that's the law, and you can be sure it will be enforced.

And let me assure you about something else: The Supreme Court has made a number of adjustments in the treatment of civil rights litigation. Laws always need to be reviewed for updating, but I will not stand by if the courts use change as an excuse to compromise the gains made in civil rights. At the same time, we need to focus attention but on the future -- not on how many jobs there used to be but on how many more jobs and businesses there can be -- so all may share in America's future prosperity.

Fourth, I want to help create a housing policy for this nation to make housing affordable for all families, especially first time home buyers. Home construction is overburdened with the tax of too much regulation. There are places in America where the price of new homes is almost double what it would be without excessive, incoherent, and duplicative regulations. My administration's Joint Venture for Affordable Housing is working with the private sector and governments at lower levels to reduce the regulatory cost of building new housing.

Fifth, the tragedy of homelessness is a disgrace to America. It must end. My administration has pledge to support full funding of the McKinney Act by the Congress.

Sixth, the spread of drug use and open selling of these deadly substances in America's impoverished neighborhoods is a calamity for the entire country. (Expand on anti-drug programs).

6. Since I've been President, I have had the pleasure of visiting countries allied with America and nations within the Soviet bloc. These countries are so different in so many ways...but one thing is uniting people everywhere -- a global thirst for democracy and freedom. I have seen democracy gaining ground in many nations, and tragically we have seen it crushed in a few. One of the most touching scenes I remember is those students in Tiananmen Square, fighting for democracy. They didn't quote Lenin or Mao or Marx...they quote some great Americans: Patrick Henry, Thomas Jefferson, Martin Luther King.

7. It would be ironic if democracy expanded and succeeded around the world, while in democracy's first home, here in America, we could not make it work for all of our people.

8. You well remember when Dr. Martin Luther King was jailed in Birmingham for demanding that America's promise of liberty and equality be enshrined in the law. At that very moment Dr. King paid America his greatest compliment. He said that the civil rights demonstrators "were in reality standing up for what is best in the American dream and for the most sacred

values in our Judaeo-Christian heritage, thereby bringing our nation back to those great wells of democracy which were dug deep by the founding fathers in their formulation of the Constitution and the Declaration of Independence." In that love he had for democracy and for freedom, Dr. King is an inspiration for my administration, for us in America, and as we now know, for the entire world.

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ADDRESS TO
NATIONAL CONVENTION ON RESIDENT MANAGEMENT
AND URBAN HOMESTEADING

BY SECRETARY JACK KEMP

10:00 a.m., Monday, March 6, 1989
Westpark Hotel
Rosslyn, Virginia

"A SEVEN POINT AGENDA TO STRENGTHEN RESIDENT MANAGEMENT
AND PUBLIC HOUSING HOMEOWNERSHIP"

I am deeply honored to address the second national convention on resident management and urban homesteading, co-sponsored by the National Center for Neighborhood Enterprise and the National Association of Resident Management Corporations. Bob Woodson, you have done just an outstanding job over the past decade in creating a national support structure for the ever-growing movement of men and women in public housing who are determined to take control over their own destinies. Kimi Gray, Loretta Hall, Bertha Gilkey, Mildred Hailey, and the resident management movement represent genuine change and opportunity for public housing residents across America. I not only salute you, I thank you for reminding us of what America was meant to be.

When I first was nominated to become Secretary of the Department of Housing and Urban Development people told me that HUD really stood for the "Department of Hotels and Urban Destruction." Well, if that was ever true, that's the old HUD. The new HUD under President Bush's leadership and my stewardship will stand for HOPE. I spell HOPE as Homeownership, Opportunity and Progress ... Everywhere in America, from sea to shining sea, from inner city barrios and ghettoes to rural American communities and towns.

This agency will fight and even dare to envision winning the age-old war on poverty, not simply with government spending programs, but by empowering people with choices and private sector job opportunities and by using the greatest engine of growth ever devised -- entrepreneurial free enterprise. And we can start with some of the most neglected spots in our cities -- our nation's public housing communities.

Last month, at my swearing-in ceremony at HUD, I was thrilled to hear President George Bush say that all public housing residents should have two important rights: the "right to manage" the housing developments in which they live, and ultimately, the right of residents to purchase their housing through urban homesteading. As your friend and as the new Secretary of Housing and Urban Develoment, I am honored to help

carry out that mandate, and I pledge the full resources of this agency to make those rights and opportunities a reality for public housing residents of America.

You in the resident management movement are helping prove that poor folks can become managers, producers, entrepreneurs, and employers, if only government helps clear obstacles and removes the barriers standing in the path of economic and social opportunity.

Resident management and homesteading are not just good for people and neighborhoods, they are also good for taxpayers. The accounting firm of Coopers & Lybrand estimates that Kenilworth Parkside will save the U.S. government $4.5 million over the next several years. In that project alone, one hundred thirty-two former welfare recipients were put back to work and taken off the welfare, moving from tax consumers to taxpayers. The eventual sale of Carr Square in St. Louis will save the U.S. Treasury $16 million by reducing modernization and operating subsidies. But there is something even bigger at stake.

Let me reminisce for a moment. Do you remember a couple of years ago when Kimi Gray, Bob Woodson, and resident leaders from across America came to the galleries of the House of Representatives? Delegate Walter Fauntroy and I told the Congress that tenant management would work, that poor people could become owners, and that equal access to homeownership opportunity was what the American dream was all about.

One Member of the House said that he opposed resident homeownership because residents might someday leave their homes onto their children. Imagine that! What a dangerous idea! Another Member of Congress said poor people wouldn't know what to do with their own homes and apartments. Well, let's take him to Kenilworth Parkside, or let him meet Bertha Gilkey, or a new friend of mine I met in Richard Allen projects in Phildadelphia -- Virginia Wilks.

But reason prevailed that day and urban homesteading and resident management legislation passed the House for the first time. As Kimi and Bob and the tenants were cheering from the galleries, I remember the hope and joy we all shared.

Well, my friends, our time has arrived. Jack Kemp is no longer a Congressman, he is Secretary of the Department of Housing and Urban Development. And Kimi Gray is no longer a property manager, she and her residents will soon be property owners. And Bertha Gilkey and Loretta Hall and Mildred Hailey and Virginia Wilks are no longer fighting to be heard, they are on center stage, advancing the ideas of empowerment and self help and opportunity, and it's one of the most dynamic movements in America since Rosa Parks moved to the front of the bus and helped launch a crusade. Well, ladies and gentlemen, this is a new phase, this is a new chapter of that glorious crusade. You might

say that we are participating in the next chapter of that civil rights crusade that truly began when Thomas Jefferson wrote those immortal words about all men and women being created equal.

My friends, this is not just a personal or political movement, it is the living example of the power of ideas. Our idea is both simple and profound: poor people aren't to be treated as just mouths to feed and bodies to shelter; they are hearts, souls, minds, and talents of America's next frontier.

As I said in my swearing-in ceremony to the employees of HUD, we must all keep our minds, our work and our hearts focused on those we are meant to serve -- not just the homebuilder, but the homebuyer; not only public housing authorities, but the public housing resident; not just mayors and city managers; but the poor and those who live temporarily on the streeets or in our shelters. We need to keep them foremost in our minds and hearts because our job is to give them what Dr. King called a stake in the American dream, a helping hand, and the equality of opportunity to build a better future for themselves and their children.

Ladies and gentlemen, I want a HUD that champions your cause of jobs, resident management, homeownership, empowerment, and opportunity. I want a HUD that will clear the logjams, remove the impediments, cut the redtape, and make things happen. Wherever a resident council has demonstrated management capability and meets the requirements of the HUD regulations, I will support its right to obtain a full management contract, and I won't let politics or bureaucracy or inertia block your efforts.

Today is not a nostalgic look to past victories. Our movement and cause must be a prelude to greater triumphs ahead. With the cooperation of Congress and with continued support and leadership of President Bush, I look forward to the time when there will be a dozen housing project sales or acquisitions each year and dozens of technical assitance and homeownership grants. Some say this is an ambitious goal. It's not ambitious, it's audacious, but I believe we can achieve it, if we unite behind a commond agenda.

First, Congress should consider the ideas behind the Urban Homestead Act of 1989, which is co-sponsored by my friends Representative Dick Armey and Delegate Walter Fauntroy. This bill will expand opportunities for resident management and homeownership by removing the current 1990 sunset date on homownership and by establishing more creative one-for-one replacment plans for sold public housing units. This legislation should be considered and remaining policy barriers which limit the growth and success of urban homesteading and resident management should be removed.

Second, so many problems across America are caused by the

break down of the family structure. Strong families need both fathers and mothers -- as providers, role models, authority figures, and most importantly, to help create a stable and secure household. We not only need to strengthen housing opportunities but also strengthen families.

That's why I want to consider ideas like the Family Stability Act sponsored by Senator Dan Coats of Indiana and other ideas and legislation to remove disincentives that break poor families apart.

Thirdly, the Department of Housing and Urban Development will become more receptive to the voice of public housing tenants. I know that many of you are concerned about HUD regulations proposing changes in the "lease and grieveance" procedures. Today, I am undertaking a full and expedited Departmental review of these proposed regulations. I have asked my staff to consult fully with tenant groups before promulgating any new public housing policies that profoundly affect your lives.

I also want to annouce that I have appointed to my staff a special assistant for resident management and homeownership, someone who you already know and trust -- David Caprara of the National Center for Neighborhood Enterprise. David will be my full time contact with the resident management community.

Fourth, the provision of training and technical assistance to tenant organizations will be a top priority for my stewardship at HUD. This month, HUD is open for the business of providing $2.5 million in new training grants to form new resident management corporations. There will be over 60 resident management corporations in training by the end of this year through HUD technical grants. The Bush Administration budget, you'll be happy to know, adds $44 million to the Community Development Block Grant Program to be made available on a matching grant basis to encourage homeownership, including plans to provide technical assistance to resident management corporations.

Modernization funds are also an important consideration in making public housing livable for resident management and homeownership. I pledge to you my best efforts to help bring all public housing up to decent standards. I will also make sure that your transition to full self-sufficiency is aided with proper and prudent levels of HUD resources.

Fifth, we know that homownership opportunities are most achievable where residents have access to good paying jobs and job training. That's why an important -- indeed basic -- part of tenant management-PHA partnerships should involve the creation of new business opportunities. You have already demonstrated an entrepreneurial spirit through the creation of resident management maintenance crews, food stores, day care centers, and

construction management teams to produce new, affordable housing. You have helped give public housing residents the opportunity to work again, and achieve dignity and hope for the future.

Now, we must go even further and strengthen these efforts with dramatic new incentives to create more small business opportunities and enterprises. President Bush and I, together with a strong bi-partisan coalition in Congress, are working to put Enterprise Zones in cities across America, to take areas once redlined for poverty and greenline them for success.

There's another idea I would like to see get started. I will ask Labor Secretary Elizabeth Dole to look at ways to use the Job Training and Partnership Act to train residents in the job skills they need to take over the management, maintenance, and operation of public housing projects.

Al Delli Bovi, the current Administrator of the Urban Mass Transportation Administration, is my choice for Undersecretary of HUD. He has been in the forefront of promoting the idea of "reverse commuter" transportation shuttle services. These public-private transportation projects give residents access to new employment opportunities. I would like to see this program expanded. I will also ask my minority business utilization office to take a look at the idea of allowing eligible RMC's to be placed on the consolidated supply program listing of bidders for goods and services.

Sixth, a word about drug abuse in public housing. On my visit to the Richard Allen housing project in Philadelphia, Pa. I was shocked by a public and open sale of drugs a few yards away from a Head Start center. Drug peddling and abuse has gone on too long. It must stop. Drug trafficking and drug abuse represent the greatest threat to the safety and well being of public housing residents.

As a first step to stopping this scourge, I sent a letter to more than 3,000 public housing authorities around the country asking for a written report within 30 days on what they are doing to deny access to public housing to those who have consistently violated the law and who undermine the livability of the projects. I want to work to fully and creatively implement the public housing provisions of the 1988 omnibus drug bill to crack down on drugs. I will help tenant councils and resident management corporations establish innovative security and drug education programs in conjunction with public housing authorities.

Finally, there is a major challenge I would like to leave with you today. I don't need to tell you that resident management is going to be under scrutiny in the months and years ahead. I welcome that attention and I know you will too. I am pleased that your own National Association of Resident Management Corporations is striving to set the highest standards of

performance and accountability. I commend Mildred Hailey and the National Association's committee on professional standards for working to establish sound training criteria and codes of ethics. I want you to know that the Department of Housing and Urban Development will be there to assist you in this effort.

Some folks will be waiting for a misstep to discredit our efforts, but the overwhelming number of people are hoping with us that resident management, urban homesteading, and enterprise zones can be a strong tool in fighting poverty. Let me hasten to add that there are other tools, both public and private, I want to use. But as Robert Kennedy said, "To fight poverty without the power of free enterprise is to wage war with a single platoon when great armies are left to stand aside."

Ladies and gentlemen, I believe we are living in one of the most exciting times in history. I believe with all my heart that we have only begun to tap the range of abilities and potential of our inner city public housing residents. When I accepted George Bush's nomination to be HUD Secretary, I quoted Martin Luther King, Jr.'s remarks that he had an abiding faith in America, and an audacious faith in the future of mankind.

I share that spirit of optimism. In the early days of our nation, one of our Founding Fathers, Thomas Jefferson, called America "a ralliance for the reason and freedom of our globe."

I believe America must be that ralliance -- that lodestar for reason and freedom. But that hope will be hallow and insecure until every American citizen has equal opportunity to enjoy and participate in the fruits of freedom. America can only be fully strong, fully moral, and fully free when all our citizens share in that peculiarly American dream, yet universal ideal.

Resident leaders of public housing -- I commend you for your sacrifices, commitment, and determination to restore pride and a high quality of life in our inner cities. Your example and accomplishments will inspire public housing residents and create a new spirit of hope in each and every city across America. Thank you and God bless you.

Forget Drugs.

Urban Anti: Drug efforts 7 3 things
Crime Package - Urban

Marianne McGettigan
2449

take back streets —
4 fronts: - tougher laws
- more police
-

Urban

3 people: Black Businessman/woman

Ray Nelson 412-3573

Kathy Peroff
OMB - 4610

THE WHITE HOUSE

WASHINGTON

July 25, 1989

Dear Mr. Chairman:

I am pleased today to transmit my Administration's proposals for Enterprise Zones. Our proposals contain tax-based incentives for new enterprises and new jobs in distressed urban and rural areas of this country.

As the Committee works to achieve its 1990 budget and revenue targets, I urge you to include our Enterprise Zone proposals in the reconciliation legislation that is now under consideration.

The establishment of Enterprise Zones is a high priority of my Administration. I would therefore appreciate the prompt and favorable consideration of this request.

Sincerely,

George Bush

The Honorable Dan Rostenkowski
Chairman
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

The President's enterprise zone initiative includes three tax incentives that will be available to workers and investors in 50 zones. The 50 zones will be phased-in 15 in 1990, 15 in 1991, 15 in 1992, and 5 in 1993. The characteristics of the zones will be consistent with the distress requirements contained in Title VII of the Housing and Community Development Act of 1987.

1. Refundable Wage Credit for Low-Income Zone Employees

A 5 percent refundable tax credit for the first $10,500 of wages will be provided to individuals working in a zone and having total wages below $20,000. The maximum credit will be $525, and the credit will phase out between $20,000 and $25,000 of total wages.

2. Expensing of Investor Purchases of Small Zone Corporate Stock

Investors may deduct currently ("expense") investment in newly issued corporate stock of qualified small subchapter C corporations.

Expensing will be available for investments in corporations having less than $5 million of total assets, so long as the investments coincide with comparable increases in the corporation's tangible zone assets. Substantially all the activity of qualified corporations must be located in zones.

Expensed corporate stock will be available up to $50,000 annually per investor, with a $250,000 lifetime limit. Expensing will be available to individuals, and gain attributable to expensed stock will be taxable at ordinary rates. Amounts expensed will be subject to existing Code limitations, including the alternative minimum tax, and no "double dipping" with other tax subsidies will be permitted where the result is more than a 100 percent tax subsidy.

3. A Zero Capital Gains Tax Rate on Tangible Zone Assets

A zero tax rate will apply to capital gains realized during zone designation periods on qualified assets.

Qualified assets must be tangible, located in zones, and used in qualified businesses that have operated in zones for at least 2 years prior to gain realization.

Gains qualifying for exemption must accrue after zone designation and before termination of the designation. Assets already located in a zone must be appraised at the time of zone designation, as must existing assets relocated into zones following designation. All qualified assets must be appraised at the termination of zone designation.

Revenue Effect of President's
Enterprise Zone Proposal
50 Zones 1/

	Fiscal Year					
	1990	1991	1992	1993	1994	1990-94
	($'s in millions)					
Wage Credit for EZ Employees 2/	-20	-60	-100	-120	-130	-430
EZ Corporate Stock Expensing 3/	-30	-100	-200	-270	-310	-910
Capital Gains Elimination on Certain EZ Assets 4/	0	0	-10	-130	-310	-450
Total Enterprise Zone Proposal	-50	-160	-310	-520	-750	-1790

Department of the Treasury
Office of Tax Analysis

July 21, 1989

1/ 50 Zones phased-in: 15 in 1990, 15 in 1991, 15 in 1992 and 5 in 1993.

2/ Refundable wage credit for zone employees equal to 5% of FUTA wages up to 1.5 times the FUTA cap ($10,500).
Credit phases-out between $20,000 and $25,000 of wages received.

3/ Proposal would permit expensing of investment in newly issued corporate stock of EZ subchapter C corporations.
Expensing limited to $50,000 per year with a lifetime cap of $250,000 per individual.
Limited to investments in corporations with total assets of $5 million or less and limited to corporate stock representing increases in tangible assets of the corporation held in the zone.
Limited to investments by individuals.
Gain on expensed stock will be subject to ordinary tax irrespective of other tax law provisions.

4/ Exemption from tax on gain accrued during zone designation on enterprise zone tangible business assets.
Assets in the zone prior to the date of zone designation must be appraised as of such date to receive tax benefits, although tax is deferred until realization. Only gain accruing after the date of designation qualifies for tax exemption.
Asset must relate to an enterprise zone business which has operated in the zone for at least two years prior to gain realization.
Estimate is stacked before President's capital gain rate reduction proposal.

NOTES: Most revenue loss from elimination of tax on capital gains will occur outside the budget period. Over a ten year period, this proposal will cost approximately $5.0 billion.

Estimates assume 50 zones phased-in in accordance with the pattern described in 1/ above. Estimates also assume the characteristics of zones will be consistent with the distress requirements contained in Title VII of the Housing and Community Development Act of 1987. Any deviation from these assumptions may materially impact the revenue estimates.

dealers." Dealers now avoid the neighborhood.

Special vigilance

In Cleveland, a group of tenants at the Lakeview Terrace Estates housing project, fed up with drug dealing, violence and the lack of security, pressured the housing authority to let them run the complex themselves. They immediately shifted more of their budget to security, hiring their own force of six armed guards and four dispatchers to protect the 834 units, compared with 47 guards the city employs for its 12,000 other units. Lakeview residents, led by organizer Lena Jackson, scrutinized prospective tenants more closely and helped police evict and convict drug dealers by hiring a detective and organizing their own sting operation. Now, the tenants' association helps set up drug counseling and treatment for residents, including putting preteen children of abusers into "Ala-Tot," a support program modeled after the Al-Anon and Alateen programs for relatives of alcoholics. Before they took over, some residents called the project "Saigon," recalls current resident manager Dexter Lowe, "because you had to fight your way out of here just like you had to fight your way out of Saigon." Today, the crime rate has dropped significantly, and there are 3,000 people on the waiting list trying to get in.

One of the more successful strategists plotting ways for communities to take back their own ground is Bill Lindsey, the visionary director of Fort Lauderdale's housing authority. He moved into a privately owned slum tenement there in 1972 as a VISTA volunteer, packed a .38-caliber handgun, hired some ex-cons to help him oust dealers and organize a rent strike, cleaned up the building and eventually so impressed the city that he won the housing -authority job. Lindsey has since turned 10 other projects in the city's worst neighborhoods into model housing, or "oases," as he calls them. The idea is that, by creating these oases of good housing in bad areas, the surrounding apartment buildings in between will slowly be persuaded to clean up their own act too.

"Police fail because they attack and withdraw," says Lindsey, explaining why law-enforcement agencies cannot eliminate war zones by themselves. "I can't think of anything more politically expedient and less long-term problem solving than running around doing drug raids in public housing. What that does is enforce the government failure model that 'We're doing all that we can do, and nothing can be done.' They have to have a war plan, and the war plan has to take into consideration that they're going to have to occupy the neighborhood on a long-term basis."

Politicians and cops have made careers talking tough about the war on crime and drugs. But tougher laws and more police sweeps will do little, if any, good if criminals bounce back out on the street in short order. The truly tough officials will be those who manage to do something with the criminals that police arrest. Allocating more money for jails, prosecutors and treatment programs is hazardous for politicians constrained by tight budgets, but the political dangers pale beside the life-threatening risks people take every day in city war zones. Two weeks ago, Lee Arthur Lawrence, 51, a Miami grocer who received a flurry of local publicity for driving drug dealers away from his parking lot, was shot dead in a drive-by execution.

GRAPHIC: Picture, No caption, STEVEN M. FALK FOR USN&WR; Picture, Street lords. Los Angeles gang members rule communities with awful shows of force. The local

THE WHITE HOUSE

Information

WASHINGTON

July 28, 1989

MEMORANDUM FOR ROGER PORTER

FROM: LARRY LINDSEY

SUBJECT: A Common Destiny: Blacks and American Society

This comprehensive review of the status of America's black population was compiled by the National Research Council. While generally quite balanced, a closer look at the data indicates that things are better, particularly economically, than the study suggests.

1. The study concludes that although substantial progress has been made, blacks still lag behind whites by most economic and social criteria.

In 1984, black real per capita income was one third higher than in 1968 and about 6 times its 1939 level, but that income was only 57 percent of white income, the same fraction as in 1971.

In 1939, 93 percent of blacks were in poverty. By 1974 that figure had fallen to 30 percent, about where it is today. But, the poverty rate for blacks is still 3 times that for whites.

Black infant mortality rates have declined from 45 per thousand in 1960 to 18 per thousand in 1985, but still remain twice as high as white infant mortality rates.

In 1940 young blacks had completed 7 years of schooling, on average. By 1980, young blacks had completed 12.6 years of schooling. But, blacks still lag behind whites, who average 13 years of schooling, on average.

2. The study concludes that most of the economic gains for blacks occurred during the 1940s through the 1960s, and that the economic status of blacks has stagnated since the early 1970s. While the report is correct that black incomes in the late 1980s are similar to those in the early 1970s, the facts show that this is because of a decline in the 1970s followed by a rise in the 1980s.

The following table presents data on black and white income for 1973, 1981, and 1987. Each year was a business cycle peak, except 1987 which is the last year for which data are available.

Real Income in 1987 Dollars

	1973	1981	1987
All Black Families	$18,590	$16,578	$18,098
Black Males			
Full Time Workers	$20,340	$18,724	$19,385
All persons	$13,076	$10,623	$11,101
Black Females			
Full Time Workers	$14,309	$14,293	$16,211
All persons	$ 6,516	$ 6,127	$ 6,796

Blacks, like most Americans made up the ground lost during the 1970s in the past 8 years. The most striking gains have been made by black females who worked full time. Their real earnings rose to 13.4 percent between 1981 and 1987 compared with 12.3 percent for white females and just 5.5 percent for white males.

3. The study concludes that black participation in all aspects of American life has increased dramatically and that white attitudes toward racial equality have improved. However, the study notes that significant barriers still exist for blacks particularly in housing and education, and that bigoted attitudes persist.

One particular bright spot for increased blacks has been the U.S. Army. Between 1972 and 1986, the share of the army officer corps who were black nearly tripled -- from 3.9 percent to 10.4 percent. The proportion of black generals rose 10 fold to 7 percent. At the same time the percentage of recruits who were black increased only slightly -- from 18 percent to 23 percent.

The proportion of black children attending schools which were 90 percent or more black dropped significantly, particularly in the South during the late 1960s and early 1970s. However, two thirds of black children attended schools which were more than 50 percent black even in 1980. The proportion of blacks children in the Northeast attending nearly all black schools actually rose between the late 1960s and the early 1980s.

There was little progress made in residential desegregation between 1960 and 1980, although formal discrimination became illegal. In 1980, the typical black urban dweller lived in a neighborhood which was 68 percent black. The typical white urban dweller lived in a neighborhood which was 89 percent white. On a scale of 0 to 100, where 0 is perfectly integrated and 100 is perfectly segregated, American cities only moved from a score of 80 to a score of 77 between 1960 and 1980.

Polling data suggests that whites are significantly less racist today as a matter of principle, but are not more inclined to favor federal programs that favor blacks. Roughly 90 percent of whites favor equal access to schools, jobs, and transportation for blacks, up from only 45 percent in the 1940s. However, large majorities oppose federal intervention to force desegregation in the job market, schooling, or increased spending on blacks.

While 86 percent of whites would not move if a black family moved next door, only 46 percent would stay put if blacks moved into their neighborhood in large numbers. 95 percent of whites said they would not mind if "a few" blacks attended their children's schools, but only 40 percent would have their children attend schools where a majority of the students were black.

4. Black voter participation and the number of black elected officials has increased dramatically. The report concludes that this increased political involvement, including the civil rights protests in the 1950s and 1960s were crucial to the improvement of blacks' status.

Black voter turnout is nearly as high as white voter turnout. The number of black elected officials rose from just 33 in 1941, to 3500 in 1975 and more than 6000 in 1985. The number of black judges has increased from 10 in 1941 to nearly 600 in 1980 and 841 in 1986.

5. Blacks have shown increased achievement in education and generally have shown a continued improvement in their position relative to whites.

Black school enrollment has increased both in absolute terms and relative to whites. While both blacks and whites have increased their schooling, the gap between the races in years of school attended dropped from nearly 4 years in 1940 to less than one half of a year in 1980.

Today, some 75 percent of black children graduate from high school. The report notes that reported dropout rates of 50 percent or more do not give the whole picture due to regional differences and the return to school of many blacks who dropped out when they were younger.

There is some evidence that blacks have become less likely to enter college. The report suggests that a change in financial aid policies from grants to loans is the cause. Blacks perceive the total amount of indebtedness involved in education as a larger fraction of their family incomes than do whites. The study also cites increased desire for military service among blacks as a possible explanation for declining college attendance.

The study cites the need for effective schools, not just years of schooling. Minimum competency standards for teachers and the creation of a stable school environment that reinforces success and involves parents are all cited as being important.

6. The quality of blacks' health has improved substantially over the past 40 years. Even though blacks still lag whites in some basic health standards, the gap seems to be narrowing.

Black life expectancy has increased faster than white life expectancy. This has been particularly true for black females whose life expectancy is now more than for white males.

Although black nutrition has improved, the study notes that malnutrition among black children persists and continues to cause mental retardation among a significant number of such children. Anemia, lead poisoning, and child abuse are also serious health problems among black children.

Among black adolescents the two most common health problems are teenage pregnancy and drug use. Although birth rates have been declining among black women, black teenage birth rates still are 2 to 3 times that for white teenagers. Surveys indicate that drug use among white teenagers is higher than among black teenagers. But, the report argues that these surveys may be flawed as they focus on teenagers who remain in school.

Elderly blacks tend to have significantly poorer health than their white counterparts due to the accumulation of a lifetime of substandard health care and nutrition. Below average access to health insurance and to regular medical attention continue and will be reflected in black health for years to come.

7. Blacks are disproportionately involved in crime, both as the victim and as the offender.

Although 46 percent of the total prison population is black, the report finds no systematic evidence of discrimination in the administration of the criminal justice system. Instead, the report notes that blacks will continue to have higher rates of criminal behavior as long as socioeconomic disparities remain.

Blacks are twice as likely to be the victims of robbery, vehicle theft and aggravated assault as whites. They are between six and seven times as likely to be the victim of a homicide, which is the leading cause of death among young black males.

There has been a substantial increase in black involvement in the criminal justice process. For example, in 1894, 8 percent of all police officers were black, up from just 1 percent in 1970.

8. Blacks are tending to marry later and have fewer children, but a greater proportion of births are occurring to unwed mothers and a higher percentage of black children are living in poverty.

Although blacks have traditionally married younger than whites, that trend is now reversed. But increased divorced rates have lowered the average number of years a black woman will spend with a husband to 16, compared to 34 for white women.

The report estimates that 86 percent of black children will spend some time in a single parent household, compared with 42 percent of white children. More than half of all black children are born to unmarried women, four times the white rate.

The black family is tremendously resilient. Studies show that between 1880 and 1925 the typical black family was headed by two persons. This is in spite of the adverse effects of slavery.

REMARKS BY VICE PRESIDENT GEORGE BUSH
NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE
RIVERGATE CONVENTION CENTER
NEW ORLEANS, LOUISIANA
FRIDAY, JULY 15, 1983

WELL, I'M HERE.

AFTER LOOKING AT THE TV COVERAGE THAT'S COME OUT OF THIS CONVENTION SINCE MONDAY, THERE WERE A LOT OF PEOPLE BETTING I WOULDN'T SHOW UP.

THEY WONDER WHAT COULD POSSIBLY BE ACCOMPLISHED BY MY COMING TO SPEAK TO A CONVENTION WHOSE LEADERSHIP HAS ALREADY INDICATED THAT THEIR TOP PRIORITY NEXT YEAR IS TO DEFEAT THE ADMINISTRATION I Proudly SERVE. (a friend of mine said to me-- it's a Catch 22- if you go you get blasted , if you don't go you get blasted.))

BUT I'LL TELL YOU SOMETHING. I HEARD THOSE STATEMENTS TOO. AND THE MORE I HEARD, THE MORE I WANTED TO COME HERE BECAUSE I BELIEVE -- JUST AS PRESIDENT REAGAN DOES -- THAT A NATIONAL ADMINISTRATION CAN'T CARRY OUT ITS RESPONSIBILITY JUST BY TALKING AND LISTENING TO ITS SUPPORTERS. I am glad to be here.

THE PRESIDENT AND I BOTH BELIEVE WE NEED TO TALK AND LISTEN TO OUR CRITICS, TOO. THAT'S WHY HE WAS AT YOUR CONVENTION TWO YEARS AGO. THAT'S WHY I'M HERE TODAY. And besides I don't bel;ieve everyone here is a critic.

DO I EXPECT TO MAKE ANY CONVERTS? LET ME BE FRANK. I ~~THINK~~ KNOW A WALL OF MISUNDERSTANDING EXISTS BETWEEN MOST MEMBERS OF THIS AUDIENCE AND ~~THE REAGAN~~ our ADMINISTRATION, AND NO SINGLE SPEECH OR ACTION IS GOING TO BREAK THAT WALL DOWN.

BUT YOU KNOW, DESPITE WHAT MY GOOD FRIEND BEN HOOKS HERE WAS QUOTED AS SAYING RECENTLY -- THAT THIS ADMINISTRATION DOESN'T CARE ABOUT THE PLIGHT OF BLACKS IN AMERICA-- WE DO CARE, AND WE CARE DEEPLY.

THE CHARGE HAS BEEN MADE THAT THIS ADMINISTRATION HAS SHUT ITS EARS TO THE VOICES OF BLACK AMERICANS. BUT THAT JUST ISN'T SO.

DON'T TAKE MY WORD FOR IT. JUST ASK BEN WHETHER HE'S EVER HAD ANY TROUBLE CONTACTING OR VISITING ME AT THE WHITE HOUSE, WHERE WE'VE TALKED LONG AND HARD, ABOUT THE ISSUES AND PROBLEMS FACING BLACK AMERICANS.

OR ASK VERNON JORDAN. OR ASK JESSE JACKSON. OR DOROTHY Margaret Bush Wilson HEIGHT, JOHN JACOBS, LEON SULLIVAN OR RALPH ABERNATHY. OR ASK CARL HOLMAN OR PAT JACOBS ABOUT OUR DISCUSSIONS ABOUT HOW WE CAN WORK TOGETHER TO PROVIDE JOBS, EDUCATION, EQUAL OPPORTUNITY AND IMPROVED LIVING STANDARDS FOR MINORITY AMERICANS. OR ASK MAYNARD JACKSON, OR ~~the~~ response BEN PAYTON, OR JAMES CHEEK.

ASK ANY OF THESE BLACK LEADERS IF MY OFFICE ISN'T ALWAYS OPEN TO REPRESENTATIVES OF THE BLACK COMMUNITY. I KNOW WE DO NOT OFTEN ~~WE MAY NOT~~ AGREE ON HOW TO RESOLVE THESE ISSUES AND PROBLEMS. BUT THE DIALOGUE GOES ON -- PROGRESS CAN AND IN FACT IS BEING MADE -- AND THE CHARGE THAT THIS ADMINISTRATION HAS WRITTEN OFF THE BLACK SEGMENT OF AMERICAN SOCIETY IS DEAD WRONG. ~~It's one of bonds it isn't~~

THE DOOR TO THE REAGAN WHITE HOUSE IS OPEN TO LEADERS OF THE

BLACK COMMUNITY. IT'S BEEN OPEN AND WILL ALWAYS REMAIN OPEN. BUT LET ME SAY THIS, TOO. OPEN DOORS ARE FINE, BUT WE'VE ALSO GOT TO HAVE OPEN MINDS -- ON BOTH SIDES OF THE DIALOGUE BETWEEN THE ADMINISTRATION AND AMERICA'S BLACK LEADERSHIP.

It isn't good enough for the cause you represent so well to ~~holler~~ shout politics when we do take ~~esmething~~ a step that benefits the very people you represent.

NO, WE'RE NOT GOING TO WRITE OFF ANY GROUP. BUT WE DON'T WANT TO BE WRITTEN OFF, EITHER. AND WHEN I HEAR IT SAID THAT THE AIM OF THE NAACP NEXT YEAR IS TO DEFEAT THE REAGAN ADMINISTRATION, I FIND IT HARD TO BELIEVE THAT THE BETTER PART OF YOUR RESPONSIBILITY AS LEADERS IS TO FORECLOSE YOUR OPTIONS AND LET BLACK AMERICANS BE TAKEN FOR GRANTED BY THE OPPOSITION PARTY. WHERE YOU ~~[illegible]~~ PREDICTABLY GO WITH ONE PARTY, MARCHING IN LOCK STEP WITH NO DIVERSITY, YOU ARE TAKEN FOR GRANTED. ~~DO NOT FORECLOSE YOUR OPTIONS~~.

→ LET'S TAKE A LOOK AT THOSE OPTIONS -- A FAIR LOOK, WITH OPEN MINDS. WHO KNOWS? WE MIGHT EVEN MAKE A SMALL CRACK IN THAT WALL OF MISUNDERSTANDING.

B — INSERT "B"

Second ~~FIRST~~, WHAT ABOUT THE CHARGE THAT THIS ADMINISTRATION HAS BEEN LAX ON CIVIL RIGHTS ENFORCEMENT?

WRONG. DEAD WRONG.

THE FACT IS -- AND AGAIN, DON'T TAKE MY WORD FOR IT, JUST CHECK THE RECORD -- THIS ADMINISTRATION IS ACTUALLY AHEAD OF PAST ADMINISTRATIONS IN WHAT WE'VE DONE TO ENFORCE CIVIL RIGHTS.

YOU DOUBT IT? WELL THEN, LET'S GET A LITTLE HISTORICAL PERSPECTIVE ON THE SUBJECT. CHECK BACK TO SEE HOW MUCH THE CARTER ADMINISTRATION ACHIEVED IN CIVIL RIGHTS ENFORCEMENT AFTER THREE

Where would we be ~~now~~ if

INSERT (B)

growing stronger

First a General point on the economy. It 's ~~getting better and better~~ every single day. There are ~~a lot of~~ people still hurting, ~~and~~ there are people who haven't yet felt the resurgence in the economy. There are too many people out of work- ~~and when they hurt we hurt,~~ but let's look at the rest of the record.... For every family in America, for evry one in this room inflation at 4% means you ~~got a fighting~~- 've got a chance to save ,to invest, to move ahead. But inflation at 12.4%--- the rate of inflation that was in effect when we came into office means that ever saver, every worker, every old person in this country was getting wiped out.

Look at interest rates.... [redacted] 14 days before we were sworn into office the rpime rate of interest was 21.5% ~~21.5%~~ What did that mean to the young black graduate- or the kid on the student loan, or the fmaily trying to buy a house or a car...21.5%-that's where things stood under the man you heard from this morning.... If that had continued it would have meant total ~~abject~~ disaster for all Americans.... ~~The battle aginst ghigh interest continues but , in heaven's name be fair about it wehere would this country have been~~ If we had gone further down that road, ~~telling~~ the American people there was a malaise-that the people in essence were sick, while leading us to ~~these disastrous results.~~ economic disaster?

~~We're coming back~~

Now, three years later, we're coming back.

YEARS IN OFFICE.

YOU'LL FIND THAT THE REAGAN ADMINISTRATION IS FAR AHEAD OF THE CARTER ADMINISTRATION IN TERMS OF CRIMINAL PROSECUTIONS FOR CIVIL RIGHTS VIOLATIONS. WE'VE HAD MORE GRAND JURY PRESENTMENTS AND THE JUSTICE DEPARTMENT HAS PURSUED MORE PROSECUTIONS OF PEOPLE WHO VIOLATE THE CIVIL RIGHTS OF OTHERS THAN ITS PREDECESSOR OR ANY OTHER ADMINISTRATION.

I'M TALKING ABOUT COMBATTING RACIAL VIOLENCE -- ABOUT FIGHTING HATE ORGANIZATIONS LIKE THE KU KLUX KLAN AND PROSECUTING CASES AGAINST THOSE WHO BRUTALIZE OR SEEK TO TERRORIZE BLACK AND MINORITY AMERICANS.

WHAT ABOUT THE AREA OF EQUAL OPPORTUNITY IN THE WORKING PLACE? AGAIN, IT'S BEEN CHARGED THAT THE REAGAN ADMINISTRATION HAS BEEN LAX IN CARRYING OUT ~~ITS~~ OUR DUTIES TO GUARANTEE AND PROTECT EQUAL OPPORTUNITY. AND AGAIN, THAT CHARGE IS DEAD WRONG.

CHECK OUR RECORD AGAINST THE CARTER ADMINISTRATION'S. YOU'LL FIND THAT WE HAVE 116 ONGOING CASES AGAINST PUBLIC EMPLOYERS WHO'VE BEEN DISCRIMINATING AGAINST BLACKS AND WE'RE FIGHTING THESE CASES IN COURTS ACROSS THE COUNTRY, FROM NEW YORK AND WISCONSIN TO ALABAMA AND TEXAS.

WHAT ABOUT HOUSING DISCRIMINATION?

WE'VE JUST SENT CONGRESS PROPOSED NEW AMENDMENTS THAT WOULD

PUT REAL TEETH INTO THE FAIR HOUSING LAW. IF OUR AMENDMENTS ARE PASSED BY CONGRESS, FOR THE FIRST TIME YOU'LL SEE HEAVY FINANCIAL FINES LEVIED AGAINST THOSE WHO PRACTICE HOUSING DISCRIMINATION.

I'M NOT TALKING RHETORIC HERE -- I'M TALKING RECORD.

SCHOOL DESEGREGATION. CHARGES HAVE BEEN MADE THAT THIS ADMINISTRATION HAS BEEN DRAGGING ITS FEET IN THAT AREA. AGAIN, THOSE CHARGES ARE DEAD WRONG.

THE JUSTICE DEPARTMENT HAS TAKEN LEGAL ACTION AGAINST BOTH MISSISSIPPI AND ALABAMA, CHARGING DISCRIMINATION IN THOSE STATES' HIGHER EDUCATION SYSTEMS. AT THE SAME TIME, THE DEPARTMENT IS ACTIVELY INVESTIGATING SUCH DISCRIMINATORY PRACTICES IN OHIO.

CHECK OUR RECORD IN THIS AREA AGAINST THE CARTER ADMINISTRATION'S OR ANY OTHER ADMINISTRATION'S. YOU'LL FIND THAT ONCE THE TV RHETORIC IS SET ASIDE, OUR RECORD IS SECOND TO NONE IN TRYING TO UPROOT DISCRIMINATION IN OUR SCHOOLS.

WHAT ABOUT VOTING RIGHTS? DURING OUR FIRST YEAR IN OFFICE, THE REAGAN JUSTICE DEPARTMENT TOOK ACTION TO REMEDY 31 ELECTION LAW CHANGES FOUND TO BE RACIALLY DISCRIMINATORY, IT TOOK ACTION TO REMEDY 89 ELECTION LAW CHANGES LAST YEAR, AND 45 ELECTION LAW CHANGES SO FAR THIS YEAR. THAT'S 165 SEPARATE ENFORCEMENT ACTIONS IN ALL. OUR RECORD ON VOTING RIGHTS IS BETTER THAN ANY PAST ADMINISTRATION IN THIS AREA OF BLACK AND MINORITY CONCERNS.

ALL RIGHT, LET'S BE CANDID ABOUT OUR DISAGREEMENTS IN OTHER AREAS -- THESE ARE DISAGREEMENTS NOT IN GOALS, BUT IN METHODS TO ACHIEVE THOSE GOALS. IT'S HARDLY NEWS THAT THE NAACP AND THE REAGAN ADMINISTRATION DON'T SEE EYE TO EYE ON THE ISSUE OF SCHOOL BUSING. BUT TO PUT THAT DISAGREEMENT IN PERSPECTIVE, THIS ACTUALLY REFLECTS THE DIVISION OF OPINION ON THE ISSUE INSIDE THE BLACK COMMUNITY.

WE DIFFER ON QUOTAS, TOO. OUR POSITION IS THAT WE JUST DON'T THINK THE WAY TO FIGHT RACISM IS BY SETTING UP RACE AS A CRITERION. OUR APPROACH IS TO FIGHT RACISM AND DISCRIMINATION NOT BY SEEKING QUOTAS BUT BY SEEKING JUSTICE -- AND THAT'S THE PRINCIPLE ON WHICH THE NAACP ITSELF WAS FORMED.

SO FAR I'VE BEEN TALKING ABOUT THE GAP BETWEEN RHETORIC AND RECORD IN THE AREA OF CIVIL RIGHTS. OUR COMMON GOAL IS TO PROVIDE EQUAL OPPORTUNITY FOR BLACK AND MINORITY AMERICANS. BUT BEYOND THE LEGAL FRAMEWORK, WHAT ABOUT THE PROBLEMS FACING BLACK AND MINORITY AMERICANS WHO WANT TO TAKE ADVANTAGE OF THAT OPPORTUNITY?

AFTER ALL, WHAT GOOD IS EQUAL OPPORTUNITY IF YOU DON'T HAVE THE SKILLS TO COMPETE? WHICH LEADS US TO THE MOST CRITICAL PROBLEM FACING BLACK AMERICA TODAY, UNEMPLOYMENT.

WE JUST DON'T THINK THAT MANY OF THE PAST PROGRAMS -- ~~PROGRAMS LIKE THOSE OF THE CARTER ADMINISTRATION~~ -- WERE EFFECTIVE IN MEETING THE BLACK COMMUNITY'S LONG-RANGE EMPLOYMENT NEEDS. AND I THINK THE RECORD BACKS US UP. IN FACT, IT WASN'T THAT LONG AGO -- IN THE LATE 1970s -- THAT LEADERS OF THE BLACK COMMUNITY, INCLUDING MEMBERS OF THIS

ORGANIZATION, WERE CRITICIZING THE CARTER ADMINISTRATION'S INABILITY TO COPE WITH THE PROBLEM OF BLACK AND MINORITY UNEMPLOYMENT.

AND FOR GOOD REASON. THE BURDEN OF UNEMPLOYMENT HAS ALWAYS BEEN DISPROPORTIONALLY HEAVY ON THE COUNTRY'S BLACK WORKING POPULATION -- PARTICULARLY AMONG BLACK YOUTHS.

THAT WAS TRUE A DECADE AGO -- IT WAS TRUE DURING THE CARTER YEARS -- AND I DON'T HAVE TO TELL THIS AUDIENCE THAT THIS TRAGIC WASTE OF YOUNG LIVES AND HUMAN POTENTIAL IS STILL WITH US.

WE CAME INTO OFFICE CONVINCED THAT A NEW, LONG-RANGE APPROACH IS NEEDED IF WE'RE GOING TO BREAK THE BACK OF THIS CHRONIC NATIONAL PROBLEM, NOT FOR A YEAR OR EVEN A DECADE, BUT ONCE AND FOR ALL.

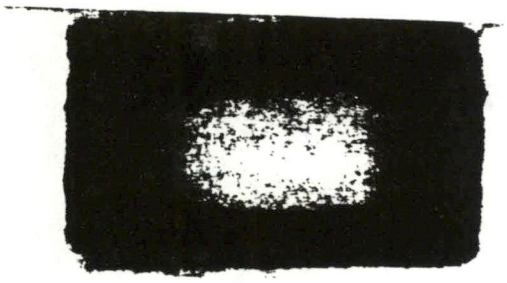
OUR APPROACH IS TO TARGET MONEY TO THOSE WHO NEED IT MOST. OUR VOUCHER PROGRAM TO RETRAIN THE LONG-TERM UNEMPLOYED -- A PROGRAM IN WHICH PRIVATE EMPLOYERS ARE GIVEN INCENTIVES TO TRAIN WORKERS ON THE JOB -- IS IN DRAMATIC CONTRAST TO PREVIOUS PROGRAMS WHERE MONEY WENT NOT TO TRAINING PEOPLE BUT TO FUNDING GOVERNMENT AGENCIES.

"INSERT "C"

WE'VE ALSO CREATED THE JOBS PARTNERSHIP TRAINING PROGRAM TO PROVIDE JOBS AND TRAINING TO 165,000 DISPLACED WORKERS -- VICTIMS OF STRUCTURAL UNEMPLOYMENT. AND IN THE AREA OF MINORITY ENTERPRISE, UNDER THE 8A PROGRAM, FUNDS CONTRACTED TO BLACK-OWNED FIRMS HAVE INCREASED TO 2.7 BILLION DOLLARS -- UP MORE THAN 40 PERCENT OVER THE LAST TWO YEARS OF THE CARTER ADMINISTRATION.

"C"

Our summer job program with its tax incentive built in is helping where help is desperately needed.. Look at the report in this weeks Tikme, Upbeas positive---- hope where there was despair. Action where there used to be promise.



MAKE NO MISTAKE, I'M GLAD TO HAVE THE OPPORTUNITY TO BE HERE TODAY, BECAUSE I WELCOME THE CHANCE TO CUT THROUGH THE TV SMOKE AND TALK ABOUT THIS ADMINISTRATION'S REAL RECORD IN DEALING WITH BLACK ISSUES AND PROBLEMS.

THAT RECORD ON ASSISTING BLACK BUSINESS IS A CASE IN POINT. FACT: THIS ADMINISTRATION HAS THE BEST -- THAT'S RIGHT, THE BEST -- RECORD OF ANY ADMINISTRATION IN HISTORY IN PROVIDING DIRECT AND INDIRECT ASSISTANCE TO BLACK BUSINESS. THROUGH 8A contracts, LOANS AND BY OTHER MEANS, WE'VE PROVIDED SOME $18.7 BILLION TO MINORITY BUSINESS -- AND WE'VE INCREASED DEPOSITS IN MINORITY BANKS BY SOME 75 PERCENT OVER THE CARTER YEARS.

FINALLY, LET'S LOOK BEYOND THE PRESENT TO THE FUTURE AND TALK ABOUT AN ISSUE OF SPECIAL CONCERN TO OUR COUNTRY'S BLACK COMMUNITY -- THE ISSUE OF EDUCATING OUR YOUNG PEOPLE SO THAT EVERY AMERICAN HAS THE OPPORTUNITY TO FULFILL HIS OR HER GOD-GIVEN POTENTIAL.

WE'RE ALL FAMILIAR WITH THE RECENT REPORT OF THE NATIONAL COMMISSION ON EXCELLENCE -- A REPORT THAT NOTED GLARING FAILURES IN OUR CURRENT EDUCATIONAL SYSTEM -- FAILURES THAT AFFECT STUDENTS OF ALL RACES AND REGIONS.

INCIDENTALLY, IN THIS REGARD, A RECENT NATIONAL SURVEY POINTED UP THE EXTENT OF THAT FAILURE IN A WAY THAT ATTRACTED MY ATTENTION -- AND MIGHT BE OF INTEREST TO ANOTHER SPEAKER ON YOUR CONVENTION PROGRAM.

THE SURVEY SHOWED THAT 72 PERCENT OF YOUNG AMERICANS, BETWEEN THE AGES OF 15 TO 18, DON'T KNOW THE NAME OF THE VICE PRESIDENT OF THE UNITED STATES.

IT'S HARD TO SAY WHETHER THAT'S A REFLECTION ON THE OFFICE OR THE PERSON HOLDING IT -- BUT I'M SURE THAT IT BRINGS HOME THE SHORTCOMINGS OF OUR CURRENT EDUCATIONAL SYSTEM WITH SPECIAL POIGNANCY TO FRITZ MONDALE AND YOURS TRULY.

IN ANY CASE, IT'S AS TRUE TODAY AS IT EVER WAS THAT EDUCATION IS THE REAL KEY TO SOLVING THE PROBLEMS OF OUR SOCIETY -- PARTICULARLY THE PROBLEMS OF INEQUALITY AND DISCRIMINATION. THIS ADMINISTRATION IS COMMITTED TO REMOVING EVERY OBSTACLE THAT STANDS IN THE WAY OF YOUNG PEOPLE GETTING THE EDUCATION THEY NEED AND WANT. AND OUR RECORD BEARS OUT THAT COMMITMENT.

STUDENT ASSISTANCE GRANTS IN THE 1984 BUDGET HAVE BEEN INCREASED BY 300 MILLION DOLLARS, AND THE NUMBER OF STUDENTS RECEIVING GUARANTEED STUDENT LOANS NEXT YEAR WILL INCREASE TO 2.9 MILLION.

IN THE AREA OF AMERICA'S HISTORICALLY BLACK COLLEGES, THE REAGAN ADMINISTRATION IS GIVING MORE MONEY TO THESE INSTITUTIONS DIRECTLY, ALONG WITH WORKING TO INCREASE THEIR PARTICIPATION IN FEDERALLY-SPONSORED PROGRAMS. AND LET'S NOT FORGET THAT SOME OF THE BEST NEWS FOR HARD-PRESSED COLLEGES AND UNIVERSITIES IN RECENT YEARS HAS BEEN THE DECLINE IN INFLATION. EVERY ONE PERCENT REDUCTION IN INFLATION BUYS A TOTAL OF 2 BILLION DOLLARS IN EDUCATIONAL SERVICES.

AS I'VE SAID, A WALL OF MISUNDERSTANDING EXISTS BETWEEN MOST MEMBERS OF YOUR ORGANIZATION AND THE REAGAN ADMINISTRATION -- AND THAT WALL DOES NEITHER OF US ANY GOOD. FOR OUR PART, WE'RE DETERMINED -- IF WE CAN'T BREAK IT DOWN -- TO KEEP CHIPPING AWAY AT IT. I for my part will regularly concede, [redacted] will, that I have failed to get the story out [illegible]

WE'LL KEEP AT IT -- BECAUSE WE THINK THAT'S OUR JOB AND -- REGARDLESS OF WHAT OUR CRITICS SAY -- BECAUSE WE CARE. I'M NOT SAYING OUR RECORD IS PERFECT, THAT WE HAVEN'T MADE MISTAKES. SURE, we have made mistakes, ~~[illegible]~~ WE'VE MADE ERRORS IN JUDGMENT. BUT LET ME SAY THIS: WHEN WE'VE SEEN THAT WE'RE IN ERROR, WE'VE MOVED TO CORRECT OUR MISTAKES -- AND WE'RE ALWAYS OPEN TO CONSTRUCTIVE CRITICISM.

IT WAS EXACTLY 10 YEARS AGO, AT YOUR CONVENTION IN INDIANAPOLIS, THAT ROY WILKINS SPOKE OF BLACK PEOPLE HAVING AN INVESTMENT IN AMERICA -- AS HE PUT IT -- "AN INVESTMENT IN BLOOD AND TEARS, IN LIVES DEAD AND REVERED, AND IN LIVES WHICH ARE TRIUMPHANT OVER INSULTS AND BARRIERS AND PERSECUTION."

"THIS IS OUR LAND," ROY WILKINS SAID. "FOR GOOD OR BAD, IT OWNS US, AND WE OWN IT. WE BOUGHT IT AND OUR FUTURES HERE WITH SACRIFICES AND HEROISM, WITH HUMILITY AND LOVE. IT BELONGS TO US AND WE SHALL NEVER GIVE UP OUR CLAIM AND RUN AWAY."

SO SPOKE A GREAT BLACK LEADER, A DECADE AGO. AS FOLLOWERS IN HIS TRADITION, YOU AREN'T GOING TO RUN AWAY FROM THE CHALLENGES AND PROBLEMS FACING BLACK AND MINORITY AMERICANS -- AND SPEAKING FOR THE REAGAN ADMINISTRATION, NEITHER ARE WE.

THAT'S WHY I'M HERE TODAY. AND THAT'S WHY THE DOORS TO THE WHITE HOUSE ARE OPEN AND WILL REMAIN OPEN TO THOSE WHO -- WHETHER THEY VOTE FOR US OR NOT -- SEEK A DIALOGUE TO HELP MEET THE CHALLENGES AND SOLVE THE PROBLEMS THAT AFFECT AMERICA'S BLACK COMMUNITY.

# # # # # #

Thornburgh

details?

USA TODAY • TUESDAY, JULY 25, 1989 • 9A

Media have ignored civil rights action

The media have overlooked the Bush Administration's first opportunity to show where it stands on a major civil rights issue, Attorney General Dick Thornburgh told USA TODAY Monday.

"Why is the press keeping this a secret?" he asked at the close of a news conference. "Why is no one reporting on the Carpenter case?"

In that case last week, the Justice Department broke ranks with January's so-called Richmond decision, in which the court ruled that laws setting aside 30% of that city's construction contracts for minorities were unconstitutional.

Thornburgh's office argued in favor of a 10% minority set-aside program operated by the Department of Transportation in North Carolina, where the contractor used the Richmond decision as his defense.

The attorney general indicated that the Carpenter case would serve as a model of how the department would handle future civil rights cases.

"Civil rights laws will be vigorously enforced," he said.

In recent months, the Supreme Court has handed down several decisions that civil rights activists have said would slow minority job progress.

Thornburgh told USA TODAY, "In the wake of the Supreme Court cases, the president directed us to monitor the implementation of those four or five holdings of the court.

"In the first opportunity we've had to carry out our monitoring function, we've showed we take it seriously and that we're going to pursue every means to ensure equal opportunity."

— Barbara Reynolds

N.U.L.

7/25/89

Ego Brown - shoeshine

Bill Gates

founded in 1910

~~premier~~

community org

113 affiliates in 34 states & D.C.

equal opport.

economic

housing

education MBDA

black business Off of Min. Bus. Devel.

Commerce

~~Tenant~~ Management — H.U.D. Mary Brunette 755-6961

7/26/89 Tom Casey

Res. Manag. & Ownership

Enterprise ~~Zones~~

enforce

"vigorous effective enforcement" effective March 12 on Fair Housing Amendments Act '88

Steph:

- Any more info from HUD?

- Boyd is out today - will contact him tomorrow re Carpenter case details.

- DAVE + Chriss agree ~~speech~~ we should think in terms of a "state of Urban America" speech, + not a "civil rts" speech per se.

- Finally, we need to find a few "Urban heroes" to mention, but Dave has vetoed Ego + Kim (she's too overexposed, apparently). Any ideas, here?

Thanks

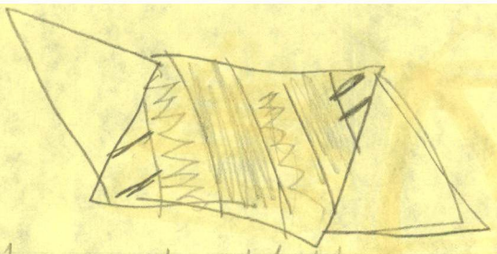
DM

Kemp stump speeches enterprise zones

Melvin White - wasn't available 5 wks open

family

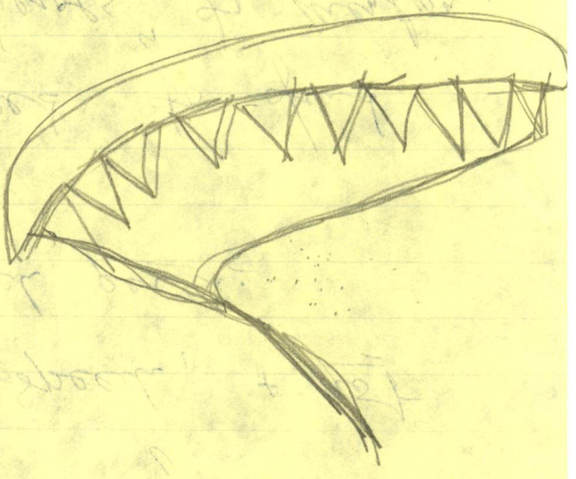
TRD

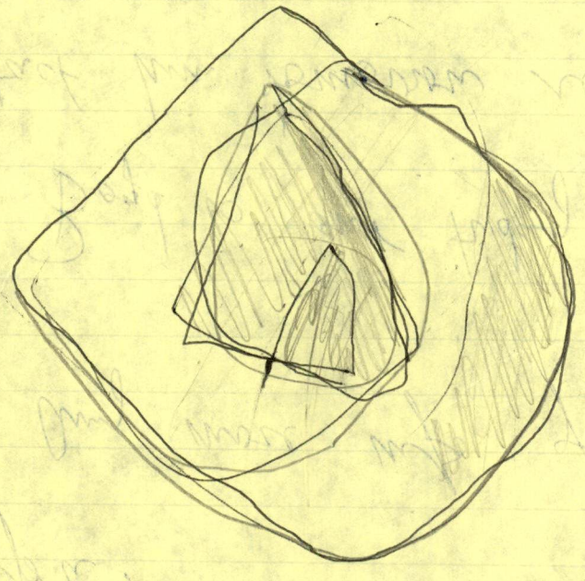


Letter to Hill re: enterprise zones

Irene Johnson - Chicago
Mildred Holey - Boston
Bertha Gilkey - St. Louis

Hans - letter on enterprise zones





THE WHITE HOUSE
WASHINGTON

Jeb - 1) Lawrence
2) hero

Leo Tomeu
~~hero~~?

305/536-4471
US Atty SD FL - Miami
Pub Aff - 1) Teresa
2)

305/547-5200 State
Janet Reno
~~Encl~~ Maj Jim Brown
Miami Police
305/835-4018

black activist
very high up in police
NEXIS

speechwriters
hero?

Major Jimmy Brown
2950 NW 83rd St.
Miami, FL
33147

2ND STORY of Level 1 printed in FULL format.

The Associated Press

June 29, 1989, Thursday, AM cycle

SECTION: Washington Dateline

LENGTH: 475 words

HEADLINE: Public Service Institute Announces Award Winners

BYLINE: By RANDOLPH E. SCHMID, Associated Press Writer

DATELINE: WASHINGTON

KEYWORD: Jefferson Awards

BODY:

Americans who have worked on disarmament, urban redevelopment, curing paralysis, organ transplants and other vital issues were honored Wednesday by the American Institute for Public Service.

Nine Jefferson Awards were presented by the institute, which honors the "dedication, sacrifice and accomplishments" of individuals serving the American people.

The winners were honored at ceremonies at the Supreme Court, where the institute also announced that Roger Horchow, a board member, has donated $$1 million to its endowment fund.

The Jefferson Award winners receive a medallion carrying the Great Seal of the United States. In addition the four national winners receive $$5,000 each and the five local award winners receive $$1,000 apiece.

The winners are:

-Greatest public service by an elected or appointed official:

Paul Nitze, for his contributions in nuclear disarmament, including his leadership in negotiating the 1988 Intermediate-range Nuclear Forces treaty with the Soviet Union last year.

-Greatest public service performed by a private citizen:

Leo Cherne, an advisor to presidents since 1948, for work on behalf of refugees as chairman of the International Rescue Committee, a leading American voluntary agency doing relief work.

-Greatest public service benefiting the disadvantaged:

Kimi Gray, who led the campaign to establish resident management at the Kenilworth-Parkside public housing project in Washington, leading to repairs

to the project, saving taxpayer money creating jobs and setting a precedent for other projects.

-Greatest public service by an individual aged 35 and under:

Marc Buoniconti, a young man paralyzed during a football game, who has turned his problem into a resource for others by establishing The Miami Project, a research center dedicated to finding a cure for paralysis.

-The winners for outstanding public benefit to local communities are:

David Cain, founder of the Children's Organ Transplant Association in Bloomington, Ind., which provides financial and emotional assistance to parents of children needing life-saving organ transplants.

Clara J. Johansen of Minneapolis, who for 13 years has flown a regular blood shuttle in Minnesota, bringing blood to Minneapolis from regional collection points and carrying blood to patients undergoing chemotherapy for leukemia.

Stephen P. Klinker, of Austin, Texas, founder of the Central American Medical and Dental Foundation, a non-profit group bringing free medical and dental services to the needy in Honduras.

Julia Middleton, of San Francisco, who turned a fire-damaged building into a youth community center for children.

Brent Wyatt, a 20-year-old from Arden, N.C., who has been working with the mentally retarded since he was 14, including coaching in the Special Olympics and working with youngsters in a special arts festival.

4TH STORY of Level 1 printed in FULL format.

JUNE 22, 1989, THURSDAY

SECTION: FROM THE WHITE HOUSE

LENGTH: 4316 words

HEADLINE: CB
SPECIAL BRIEFING ON
THE PRESIDENT'S POINTS OF LIGHT INITIATIVE
PARTICIPANTS:
GOVERNOR TOM KEAN OF NEW JERSEY, CHAIRMAN,
THE PRESIDENT'S ADVISORY COMMITTEE
GREGG PETERSMEYER, DIRECTOR, WHITE HOUSE
OFFICE OF NATIONAL SERVICE
AND SEVERAL BUSINESS AND COMMUNITY LEADERS
NEW YORK HILTON HOTEL

KEYWORD: POINTS OF LIGHT BRFG-06/22/89 GOV. KEAN ET AL

BODY:
GOV. TOM KEAN (NJ): (In progress) -- higher education, one of its leaders, Dr. Ed Bloustein, the president of Rutgers University. DR. BLOUSTEIN: Thank you very much, Ladies and gentlemen. I found the President's speech both profound and very, very exciting. Profound, because it recognizes one of the profound truths of our American democracy, that our strength is not in our material wealth, but it's in the goodness of our hearts; exciting, because it will call forth among the youth of this nation an energy that has all too long been submerged. It will allow them to substitute interests in others for interest in themselves, and that's going to be an exciting challenge to them. Doing something for yourself just isn't as exciting as it should be. Our students know it. They're looking, they're dying to go out and do something for others. The call to action that the President gave us today will call forth, I think, huge energies in American universities.
It will one other thing that's very important. It will add a new dimension to what we mean by a liberal education. Students who go through American universities who don't understand the communities in which they live and in which they will have to prosper are not liberally educated. And the President's message, I think, will therefore add a new dimension to what liberal education means in American life.
Thank you.
GOV. KEAN: And now, one of the leaders, I think, in communications in this country, and one of the leaders of the literacy campaign, and somebody whose heart is as big as his ability, Jim Duffy, president, ABC-TV.
MR. DUFFY: Thank you very much, Governor Kean. Good afternoon. I'm inspired. This truly is a red letter day as far as those thousands of people across the country who are working and have been working for a number of years in the public and private sector, but for common cause and human resources, to lift up the whole foundation of our society. And obviously, what this is, and it's very important, is a call from the very top of our land to all of us, "get involved." We have been involved now for some time with the literacy project and other public service projects. We have seen now, I hope, a role model of what the media can do, not just broadcasting radio and television, but magazines and

newspapers and outdoor and all of it, in being an important partner in this. So I'm thrilled, and I look forward to the coming days with the initiative really pulling together.
Thank you.
GOV. KEAN: When I saw this next man a couple of minutes ago, I said, "It seems to me every good cause I've ever known, you're either chairman of or heavily involved with." Jim Robinson of American Express.
MR. ROBINSON: Thank you very much, Tom. I'd like to make three points. First of all, I think it was Adam Smith who said "the true wealth of a nation is its people." In this country, we've got an unusual capacity for people to give time and money.
Second point: Today is about mobilization. Look at what the President said. He's reached out to all sectors, all communities, and I think it's going to work.
The third point is that we indeed can make a difference. When the President spoke and reminded us on several occasions that there is no problem this country faces which is not being addressed successfully somewhere, that's a profound fact and a profound philosophy.
Thank you.
Gregg Petersmeyer is here, who's heading up this initiative in the White House. And I, and anybody else who's here, I'm sure, will be willing to answer any questions you might have.
Gregg?
(Long pause.)
MR. PETERSMEYER(?): Where's the mike?
GOV. KEAN: Microphone, yes.
Q How do you anticipate spending [$]200 million over four years on behalf of the Foundation?
GOV. KEAN: You're asking me a question that I think, even if I knew the answer, it'd be wrong for me to say before I met with the other two people who are going to be picked by the President to work on this particular initiative. What we are trying to do, obviously, is structure something that will best tap into the energies of those 1,000 points of light out there. I haven't got the answer yet. The President called me at 10:30 last night and asked me if I'd do it. So, needless to say, I haven't quite figured it out yet. (Laughter.)
MR. PETERSMEYER: Let me comment. I think that, if you -- the President's three-part strategy called first to "claim problems as your own" -- that's more of a call to action, not very dollar-intensive. The second is to "identify, enlarge, and replicate things that are working." And he talked about two basic ideas. One was peer-to-peer working groups. I think what he has in mind, from conversations we've had, is that very talented people who will be donated in many cases from institutions, corporations, law firms, et cetera will develop into a task force that will spend time in cities around this country talking about the things that are working.
You can spend a great deal of money in the right -- in my opinion, on putting together these working groups, paying some of their travel expenses. And I know from converations I've had, for example, with the incoming-president of the American Bar Association and from leaders of other sectors in America, that they are very interested in encouraging within their own sector groups to be formed that will take practices that are working -- for example, here in New York, one of the law firms, Mudge Rose I think, has adopted the Martin Luther King School right behind Lincoln Center and has -- is doing very extensive work in that school. There's no reason why some of the partners from that firm might not be freed up to go into big cities and small cities and talk about exactly how that program is working and why it's been so successful.

And finally, I think on "Discover and Encourage New Leaders," there's an enormous need to attract people with real leadership gifts into the problem-solving process of community-based problems. And the President has talked about forums, about having other institutions identify these people, and honoring and rewarding them. And there'll be ways to spend that money in order to be a catalyst for identifying things that are working and finding the right leadership.

Q Gregg, the Governor will think this a cyncial question, but is there a tax break for these corporations and law firms for what they contribute?

MR. PETERSMEYER: No, I think's the answer, but we haven't thought about it.

GOV. KEAN: Is there a tax savings? I mean I --

Q A tax break.

GOV. KEAN: Oh, he's saying is there a tax break for charitable contribution.

Q Well, you're going out and you're soliciting corporations to do more than they've been doing in the past. Is there anything in it for them other than the altruism?

GOV. KEAN: Nothing more than there is today. We haven't suggested anything, it hasn't been structured. Today there is a percentage, obviously, you can deduct for charitable giving. It's the same, I think, for you and I that it is for corporations.

Q I understand that, but there's always another side to -- (off mike) -- and I'm trying to find the other side of --

GOV. KEAN: I don't think -- (with a laugh) -- I don't think there is another side. We've got -- we've got -- I want to ask Jim Robinson that, because we've got a great corporate leader here. But I think the other side is altruism, and I think we've got an awful lot of people in corporations, I know in my state and elsewhere, who really want to do this and do it in a big way, they just want some guidance.

Jim, do you want to say something?

JIM ROBINSON: To my knowledge, there is nothing extra here that doesn't already exist in terms of a capacity to expend certain kind of expenses.

Question: Why do corporations do it? Part of it is because they know that they've got to contribute to the quality of life in the communities around them because that's where their employees, their shareholders, their customers, their business partners live and work. You learn, when you grow up in business, there are two ways to grow a market. One is to expand the primary market -- in other words, make the total pie bigger; and the other is to gain share. Well, the total marketplace for all of us is our local communities, the states, the United States of America and for that matter, the world. Anything we can do to make that total community do better is good for everybody.

Q Well, if I can follow, if you have that kind of incentive already, why do you need another $100 million federal program?

MR. ROBINSON: I didn't ask for any money. I think what you're seeing is the capacity to leverage and to -- if we were announcing a new program, a new product, a new service, a $50 million kind of advertising budget is clearly the norm. We're talking about an creating an excitment, a visibility, a reach, where for the amount of money that is spent, it has substantial leverage and impact by bringing on many other contributions -- in dollars, and more importantly, time. And this is the program that is aimed at mobilizing time as much as it is dollars.

Q Governor Kean, would you consider it fair to say that this a significant inflection point, is it an ideological and methodological shift away from the Great Society?

GOV. KEAN: I think it is a shift, obviously, away from the Great Society, because what it's saying very clearly is that there are limits to what

government can do and that if government did everything it was able to do, there would still be thousands and thousands of unmet needs -- unmet needs of housing and of hunger and of AIDS problems and all sorts of all the rest of the problems that we can think about; and that only -- we could only solve those problems by tapping this kind of vein. And I thought it was absolutely incredible from the time the President made that speech -- I mean, who would have thought that everybody for the next -- for the next -- last six months would've been talking about something called "1,000 points of light"? There's a reason for that, and the reason is that the President tapped into something that was already there, and that is a feeling in the American people that they wanted to do something. We've been able to tap into it in a number of ways in our own State of New Jersey. We recognize and coordinate volunteerism. We've got an Office of Volunteerism out of the governor's office, which has been extraordinarily successful. We're going to be announcing in my state a full program to follow up on the President's initiative on Tuesday. And we hope to spread that among 50 governors and to a lot of other governmental bodies too, just to stimulate and coordinate.

MR. PETERSMEYER: Could I make a coment? Let me -- to see this as a program is to not see it. This is not a federal program. This is a movement with the catalyst being a Foundation. And if you could've been in Covenant House and heard what the young people said to the President and to Mrs. Bush. The President asked the young people, all of whom had been on the streets -- there were, I think, 10 of them there -- every one of them had lived on the streets for more than two years prior to coming to Covenant House. And the President said, "What is it that is the most important thing to you?" And they said, "That someone care about us." Many of them have come from families where there is no father. The President asked one young man, "What do your parents think of this?" or "What happened to your family?" He said, "My father died of an overdose and my mother died a few years later."

What these kids need are relationships. This is not a program. And when you have 3,600 high school students dropping out every day from school, when you have 2,700 teenagers getting pregnant every day, and when you have many more than that attempting suicide every day, this is not a government problem that can be solved by government. It is a national problem that can only be solved by connecting on a one-to-one basis individuals who have substantial needs with other individuals who can help them. And I think it's important to try to come out of a bricks-and-mortar mentality about this, because it's not a bricks-and-mortar issue.

GOV. KEAN: Before we go any further, I just saw somebody walk in. I just think you'd want to hear a word from her, because I know nobody who represents these points of light better in the United States than Kimi Gray, who's done so much in the nation's capital. Kimi, would you like to say a word here? You brought some people with you, I think, and I've got to, myself, go in a few minutes just to do a mundane budget problem in Trenton, but the rest of the people will stay. Kimi?

KIMI GRAY: Good afternoon. We are honored to be here this afternoon. And the persons we represent are those that, I guess, turned the lights on for a lot of people. First of all, we work within public housing and restoring pride and some stability to the persons that reside in public housing. In Washington, DC, we are the first public housing development to actually purchase our public housing development, reduce welfare rolls, reduce crime, reduce teen-age pregnancy. And we're hoping that this corporation, this enterprise, will be able to continue bring out and create new leadership, to continue to create programs to exist around the country as we are doing. A replication of our program already in existence is led by Ms. Irene Johnson (ph) in Chicago, and

she can tell you more about her program in Le Clair Courts (ph). Now she's resident manager.
IRENE JOHNSON: Thank you very much. Good afternoon. It is my pleasure to share with you that we are a part of the points of light that the President is talking about. In Chicago, we started organizing six years ago. We have organized our community. We have a resident management corporation. We took full control of our property May 9, 1989. We have restored hope, joy, peace, love in our community and cooperation, encouraged our young people to go back to school. We have a college club, and we have employed 20 people at La Clair (sp).
Thank you.
MS. GRAY: With us also, there's a group from Alexandria, Virginia, and we will give the Governor a chance to answer some of your questions, but we should let you hear also some of the outstanding volunteers that are actually here today, because they do care.
VOLUNTEER: Yes, it's a pleasure to be here on behalf of the We Care organization, located in Alexandria, Virginia. We Care's position is that for so many decades, many of us in the helping profession prefer to wait downstream to fish the bodies out, rather than to move upstream where they are being thrown in. So our focus at We Care is to move upstream and to empower everyone in our community, from our little kids to our teachers, our parents, and our administrators, with survival skills, so that people can begin to take charge of their own lives.
Thank you.
VOLUNTEER: I just want to say thank you for being here. I know you need to get on with it, but one of the philosophies that we have had and looked at is over 25 years of research in helping people. And the thing we keep coming up with is relationship-building, and that was the President's theme today. So we've already done a lot of relationship-building and we'll continue to do it to continue on with the President's theme.
So thank you very much for being here.
MS. GRAY: The points of light are something that is greatly needed, and hoping the media will make it a very positive enterprise and support it very much so, so that when Congress is approached for the $25 million to support other programs, and the private sector will bring about matching funds, the media will expose that it's something positive, and not another way of not really supporting persons that are volunteering to serve those and develop relationships.
Thank you, Governor, for allowing us to speak, and we intend to be a very close partner of yours at all times. Thank you.
GOV. KEAN: Thank you very much. I wanted you to hear from Kimi and that group, because they represent much better than either Gregg or I could what's going on in this country, and why this is important. I'm going to turn this back over to Gregg, because I do, really, I've got a budget committee in my state capitol waiting for me, and I left them to do this, and if I don't get back, I won't have any money for my light of one kind or another in the state capitol.
I'll answer one more, and then I'm going to turn it over to Gregg.
Q (Off-mike)
GOV. KEAN: Well, the private sector intiatives were very helpful, and they were a start. This is really pulling together the private sector initiatives with the public/private initiatives, with all the other things. This is the first time I think that any president -- any president in my knowledge have ever tried to pull together the whole ball of wax -- in other words the kind of things that the Reagan administration did, the kind of public/private partnerships that have gone in the states, a lot of the corporate work that's going on in various parts of this country. There's so much. There's so much.

We do volunteer awards in the State of New Jersey every year, and the senior citizens and in addition, for instance, to regular charitable organizations, or people who are volunteering. And I am always just amazed at the amount of people who are out there who we know nothing about and haven't reached and haven't coordinated. This is going to pull everything together.
I'm going to turn this back to Gregg, because I've got to get back to my budget committee.
MR. PETERSMEYER: Let me just make one follow-up on that, and then we can end, and I can stay around as long as people have an interest, and others will as well. I would urge you to read the briefing paper with one thing in mind. What is quite different is what the President -- who the President called to action today. He called every American institution. If you go down the list -- and I'm sorry the briefing paper is long -- but you will see that the President asked every corporation to consider community service in evaluating hiring decisions, promotion decisions. He asked the same of other institutions -- called on every -- every company to start a literacy program to teach their own workers to read.
I would -- I think that institutions as kind of wholesalers, who are -- that are capable of marshalling resources of their own people -- are going to be a very effective and potent weapon in terms of bringing people resources to community-based problems. Of course, the President is calling on individuals to volunteer, but the message today, in addition, was that every single institution, large and small, should commit resources in the name of its people's time to social problems. And that is different from any President.
Q Gregg, before you leave, two questions, they both revolve around money. (Inaudible) -- about what's going to be done with the money, but there was a very precise request in the budget for four months at $25 million. How did you arrive at that figure? And why do some of the action programs in the -- (inaudible) -- briefing paper so closely parallel what other organizations such as Volunteer, and (this advertising thing ?), clearly the the Ad Council's -- (inaudible). Why are you trying to pay for doing things that people are already doing for free?
MR. PETERSMEYER: Well, I think there's a belief that, as the President said, there is not -- there is no problem in the country that's not being solved somewhere. The issue really is, how can we, as quickly as possible, magnify and grow the number of places where these problems are, in fact, being solved by initiatives that are working. This is -- this is like mobilizing. Well, that takes resources.
Q Yeah, but Volunteer already has the 350 volunteer (centers ?) that do exactly that.
MR. PETERSMEYER: No, but if you listened to the President, the President talked about not 350 volunteer centers -- we ought to have 350 volunteer centers in the city of Chicago. We are talking about a dramatically different scale of effort in this country to apply people resources to what are now hopeless lives. Three hundred and fifty volunteer centers is not -- the President's talking about a volunteer center in every neighborhood. He's talking about every company, explicitly evaluating what a person's doing in their community.
And to say that what has been done in the past, for example, through Volunteer is the same thing, it is a microcosm of what needs to be done in this country. We have 20,000 young people who are on the streets tonight. And what has been done before has simply not worked. And the President felt a responsibility to come forward with a strategy that he thought would solve these problems.
And this -- these problems did not take place overnight. This is not going to be something that's going to solve problems quickly. But he is going to take the country down a path that he believes in and that he thinks, based on this

strategy of claiming problems as our own; of finding, replicating and enlarging; and of building new leaderships, is a reasonable strategy.
Q Where does the -- (inaudible) -- budget come from -- (off mike) -- four months ago? Where did it come from? Where -- how could you spend -- (off mike) --
MR. PETERSMEYER: We will submit a budget when we propose to Congress specific legislation.
Q You're saying it's now (?) already -- the 25 million is in the federal budget? Is that --
MR. PETERSMEYER: That is in the federal budget, but if you're asking for a line -- for an itemized budget, I can't give you that now. We know the kinds -- we can break out his strategy --
Q (Off mike.)
MR. PETERSMEYER: We can take his strategy and apply numbers to it, but that's not something that -- we're going to wait to make that public until the Advisory Committee has looked at it and decided whether it's numbers that they agree with.
STAFF: In the interest of the press room (?), why doesn't Gregg just stay here for half an hour and mill around and take your individual questions? Is that okay?
Q I have a question --
MR. PETERSMEYER: Fine.
Q -- for one of the corporate executives. A trend that really accelerated in earnest with the Reagan recession has been to cut back middle management, to increase the responsibilities of employees, and that is especially severe as the businesses become small. For corporations of your size, there may be people with the time and there may be money in the corporation to devote to public good. And my question to you is: Where are the smaller companies going to find the time and personnel?
MR. ROBINSON: Well, I think that you're making a mistake to assume the smaller companies aren't already doing it now. And some of the individuals like Helen Palette, who invented a process of picking up food at corporate kitchens, restaurants, et cetera and distributing them to the government and Salvation Army and other distribution networks -- you know, the power of an individual can make a big difference, and that is happening now, and that will continue to happen.
Q I have no quarrel with you that there are examples, but there is certainly nothing like the scale that you envision --
MR. ROBINSON: (Inaudible) -- for a second. There's $100 billion currently raised annually in this country from volunteer sources. So it is big money already. Secondly, the 16 billion hours of time that I talked about -- we're all delighted -- Bill Arimoney (ph), others who are here -- you mentioned volunteer centers. This is a tremendous boost and lift because it gives it visibility and reach. Our experience has been people in this country want to get involved, they just have to be asked and they just have to have a credible way as to how to do it. That's why this idea of volunteer centers everywhere is going to work and get people involved on a very cost-effective basis. I guarantee you -- bet you a quarter -- we'll be back here a year from now and you're going to be amazed at how much good has gone on from this program.
DR. BLOUSTEIN: Let me give you an example out of university life. We have a substantial number of our students who on their own are volunteering in local communities. That number may be up to about 1,000 in a student body at my university of 50,000. We're seeking now to leverage that program and to make it a requirement for every student in the university. It's that kind of leveraging factor that I think the President is talking about. We're doing it, but we can do it on a larger scale with just a little bit more help, a little bit more

financial resource, we'll build it into the curriculum, we hope, for every student of the university. And that's a huge multiplier effect.

THE PRESS: Thank you.

5TH STORY of Level 1 printed in FULL format.

The Associated Press

May 9, 1989, Tuesday, PM cycle

SECTION: Domestic News

LENGTH: 609 words

HEADLINE: After a Long Bureaucratic Battle, Tenants Take Control of Public Housing

BYLINE: By JIM LITKE, Associated Press Writer

DATELINE: CHICAGO

KEYWORD: Tenant Takeover

BODY:

The city today turned over a public housing project to its 3,500 tenants to run themselves in the first such agreement in Chicago.

Management of the 615-unit LeClaire Courts on the city's Southwest Side changed hands at a ceremony attended by U.S. Housing and Urban Development Secretary Jack Kemp, Mayor Richard M. Daley and city housing chief Vincent Lane.

No prolonged celebrating was planned after the signing of the three-year contract, the first such deal between the Chicago Housing Authority and residents of a housing project.

"We haven't got much time. ... There's too much work still ahead of us," said community activist Irene Johnson. "It's just that after six years of fighting the bureaucracy over this and that, we can't wait to get started on our own."

In effect, the residential management corporation that wrested control of LeClaire Courts from the government bureaucracy has inherited an entire neighborhood.

Tenant management also has been undertaken in recent years in such cities as St. Louis, Cleveland, Washington and Boston.

Unlike many of Chicago's public-housing projects, LeClaire Courts is a complex of low-rise structures, most of them two-story apartment buildings separated by wide lawns and residential streets.

Tucked between huge industrial parcels, LeClaire and its residents have yet to share in the modest resurgence of jobs and businesses that increasing levels of airline traffic at nearby Midway Airport have brought other neighborhoods.

But tenant management could be the first step in that direction, said Lane.

"Empowerment is going to mean several important things to the people at LeClaire," he said.

"It's going to mean learning to live on a budget and headaches if they hire the wrong janitor, the wrong accountant ... making the hard decision about throwing Mrs. Jones' son out because he's involved in drugs or a gang," Lane said.

"The burden for the quality of their lives is going to fall squarely now on their shoulders. If you see people out there planting grass, and neighbors looking after one another's kids, making sure it's safe, kids going to job training and school ... you know plenty of good things will follow."

The push toward tenant management began in 1980 when Mrs. Johnson and some other LeClaire parents banded together to stop further deterioration of the residences. But city and federal housing officials turned a deaf ear.

"The first few times we dealt with the bureaucracy, I'm sure they thought, 'This group of poor, black women from the projects will go away sooner or later," said Mrs. Johnson, the latest in a long line of public-housing organizers that stretches nearly two decades to Mildred Haley in Boston and through Bertha Gilkey in St. Louis and Kimmy Gray in Washington.

"But the longer we stood our ground, the more respect we got. And once we proved we could manage ourselves, I think they started believing we could manage our own property.

"Now," added Mrs. Johnson, who has lived in the 615-unit project since it opened 22 years ago and sent three children to college, "this dream is something we can put our hands on."

With improving organizational skills, the tenants began to find small grants from private foundations and businesses, training a few members at a time.

By 1987, the group had applied enough pressure and impressed enough people to obtain city and federal approval for their plan. During the past year, they participated in joint management of the project, receiving on-the-job training as well.

"It's been a long, long wait," Mrs. Johnson said. "But some people around here have been waiting a lifetime for some hope."

GRAPHIC: LaserPhoto CX4

7TH STORY of Level 1 printed in FULL format.

May 7, 1989, Sunday, Late City Final Edition

SECTION: Section 6; Page 38, Column 1; Magazine Desk

LENGTH: 4235 words

HEADLINE: JACK KEMP FACES REALITY

BYLINE: By James Traub: James Traub is currently writing a book about the Wedtech scandal.

BODY:

JACK F. KEMP, THE FRESHLY MINTED Secretary of Housing and Urban Development, was stabbing forcefully at a plate of lasagna in a Baltimore soup kitchen when Bryant Cochrane, a young black man who said he was homeless, pushed through a crowd to beard the famous visitor. Cochrane wore a blue T-shirt and sneakers; Kemp, a dark suit, collar bar and tasseled loafers.

''How are you supposed to get any kind of housing when you gotta pay $280 a month in rent, and you gotta give a security deposit and a month advance and an application fee?'' asked Cochrane. ''Even if you got a job, most of the people here, they're earning $3.30 an hour. Could you address yourself to this issue?'' ''Talk to him, Slim!'' shouted a chorus of homeless men and women behind Cochrane. ''Talk to him!'' Kemp, who had been listening politely, started in on one of his conservative lecture-circuit themes: ''A lot of people feel rent control has a good deal to do with it. . . .''

''I don't think that's an answer,'' the young man shot back after a few moments, and now decorum vanished and the crowd of homeless and hungry people released a flood of bitterness. ''Kemp!'' shouted an older man, ''If you stop the arms race, there wouldn't be no housing problem.'' Kemp courteously demurred.

''Get real, man,'' muttered another of the soup kitchen's clientele. ''Yeah,'' muttered the chorus, ''get real.'' Kemp sat and took his licks, nodding sympathetically. A hearty eater, he let his lasagna grow cold.

There was something potentially ludicrous in this voyage to the heart of inner-city misery by the new H.U.D. Secretary, with his earnest manner and his polystyrene hair, his sunny, summer-camp enthusiasm and his devout faith in free enterprise. It looked like a cartoon; and yet it didn't play that way. It's been a long time, after all, since a Republican policy maker sat still for a lecture by the inner-city poor. It's been a long time, as Kemp himself acknowledges, since the Republicans ''got real'' about poverty. Kemp took his lumps and dished back something perhaps semi-real in exchange: a sense of possibility, a passionate eagerness to act, to do something, after years of bitter stalemate.

''If it was an act,'' says Robert M. Hayes, an advocate for the homeless who had invited Kemp on the inner-city tour, ''then he's a pretty incredible actor.'' And wary and skeptical though he remains, Hayes concludes that it was no act.

As Jack Kemp listens to voices that Republicans have ignored for generations, and above all for the (Continued on Page 70) last eight years, even devout liberals like Hayes are sounding tentatively, guardedly optimistic. They know that Kemp is a true believer in the conservative credo. But his openness, sincerity and enthusiasm for ideas have already sent the index of hope soaring - from close to zero, to be sure. The hope is that Kemp will bring the realities together, that he will shatter the stalemate on poverty and welfare the way Richard M. Nixon finessed the Cold War when he visited China.

Kemp believes in the grand synthesis, the higher goal that unites warring parties. If he can reconcile bitter ideological opponents in a concerted attack on homelessness and inner-city poverty, Kemp will be the shining figure of the Bush Administration. Otherwise, he will be a man who dreams nice dreams.

JACK KEMP REFERS TO himself, without irony, as a ''revolutionary.'' He and William J. Bennett, who directs the Administration's drug-control policy, are the only true-believing Reaganites in President Bush's Cabinet. And yet Kemp has been at pains to explain to civil-rights leaders, housing advocates and skeptical reporters that he is not, in the dreaded phrase of the moment, an ''ideologue.''

''In my book, 'An American Renaissance,' written in 1978,'' he recalls in his raspy baritone, ''I suggested that a rising tide will lift all boats, quoting Kennedy's statement. And Vernon Jordan, then the head of the National Urban League, came along and said, 'Well, Kemp's wrong. A rising tide can't lift the boats that are stuck on the bottom of the harbor.' And it began to click in my mind that you have a legitimate role for Government to help - quote, unquote, a very important word - repair the boats that had sunk, or the families that had been injured.''

Helping ''repair'' sunken boats is not a slogan to vie with ''a war on poverty,'' but in today's Washington a very little sympathetic rhetoric can go a very long way. Kemp has arrived as H.U.D. Secretary at a propitious moment, since housing and poverty advocates have spent the last eight years with no one in Washington to talk to. Bob Hayes, who founded the National Coalition for the Homeless, had never met or even spoken with Kemp's predecessor, Samuel R. Pierce Jr. On Capitol Hill, the shy and self-contained former judge was widely considered an all-too-loyal executor of the Reagan program of massive budget cuts in the construction and subsidy of housing for the poor. In 1983, House Banking and Urban Affairs chairman Henry B. Gonzalez, a Democrat from Texas, even compared Pierce, the only black in the Reagan Cabinet, to Stepin Fetchit, the shuffling actor. Over the next five years, Pierce appeared before the subcommittee a grand total of once.

The new Secretary, by contrast, was an old friend, a veteran of 18 years in Congress, widely respected as a man of principle. Republican Chalmers Wylie of Ohio praised Kemp's ''humanity.'' Walter E. Fauntroy, a liberal Democrat from Washington, D.C., singled out his enthusiasm, ''a welcome change from the rather dour housing administration of the past eight years.'' Kemp, for his part, waved off invidious comparisons with the past while making it plain that he knew ''a new breeze was blowing.''

''As long as I'm Secretary of H.U.D.,'' he announced, pounding the table in the committee hearing room with a forefinger - Kemp can pound with one finger - ''I'll be here. As long as you invite me, I'll be here.''

Kemp promised to be an activist, a catalyst, a healer of rifts. He aired an idea that he had just had on a visit to Philadelphia, and which has since become his first initiative: to loosen regulations so that public-housing managers can evict drug dealers, and even users, from their apartments. It was a new-breeze, clean-the-Augean-stables kind of idea, but civil libertarians have complained that you can't deprive someone of shelter based on an allegation of drug peddling or use.

Only at the very end of his euphoric testimony did a few liberal Democrats ask Kemp how much additional money he was willing to spend to repair those sunken ships. It seemed almost impertinent after all the avowals of commitment, but it is the question of the moment in housing circles.

President Reagan's proposed 1990 budget called for $7.6 billion in budget authority for H.U.D.-assisted housing programs - down from $32 billion in 1981. The Bush 1990 budget calls for the same authorization and incorporates such proposed Reagan cuts as a 40 percent reduction in the $1 billion program to modernize decrepit public housing stock.

Republicans as well as Democrats insist that homelessness and the critical shortage of affordable housing cannot be solved without more spending. Legislation in the House calls for as much as $24 billion in additional H.U.D. funding for the next year.

Most Congressional attention is likely to focus on a relatively modest $4.1 billion Senate bill designed to stimulate local and private initiatives to build new housing. The legislation is co-sponsored by Democrat Alan Cranston of California, Republican Alfonse M. D'Amato of New York and 38 other senators. Hearings on the bill are in progress, and Kemp is expected to testify later this month. In conversations with Cranston, Kemp's ''general signals have been very positive,'' says W. Donald Campbell, staff director of the Senate Housing and Urban Affairs Subcommittee. Still, it's by no means clear that Kemp is willing to lean on the President and the Office of Management and Budget to free up more funding for H.U.D. A number of housing advocates have the distinct feeling that they may be left with enthusiasm, good vibes, fine sentiments and no money.

''It's a helluva thing,'' reflects Barry Zigas, the president of the National Low Income Housing Coalition, ''to be asked to applaud an Administration initiative that simply says we're not going to cut housing any more. Well, I should certainly hope not. It's been cut over 82 percent since the Reagan Administration took over.''

YOU KNOW WHAT'S interesting?'' asks Jack Kemp, a nonstop talker who finds a great many things interesting, and who had to be dragged out of two interviews by an aide long accustomed to humoring her boss' verbosity. ''The idealism is now on the conservative side of the spectrum, and the pessimism is on the left. And for a long time it was the left that was idealistic, and it was the right that was pessimistic. And it drives our friends on the left crazy that you can be both conservative and idealistic and progressive simultaneously.'' Kemp modestly waves off the suggestion that the demiurge of right-wing idealism is none other than Jack Kemp himself, but among conservatives Kemp enjoys the heroic status of chief polemicist of the supply-side, ''Opportunity Society'' revolution.

''If you had to look at the dominant intellectual figure who drove the changing face of the Republican Party in the 1980's,'' says John Buckley, Kemp's former press aide and political adviser, ''it was Kemp, with the vehicle being Reagan. Kemp changed the thesis; Reagan bought the thesis, and Reagan was the person who was the synthesis.'' (You can always tell a fully paid-up conservative by the Hegelian vocabulary.) The thesis, of course, was tax cuts, though more broadly it was the idea of change itself. Kemp often speaks of the fact that until recently Republicans defined themselves by what they were against, such as spending, mingling freely with the rest of the world and ideas. But Kemp grew up in post-war Southern California, at a moment when change, almost by definition, was considered good. It was a moment when scarcely anything stood in the way of a man's will, as Kemp proved when he picked himself up from professional football's discard pile and made himself a championship quarterback with the Buffalo Bills. He proved it again when he won a Congressional seat in Buffalo in 1970, making himself one of the few Republicans representing a depressed urban area.

Kemp was a traditional Republican, but the old-time Republican medicine wasn't doing much for his desperate constituents. In 1974, Kemp introduced the grandiosely titled Jobs Creation Act, a tax-cutting measure designed to stimulate the economy. The bill didn't galvanize Congress, but it did galvanize Jack Kemp, who set off on a crusade to preach the virtues of capitalism. Kemp began to attract a new generation of conservative intellectuals who were looking for a more populist re-formulation of the Republican theme of austerity.

By the late 1970's, conservative intellectuals like Jude Wanniski and Irving Kristol and officeholders like then-Representative David A. Stockman were urging Kemp to run for President and head off the supposedly troglodytic Ronald Reagan. Instead, in a compromise that had historic significance for the direction of the Republican Party, Kemp agreed to take his helmet out of the ring, and Reagan agreed to make the supply-side tax cut, which Kemp championed, the centerpiece of his own economic program.

Kemp spent the Reagan years advancing the revolutionary cause and holding the line against such Republican moderates as Bob Dole and even David Stockman, the Reagan Administration's Director of the Office of Management and Budget, who became convinced that the Kemp-Roth tax cuts, as they were known, had been enacted in a burst of self-delusion by Reaganites. Kemp was the bearer of conservative manifest destiny, and his race for the Republican nomination for President in 1988 seemed almost to be an acquiescence to the forces of history. But the mythic script, in which the young dauphin was to succeed the aging king, was not to be.

Kemp's problem as a candidate was not that he was dull. Republicans, in fact, probably haven't seen a candidate so overbearingly enthusiastic since Teddy Roosevelt. Watching Jack Kemp get excited is an entertainment in itself, like watching a volatile but not particularly dangerous machine - say, a popcorn popper - heat up. But for all his ebullience and his ringing cadences, Kemp turned out to be oddly pedantic and obscure, as if he had been too long inside the Beltway. ''He could sit down on a given moment and tell you every bullet in the Pentagon and every weapon system,'' says his campaign manager, Edward S. Rollins. ''He would rattle off economic policy, he could bore you to death.'' He could, and, what's worse, he did. Kemp also could not persuade himself, as George Bush could, to violate the rules of sportsmanship by vilifying his opponents, no matter how often his handlers pleaded with him to do so. A mere

39 delegates clambered aboard the Kemp bandwagon before it was mercifully rolled off the course last March.

IN HIS 10TH-FLOOR OFFICE in H.U.D.'s rather dismal 60's-issue headquarters, Jack Kemp has installed not one but two busts of Abraham Lincoln. Rarely does a speech go by in which Kemp does not cite Lincoln as the spiritual father of the Republican Party. And rarely does Kemp fail to cite the inspiring example of the Rev. Martin Luther King Jr. Indeed, by a coincidence that seemed too miraculous, Kemp said that he is now reading a study of Lincoln and a collection of the speeches of King, given him by his good friend Coretta Scott King.

Kemp seems to claim half the civil-rights leaders in the country as his ''good friend,'' but it's not all political hot air. He has a credibly progressive voting record on civil-rights issues and is one of the very few Republicans, or Democrats, for that matter, to enjoy the respect of both traditional civil-rights leaders like Benjamin Hooks and Atlanta Mayor Andrew Young, and conservative black intellectuals like the Harvard professor Glenn C. Loury and Robert L. Woodson, president of the National Center for Neighborhood Enterprise.

Kemp is a politician, and he understands perfectly well that his appeal to blacks constitutes a powerful calling card at a moment when Republican strategists feel that a piece of the black vote would complete the G.O.P.'s historic transformation to a majority party. That a passionate conservative can embrace the civil-rights movement is also an instance of the grand synthesis that makes Kemp a different kind of Republican. Kemp argues, in almost 19th-century liberal terms, that, ''free men and women'' have a right to ''free markets,'' which is to say that access to capital is as fundamental a freedom as access to the vote. And the battle for political freedom, as far as Kemp is concerned, has already been fought and won.

''There was a great national consciousness-raising,'' says Kemp, a perpetual-motion machine who in the course of two interviews flopped around in his chair, perched on its edge and knocked over a telephone receiver in his eagerness to receive a call. ''And now we have to start phase two, and a new breed of leadership is coming along that says, 'Wait a minute, it's not just removing legal barriers, it's removing impediments to equal opportunity wherever they occur.' ''

And that's where Jack Kemp, who likes to emphasize the word ''Development'' in Housing and Urban Development, comes in. Kemp wants to radically change the thesis - the Reagan era thesis of neglect and de-funding, the Jimmy Carter era thesis of what he calls, with typical hyperbole, ''manic egalitarianism,'' and Lyndon Johnson's Great Society thesis of raining down benefits from the heaven of the state. He doesn't want to practice ''18th-century Darwinian laissez-faire social determinism,'' which is pendantic, but not quite historical, Kempese for being tightfisted, but he wants to shift the discussion away from spending or not spending. What Jack Kemp wants to do as Secretary of H.U.D., in short, is use the Government to bring the mighty machine of free enterprise to the doorsteps of the poor. He wants to help, quote unquote.

AS HE WHIRLED through the slums of Baltimore, Philadelphia, Washington and Atlanta, Kemp was always eager to see efforts by nonprofit organizations to build housing for the poor with ''seed capital'' from Federal, state or local governments, or, better still, with no government help at all. A housing

activist in Philadelphia, where Kemp spent a night in a privately run housing project, told the H.U.D. Secretary that he had refused to ask for government help rather than become entangled in red tape. Kemp handed the startled man his business card and asked for a memo. Kemp would like to give activists for low-income housing a great deal of encouragement, all the deregulation he can manage and a very little bit of that ''precious seed corn,'' which is to say, money.

Housing is still a new subject to Kemp; development, however, is his favorite field. He thinks of ghettos as the functional equivalent of developing countries, which, he believes, are rapidly waking up to the virtues of free-market capitalism.

''Look at Hong Kong,'' he says. ''It's a free-trade zone, a free-banking zone and a free-enterprise zone.'' Exactly -Hong Kong is the sort of enterprise zone Kemp has been preaching about for the last decade. The idea of the enterprise zone is to use deregulation and tax relief to encourage entrepreneurial activity in the inner city. This year the crucial tax elements of the enterprise-zone legislation are likely to pass Congress, and 100 rural and urban areas will test Kemp's faith. (Similar programs at the state level, and in England, have been somewhat disappointing.) The new budget mandates $150 million in tax losses for enterprise zones.

Kemp has also aligned himself with the handing over of public-housing projects to tenants to manage and ultimately own, a process that has already begun in a number of projects. Kemp argues that ownership confers a sense of hope and even mastery and will ''incentivize'' the poor to join the marketplace.

Kemp and others have seized on the New Left term ''empowerment'' to describe ideas like tenant ownership, thus liberating from the 60's a critical piece of vocabulary on which to found their own war on poverty. What's more, the tenant management movement has produced the first heroes of the new war -women like Kimi O. Gray, a tenant at the Kenilworth-Parkside project in Washington who now manages the project and consults with others like herself at public-housing complexes around the country. The political implications of this new community are not hard to tally.

''What Jack is talking about,'' says Stuart Butler, a scholar at the conservative Heritage Foundation, ''is seeding, through ideas like ownership, the potential of a major and growing constituency over several years, which will achieve a possible breakthrough maybe in 10 years' time.''

HOUSING EXPERTS do not spend much time worrying about incentivizing the poor. Most of them are more preoccupied with the frightening and growing gap between the income of the poor and working-class and the cost of housing. The Low Income Housing Information Service estimates that there are almost twice as many low-income households as there are affordable apartments available to them, a ratio that has been increasing throughout the 80's. Nor is the problem limited to the very poor. Of the 16 million renter households earning $15,000 or less, 38 percent pay at least half of their income toward rent. The high price of much private housing has increased the pressure on public-housing projects, but the virtual halt in the construction or rehabilitation of public housing during the Reagan years has so restricted supply that two-thirds of the nation's cities have closed their waiting lists.

As the availability and affordability of housing for the poor has diminished, homelessness has inevitably and ominously increased. Housing experts feel that without large-scale Government intervention, homelessness could grow far more severe. A study by the privately run Neighborhood Reinvestment Corporation extrapolated current trends to project a shortfall of 7 million units of rental housing by the year 2003, placing 18.7 million Americans at risk of homelessness.

For all Kemp's talk about ''manic egalitarianism,'' housing advocates, like their brethren in other fields, have been significantly chastened by eight years of de-funding. They have seen state and local governments, churches and non-profit organizations, fill some part of the void created by the disappearance of Federal funding. From this perception, and from a renewed respect for the private sector, a new consensus of sorts has arisen. The report of the National Housing Task Force, which was mandated by Congress to confront the problem of housing for the poor, posed it: ''We need a new Federal commitment to capitalize on the private sector's growing body of experience in producing and rehabilitating low-income housing through its partnership with the public sector.'' The Task Force, co-chaired by the developer James W. Rouse and the Federal National Mortgage Association chairman David O. Maxwell, proposed a new $3 billion Housing Opportunity Program to ''incentivize'' efforts to provide new housing. The $4.1 billion Cranston-D'Amato bill incorporates virtually all the Task Force's recommendations.

Housing activists are, in effect, proposing a deal to Kemp: We accept the reality of the efficiency of the marketplace, and you accept the reality of the critical need for more money.

KEMP HAS GONE out into the world to look poverty and homelessness in the face. He has said that he wants to be pragmatic. He has said that de-funding the poor is not the answer. He has said, again and again, that he wants to be a catalyst and an advocate.

The question housing professionals ask is: Will Jack Kemp accept that the reality of the situation, his free-enterprise model notwithstanding, demands Federal spending, not only to stimulate new construction but also to modernize public housing and provide increased housing subsidies to the poor?

''Good ideas with money can do a whole lot,'' says Representative Charles E. Schumer, a liberal Democrat from Brooklyn. ''Good ideas without money aren't probably going to do a whole lot. And the hope and the feeling is that Kemp will come to that conclusion relatively (Continued on Page 106) soon, and turn his powerful voice towards helping us get some more money.'' Will he? When Kemp was asked during his appearance before the House Subcommittee on Banking and Urban Affairs whether he would seek additional funding for the H.U.D. budget, he glanced quickly in either direction, as if looking for O.M.B. officials hiding in the wainscoting, and said, in an uncharacteristically strangled voice, ''Yes.'' ''There's a legitimate point to suggest that we could use more vouchers,'' - a reference to a means of subsidizing housing for the poor - he later conceded, ''and that we need more modernization and rehab money, and we need to bring our public housing stock up to livable standards.''

Liberals and even some conservatives have suggested that the deductibility of mortgage interest be curtailed and some portion of the increased revenue be devoted to housing for the poor. Kemp heard out the idea with a ''manic

egalitarianism'' expression on his face.

''That,'' he said, ''is a zero-sum solution'' - the gravest term of opprobrium in the Kemp vocabulary. Making a budget, of course, is a zero-sum exercise, but Kemp objects, at the most visceral level, to the idea that someone may have to suffer in order for someone else to gain. To Kemp, equity is another word for socialism. ''We don't need to bring down the rich folk to help the poor,'' he insists. ''The answer is to try to convert attitudes and encourage people.''

Which puts one in mind of Kemp's impromptu lecture about rent control to the homeless in the Baltimore soup kitchen. As an exercise in attitude adjustment, it was not much more successful than his efforts during the Presidential campaign to tell Iowa farmers about the merits of the gold standard. Kemp sometimes seems to think that holding hands in the huddle is more important than rational play selection. What the poor need, he implies, is not programs and dollars, but tireless exhortation, Churchillian hope amid the gloom and a few tax breaks. Free men need free markets. It's an inspiring vision, and, in Jack Kemp's case, a sincere and deeply held one. But it's not the reality that Kemp chose to confront, and not the reality that made him put down his fork in Baltimore. That reality is hard for a free-enterprise conservative to accept, especially so ardent a one as Kemp.

''Sometimes,'' says John Buckley, Kemp's former campaign aide, ''it does take a 2-by-4 hitting Jack in the forehead to make him realize that the model needs a variation.'' The battle between the sturdy forehead of doctrine and the 2-by-4 of intractable reality may prove to be one of the truly absorbing spectacles of the next four years.

GRAPHIC: Photos of Jack Kemp in his office at work (David Burnett/Contact) (pg. 38); Jack Kemp touring a Phildaelphia housing project with Virginia Wilks (Brad Bower/Picture Group) (pg. 39)

SUBJECT: HOMELESS PERSONS; URBAN AREAS; ECONOMIC CONDITIONS AND TRENDS

ORGANIZATION: HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF

NAME: TRAUB, JAMES; KEMP, JACK F (SEC)

9TH STORY of Level 1 printed in FULL format.

April 17, 1989, Monday, Final Edition

SECTION: EDITORIAL; PAGE A19

LENGTH: 1127 words

HEADLINE: Drug-Free Housing for the Nation's Poor

BYLINE: Jack Kemp

BODY:

In the cold of winter last February I approached the Headstart Center of the Richard Allen public housing development in Philadelphia and came upon four men huddled around the fire barrel outside. My escort, Virginia Wilks, a dynamic, young tenant management leader at the housing site, explained that the men were "crack" dealers and that their overt sale of drugs at the premises was commonplace. These are daily occurrences at the Richard Allen public housing site and in public housing from Washington, D.C., to California. Drug criminals, whose numbers have increased exponentially, are threatening the health and safety of our inner-city residents and eroding the potential of our children.

Shortly after this encounter in Philadelphia, I issued a directive to the 3,300 public housing authorities throughout the country instructing them to report to me within 30 days on their efforts to evict drug dealers and to deny these criminal elements access within public housing. My indignation with this widespread drug peddling was also fueled by the stark realization that a fundamental prerequisite for the millions of law-abiding families seeking to live fulfilled lives in public housing is basic security and protection.

I have been pleased that more than 1,000 Public Housing Authorities (PHAs) around the country responded to my voluntary request for information, a figure that overwhelmed the department's staff. Seventy percent of the medium and large PHAs responding to my letter of Feb. 28 reported wrestling with problems of drug abuse; over one third of the small PHAs also reported drug-abuse problems. I am directing the remaining PHAs who have not yet responded to do so.

One of the most detailed and progressive responses came from a young executive director of the gang-ridden Chicago Housing Authority, Vince Lane. Lane's Operation Clean Sweep, which I witnessed at the Rockwell Gardens high-rise project, is one of the most innovative and successful national strategies to date. (Crime has fallen 32 percent since the program was instituted.)

This aggressive program included inspections of the units by police, the enclosure of unsecured common areas, evictions and arrests of drug elements, requirements of photo ID for entry into public housing buildings, project beautification/renovation and follow-up tenant organizing, counseling and treatment programs as well as youth employment activities and tenant security patrols.

Not surprisingly, soon after the introduction of Operation Clean Sweep, the American Civil Liberties Union and other legal-aid groups cried foul and alleged invasion of privacy and denial of due-process liberties for drug-using

households who were evicted. On my tour of Rockwell Gardens, I asked one of the tenant leaders if she thought her rights had been violated by the Chicago Housing Authority resolve. She indicated that she never had any rights prior to the sweep, as the elderly and single-parent mothers in the building lived in a state of perpetual fear and were forced to pay gangs "for protection" when they used the elevators. Only since Operation Clean Sweep could the residents enjoy their rights to life and the pursuit of happiness in a drug-free community.

It is indeed ironic -- and tragic -- that legal-aid groups and the ACLU would deny the right of poor people to live in healthy communities free of thugs and dope fiends who threaten the lives of their children. The general public should respond with outrage at this travesty of justice. I invite the legal-aid community to join me in devising effective drug-enforcement strategies that protect the rights of the millions of innocent law-abiding residents of public housing.

Last month, the death of Alexandria, Va., police Cpl. Charlie Hill at the hands of a cocaine-dealing gunman shocked the nation and prompted the mayor of Alexandria, James Moran, and city councilman William Cleveland to come to HUD with a request for a waiver of grievance procedural rules in an effort to hasten proceedings to evict.

Within hours we announced at HUD (for the first time) that we would make use of a 1983 legislative provision allowing the department to waive excessive grievance rules in drug-related cases upon determination that a state's landlord-tenant law provides due process for the tenants. My staff also conferred with U.S. Attorney Henry Hudson to seek out other legal enforcement tools, including seizure of leases of residents of public housing who deal drugs.

Since that incident, I have issued invitations to jurisdictions throughout the country to request expedited waivers, which HUD will grant in drug-related cases wherever the due-process determination is made. Just the other day, I signed a HUD notice declaring that the termination of tenancy and lease seizure provisions for drug-related criminal activity contained in the 1988 omnibus drug bill were self-executing and thus immediately effective.

Under the leadership of President Bush, HUD has joined forces with National Drug Control Policy Board Director Dr. Bill Bennett in an effort to unite every arm of government and to utilize the support offered from the private sector to reclaim the rights of law-abiding citizens throughout the country. We have already moved boldly ahead with enforcement strategies and the waiving of excessive red tape in an effort to evict drug dealers swiftly. But this legal determination is only the first chapter of HUD's role.

Funding in all HUD and program areas, including block-grant and Comprehensive Improvement Assistance Program resour-ces for security hardware and management training programs, have already been targeted to support PHA drug-intervention plans. I have also invited resident management leaders of public housing as well as tenant councils throughout the country to join me in launching a renewed assault on drugs beginning at the grass-roots level.

President Bush has undertaken some new initiatives in the District of Columbia, which I want to help implement nationwide. These efforts will include the following: replication of Operation Clean Sweep tactics, financial

assistance to the housing authority for security programs, swift evictions and enforcement of public housing lease provisions and replication of Kimi Gray's substance-abuse prevention strategies, which have been so successfully managed by Kenilworth-Parkside residents.

I hope to go back to Richard Allen homes someday to celebrate successes with tenant management and to let them know that their experiences and victories helped HUD in fulfilling its responsibility to provide "decent, safe and drug-free" housing for the nation's poor.

The writer is secretary of the U.S. Department of Housing and Urban Development.

TYPE: OPINION EDITORIAL

SUBJECT: PUBLIC HOUSING; DRUG ABUSE; EVICTIONS

NAME: JACK KEMP

11TH STORY of Level 1 printed in FULL format.

April 12, 1989, Wednesday, Final Edition

SECTION: EDITORIAL; PAGE A23

LENGTH: 736 words

HEADLINE: 'Vietnam' In the Emergency Room

BYLINE: Barry A. Passett

BODY:

Doctors and nurses in the Greater Southeast emergency room used to talk about the excitement of saving lives. Now they often shift images as they describe their work: from MASH to the Wild West to Vietnam.

They work in one of the major drug war zones, where Southeast Washington and inner Prince George's County come together. Their hospital is proud of the quality services they offer. The emergency team serves the community well, taking care of the normal flow of serious illness and injury common to any part of the metropolitan area.

But "Vietnam" is getting to them. The serious ethical conflicts, the debates over resource allocation, the feelings of betrayal by the comfortable middle class -- all these issues which tore us apart over Vietnam -- live again in the ER.

Drug abuse has been a major ticket to the hospital here since the population boom of the 1960s. Symptoms related to alcohol abuse still lead to perhaps one of four admissions. Recreational drug users routinely are resuscitated, reassured and sent home.

The newer drugs and the shootouts for control of drug markets have brought the new element: dead bodies and severely damaged ones, people in coma or with seizures. As with any war, a lot of attention is paid to the number of lives lost. Another lesson we have learned from Vietnam, however, is that in any war there is a larger number of the "slowly dying" -- those lives that have been ravaged but not lost.

The murder rate will drop, not because guns may be banned or curfews may be imposed or the National Guard may be called out. It will drop because eventually the drug turfs will be defined. The markets will be organized. Employment will become regular. Even more of the profits will leave the community. The sensationalism will be gone, so media coverage will stop. But the slowly dying will remain.

the most appalling type is hidden and silent: the babies born HIV-positive and addicted to the drugs their mothers use, babies often abandoned in the hospital. The kids who hallucinate because of passive PCP smoke. The kids who are emotionally and physically abused by their drunk and drugged parents. Kids who are affected by choices their parents make. The nurses know that each child is a major call on the health-care resources of the next decades.

No one pays for any of this care. That means we all pay for it in higher health-care bills or less resources available for other health priorities.

Greater Southeast doesn't like the slow dying any better than the fast murder. We are fighting this war on four fronts at once: health care, education, housing and employment. All are critical. Along with law enforcement, they have to be deployed simultaneously.

It is a task for Sisyphus. You see the same drug user in the ER each Friday night. You fix him up and send him out. Then one Friday he comes back with a bullet in his head.

We can't get one drug detox and rehab unit in the neighborhood. We'd need five to make a dent. And there is no record of successful rehab from crack addiction.

You provide a job at $ 5 an our and you hear a hip neighborhood kid brag of making $ 1,000 Saturday selling drugs. You fix up housing, make it available to people in the community. Some strangers move next door with Uzis, shoot that place up, terrorize the neighbors, and the block is back where you started.

Drugs have become commonplace and accepted, like white wine and vodka in Potomac. There is a market of affluent whites from the suburbs, but much of the trade is local. Everyone knows who deals. Many families survive on the financial rewards: along with the Porches and gold chains, groceries are being bought and rents paid with drug money.

A major element missing right now is the visible will of the people to reclaim their own communities. We know that when the people rise -- led by Kimi Gray at Kenilworth Gardens, Peggy Parker at Jeffrey Gardens, the Muslims at Mayfair Mansions -- they can move the problem out. Resources have to be directed to them, and we're trying to do our part.

Meanwhile, the emergency room fills with more and more drug-related cases. The heart attacks, asthma crises and broken bones that still make up the bulk of the ER action are now ''routine''. The doctors and nurses look to the day when these cases become exceptional again.

The writer is president of the Greater Southeast Community Hospital Foundation, Inc.

GRAPHIC: PHOTO, RAY LUSTIG

TYPE: OPINION EDITORIAL

SUBJECT: EMERGENCY CARE; HOSPITALS; MURDER; NARCOTIC AND DRUG VIOLATIONS

NAME: BARRY A. PASSETT

16TH STORY of Level 1 printed in FULL format.

February 27, 1989

SECTION: U.S. NEWS; Vol. 106, No. 8; Pg. 20

LENGTH: 2851 words

HEADLINE: A conservative war on poverty

BYLINE: By Joseph P. Shapiro

HIGHLIGHT:
Not since LBJ has the nation had such a hard charger aiming to help the poor. Jack Kemp's ideas seem sound, but how far can they go

BODY:

Only moments after George Bush had asked Jack Kemp to be the nation's chief housing official, the ever upbeat Kemp was vowing to "wage war on poverty." Bush, who is no Lyndon Johnson, seemed taken aback by the idealistic, big-spending ring to the Great Society term. "Jack, you love to use bold metaphors," cautioned Bush during the private White House chat, "but we've got to be careful that we don't overpromise."

The audaciously optimistic Kemp has never been one to limit his vision. So, despite the failure of other recent Presidents to put more than a dent in poverty or the fact that federal funding will be tighter than ever, the new Secretary of Housing and Urban Development will use his office as a bully pulpit to raise hopes that poverty can be conquered. In Atlanta, where within hours of being sworn in he toured housing projects and new homes for the poor, Kemp declared: "We know what works."

To Kemp, the things that work flow from his long intellectual journey as a Buffalo-area congressman and conservative presidential candidate. He says he will change the lives of the poor with a heavy application of conservative populism that includes new tax breaks for inner cities, promoting private ownership of what is now public housing and encouragement of private groups to do what the federal government no longer does in building and rehabilitating housing. Yet for all his verve and plans, Kemp will likely find that there are limits to the market-oriented solutions he offers to eradicating poverty, just as there were huge impediments to the LBJ version of relying on massive federal programs and community action to attack poverty. Kemp's ideas seem fundamentally sound: Tax cuts at a certain level will surely stimulate some investment in inner cities. Some public-housing tenants are excellent candidates to take over ownership of their apartments. And private groups are finding exciting new ways to build fairly inexpensive housing. But there is not much of a track record yet to suggest that Kemp's notions, taken together, can make more than a slight difference in the nation's poorest neighborhoods.

Perhaps only the positive-thinking Kemp would fail to be daunted by the problems he faces -- homelessness, the loss of low-income housing, job flight from cities and strains on rental-assistance programs. Complicating matters is a lack of agreement on the scope of problems and where to begin. There are 2 million to 3 million homeless, claim many homeless advocates. Kemp says the figure on any given night is closer to 600,000, a number supported by the

Urban Institute, a nonpartisan research group. But the numbers, whatever they are, will probably rise unless Kemp can spur production of low-income housing, which, says developer James Rouse, is the safety net between having a home and being on the streets. Rouse chaired a task force that recently called for a $ 3 billion federal program to house the poor and help first-time home buyers. His report is now the basis for bipartisan legislation that will pressure Kemp to reverse the Reagan administration's virtual elimination of subsidies for low-income-housing construction.

Like his liberal predecessors, Kemp has sharply increased expectations with his we-shall-overcome promises. "You lift our spirits because you have hope," said Coretta Scott King as Kemp visited Atlanta last week. After he toured parts of the city with Mayor Andrew Young, Kemp conceded he must now "deliver" on that hope. Here is an assessment of what it will take for some of Kemp's brightest ideas to help the poor:

Urban enterprise zones. To understand why urban enterprise zones remain Kemp's most controversial development idea, it helps to know a little about Trenton, N.J., and Trojan-brand condoms. Among the tax breaks New Jersey offers to companies to locate, expand and do business in Trenton's depressed manufacturing center is a $ 500 write-off on corporate business taxes for any new Trentonian hired and $ 1,500 for any hired unemployed Trentonian. Last week, the city enterprise-zone corporation honored Carter Wallace, Inc., a pharmaceutical firm, for hiring more new employes than any other business in the zone. Was the tax break the key to the doubling of its work force to over 400 employes in just 18 months? More likely, company officials concede, the reason is that the Trenton plant makes condoms, record numbers of them to keep up with the demand created by the AIDS crisis. It also helps that the firm is located in the flourishing mid-Atlantic corridor. "Even when there are significant increases in the dollars invested, it's usually not plausible to attribute them solely to being in the enterprise zone." says Earl Jones, a University of Illinois professor who has studied zones. Jones says tax breaks rarely attract companies to the worst urban neighborhoods, where untrained workers, high crime rates and streets in disrepair are bigger disincentives.

For almost a decade, Kemp staked his antipoverty reputation on the idea that the nation can revive blighted cities using the same economic incentives, low taxes and less regulation that, among other things, helped foster booms in Hong Kong, Taiwan and Singapore. In 1980, Kemp teamed up with Representative Robert Garcia, an ultraliberal from the South Bronx, to propose tax breaks for inner-city entrepreneurs. Objections came from Reagan Treasury Department officials, who feared billion-dollar revenue losses, and congressional Democrats, who feared a trick to end aid to cities. Yet, governors in some 35 states -- including liberals such as New York's Mario Cuomo -- have given zones a shot. Today, zones are in 700 cities and rural areas.

The results, as Kemp concedes, have been "mixed." No employment growth could be traced to Maryland's zones, concludes a new study by Congress's General Accounting Office. One trade-magazine survey cited zone growth of 181,000 jobs and $ 8.8 billion in investments in 1987, but acknowledged it was impossible to tell whether the figures represented normal economic growth or the lure of zones. The benefits are hard to sort out even in Trenton, one of 10 zones in New Jersey, which zone supporters say has one of the most innovative programs. Most zones simply provide tax breaks to new companies. But struggling start-ups are often the least likely to need help with taxes since they usually make too

little to pay much at first. So New Jersey spread the benefits around to help existing companies, small businesses and even mom and pop corner stores. Meta Griffith, owner of Griffith Electric Supply, says the fact that she can charge customers 3 percent state sales tax, instead of the usual 6 percent, set her cash register ringing with heavy business from electrical contractors. (Her store, never in trouble, lies right on the zone boundary, while upset competitors nearby, but outside the zone, were denied the tax break.) The state returns all sales-tax revenues to the zone for street repairs or police and fire protection, things that make run-down areas more attractive to prospective companies. In addition, low-interest loans and tax abatements are available to new companies. Thomas McGough, Trenton's enterprise-zone director, says zone incentives work only as part of an overall development package. "The zone is a help. It's not a panacea," he says. "You can't point to a building and ask, 'Would that building be there without the enterprise zone?' Of course it would, but it may not have been as tall."

Earlier this month, Bush adopted Kemp's vision by calling for 70 federal enterprise zones. This time, several key Democrats support legislation. Kemp says reductions of federal employment and investment taxes offered by Bush, in addition to state breaks, will "dramatically" increase what the zones accomplish.

Help private sector do it. Two nights before Christmas, Kemp and his wife Joanne paid a quiet visit to a homeless shelter in Alexandria, Va. Most of all, Kemp was drawn to the Carpenter's Shelter because it was set up almost entirely -- $ 250,000 of a $ 300,000 budget -- with money from local businesses. In some cases, Kemp feels, the private sector's "sense of good will" can accomplish more than government. In other cases, he likes the way government partnerships with the private sector stretch public spending. But even Erna Steinbruck, who runs the Virginia shelter, cautions that businesses and nonprofits can only solve "part of the problem." The involvement of churches and other volunteer groups has grown steadily in recent years, providing two thirds of the funding for homeless shelters, $ 138 million nationwide in 1983, and most of the staffing. Yet, despite such participation and a healthy economy, homelessness continues to rise. Community-based groups, such as the Christian Habitat for Humanity whose low-cost homes Kemp visited in Atlanta, have been acclaimed for building some 25,000 units of low-income housing a year. But their efforts fall far short of the 200,000 units a year built by federal programs 10 years ago. In 1989, federal subsidies will construct only 19,000 units.

Kemp would like to spur private-sector efforts by matching them with federal dollars. The new HUD budget directs more money to private groups by including full $ 676 million funding of the McKinney Act, legislation Kemp once voted against that pays for emergency programs for the homeless and creates a $ 50 million transitional-housing program for the homeless mentally ill. But clever leveraging can stretch federal dollars only so far to meet vast needs. Federally assisted housing programs took an 81 percent cut during the Reagan years, while more than a million low-income units were abandoned or turned into high-priced rentals. "Even with some heretofore unheard of monumental creativity," warns Trenton Mayor Arthur Holland, president of the U.S. Conference of Mayors, "the old central cities need substantial federal assistance to survive."

Tenant-owned public housing. Kemp sees a hopeful future for public housing in the middle of a drug-infested, crime-ridden neighborhood a few miles from Capitol Hill in Washington, D.C. There, residents of the Kenilworth-Parkside

housing project have brought about an astounding transformation: They have turned a once squalid housing project into an oasis of safe, well-kept, two-story brick buildings.

Things turned around seven years ago when Kimi Gray, a former welfare mother, and other tenants convinced the District of Columbia to give them a shot at running the complex. The tenants got tough. Drug dealers were evicted. Residents were trained in home repairs and put on rounds to clean up trash and fix up the grounds. Rent collections rose by 77 percent, and welfare dependency fell from 85 percent to 2 percent.

Gray preaches "self-sufficiency" and expects everyone at Kenilworth-Parkside to have a job, or at least to be seriously looking for one. For mothers who had to watch their children, Gray found federal money to start a day-care center. For residents addicted to drugs or alcohol, Gray hired a doctor to run a treatment clinic. Some 100 people, 80 percent of them residents, now hold jobs in businesses run by the tenant-management corporation, including the day-care center, a food co-op, a beauty shop and a moving company. The latest venture is a "reverse commute" bus line that will take residents to jobs in the suburbs. "Our real dream is to change the myths about public housing," she says.

Gray came to tenant management looking for a way to correct the lousy service tenants got from indifferent bureaucrats. Kemp had a conservative goal of reducing the role of government in public housing. Both argue that poor people can succeed when given opportunities to help themselves. The two teamed up when Gray needed a sponsor for legislation to allow public-housing tenants to purchase their units at a discounted price. In October, Kenilworth-Parkside became the nation's first project to take advantage of Kemp's 1986 bill. The sale will be complete in 1990, after renovation of the units. Kemp continues to consult with Gray, who sat behind him at his Senate confirmation hearing, in a row with the Secretary's family. Says Gray, who at 19 found herself with five children and on welfare but who later got a college degree, "Jack Kemp believes in poor people."

Despite the success of Gray in Washington, and similar revivals led by Bertha Gilkey and Loretta Hall in St. Louis, tenant management faces widespread skepticism. New York Mayor Ed Koch fears that selling off scarce public housing "removes a resource for poor people." But Kemp's guru on this subject, Robert Woodson of the National Center for Neighborhood Enterprise, notes that federal law protects the public-housing stock by requiring cities to come up with one new unit for each one sold. Other critics say that success depends upon the leadership of a uniquely charismatic leader like Gray. She dismisses the suggestion as elitist, noting that she has successfully trained tenant leaders in other cities. "There are Kimi Grays in every public-housing project in this country," she says. "No exceptions."

Selling public housing has been tested with success in Britain, where 1.25 million units of "council housing" have been bought by tenants since 1980. But under a similar U.S. program called Turnkey III, only 3,000 units have been sold since 1972, largely because of bureaucracy and high costs. The difference between the success in Britain and the poor showing in America is that one third of all Britons live in public housing, including many middle-class families, compared with just over 1 percent of Americans, who are usually the poorest of the poor. It is largely middle-class Britons who have bought their units, which unlike public-housing units in this country are more attractive buys because

they are most often single-family, well-kept homes and not in high-rises.

For Kemp's program to match the British success, money is crucial. Kenilworth-Parkside got $ 23 million in federal money for renovations of all 464 units. It does little good to let poor people buy units that need high-priced repairs. However, to modernize the nation's 1.4 million public-housing units for sale would cost $ 20 billion, according to a private study commissioned by HUD. The new budget asks for $ 1 billion. "If everybody gets as much money as Kenilworth-Parkside, they would all be happy," says Roberta Youmans of the National Housing Law Project. "But the money isn't there."

In one week on the job, Kemp has shown a higher profile than his predecessor, Samuel Pierce, did in eight years. To learn how to meet the ambitious goals he set for himself, the Secretary feels he must stay on the move. Kemp says he will be successful if he can double or triple the number of minority-owned businesses, make a "sizable dent" in homelessness, create nearly 8 million housing starts over four years and "put an end" to housing discrimination. Skeptics, including friends, suggest his education will diminish his optimism or prompt him to reverse course and seek higher government spending. But such doubts make Kemp burn. "There are just too many success stories in the history of the world," he says unflinchingly, to "wallow" in defeatism about poverty.

Public-housing woes

* By the year 2003, the gap between the number of people needing low-income housing and available units will be 7.8 million.

*

Between 1988 and 1993, 864,000 subsidy contracts allowing poor families to pay rent will expire.

* In 1988 there were 840,000 families on public housing waiting lists.

*

About 27,000 units of public housing are vacant and need to be rehabilitated.

* The average wait for housing assistance in major cities surveyed was 21 months.

Enterprise zones. The Bush administration wants to offer investment and employment tax breaks to companies that do business in 70 distressed areas. When the Hibbert Group of Trenton, N.J., hired materials handler Russell Hart, it received a $ 1,500 state tax credit. Federal zones could cost the U.S. Treasury $ 1 billion in revenues between 1990 and 1993, officials estimate.

Nonprofits. Kemp wants to use HUD matching grants to spur efforts by the private sector to help government feed the hungry and house the poor. In Pittsburgh, the city gives abandoned houses to neighborhood groups to renovate and sell to first-time home buyers of low or moderate income. But such programs fall short of replacing dwindling federal construction programs.

Tenant ownership. Kemp vows to let public-housing tenants share in the "American dream of homeownership." Residents of Kenilworth-Parkside in Washington, D.C., will be the first in the nation to buy their apartments under a new program. Kimi Gray, in a unit being renovated, led the way. Tenants at nine other projects want to do the same. But it would cost HUD many billions of dollars to complete the repairs.

GRAPHIC: Chart, Public-housing woes, USN&WR CHART BY MATT ZANG; Picture, Politics of hope. In Atlanta, Mayor Young showed HUD chief Kemp how the city, a community-based group and a private developer worked together to build homes for the poor, CHARLIE ARCHAMBAULT FOR USN&WR; Picture, No caption, ANDREW POPPER -- PICTURE GROUP FOR USN&WR; Picture, No caption, SCOTT THODE -- USN&WR; Picture, No caption, LINDA L. CREIGHTON -- USN&WR

SUBJECT: Poverty; Housing

ENHANCEMENT: Conservatives; Presidential aides and advisors; Housing assistance

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Time

December 12, 1988, U.S. Edition

SECTION: AMERICAN IDEASWASHINGTON, D.C.; Pg. 15

LENGTH: 1186 words

HEADLINE: Turning Public Housing Over to Resident Owners;
A welfare mother of five who organized a housing complex sparks a national trend

BYLINE: BY JEROME CRAMER

BODY:

On a sunny day in October, Kimi Gray was handed a gold key in a celebration marking the first time in U.S. history that public-housing residents could become the owners of their homes. To her, it was an occasion rich with meaning. "Poor people," she says, "are allowed the same dreams as everyone else." The event was a significant step in a revolution that has been moving through more than a dozen public-housing projects across America for 15 years. In these complexes, tenants have balked at the notion that poverty means helplessness, and are taking over the management of their housing.

Getting the poor and mostly undereducated residents of public housing to assume responsibility for their dwellings has been hard, but not nearly so difficult as convincing politicians that it can be done. Gray, chairwoman of the Kenilworth-Parkside Resident Management Corp. in Washington, has been leading this fight since 1972. The decision to take control of the project was forced on Gray and her neighbors, she says. Plumbing was broken and heating was, at best, intermittent. So in 1981, deciding "things couldn't get much worse and we had to do something," Gray petitioned the District government to let residents take control. The mayor eventually agreed, and in January 1982 Gray's tenant management corporation began collecting rents, making repairs and running things for itself. What the corporation got was a run-down facility with bursting pipes, flooding basements and no one trained in physical-plant management. "It was crisis that brought us together," Gray says. Welfare mothers learned plumbing skills, children were pressed into clean-up patrols. The residents thrived, and Gray became a national spokeswoman for the movement.

This success led Gray to lobby Congress for changes in housing laws giving tenants the right to buy their homes from the government. The law went into effect in 1987. Prominent Republicans, including Ronald Reagan, flocked to her cause, but Kimi Gray is no conservative ideologue. Her success depends on Great Society programs such as job training to drive home traditional conservative values. "We want to bring families back together, restore our pride and respect," she says. Congressman Jack Kemp, another fan of Gray's who co-sponsored the 1987 legislation, calls tenant management a "synthesis of New Deal programs and conservative thinking." Selling public-housing tenants their homes, he says, "gives the poor dignity and a stake in the American dream." The management association paid $1 for the title to Kenilworth-Parkside. In 1990 residents will be able to buy shares in their units.

Kenilworth-Parkside is a hub of activity. The grounds are clean and graffiti-free, and more than 100 residents work in businesses created by

Gray's management corporation. These include the day-care center, a barber and beauty shop, a moving company and a construction-management firm. Gray's plans are boundless: she has started negotiations with the Department of Transportation to establish a "reverse commute" system for driving residents in vans to unfilled jobs in nearby suburbs.

At first glance, Gray seems an unlikely leader of a growing national movement. She spent many of her 42 years living on welfare. Raised in a public-housing complex in Washington, Gray at 19 was the mother of five children with no husband. Self-pity, however, rarely troubled her. "My grandmother taught me I had to lie in my own bed and be responsible for my life."

The lesson was well learned, and since moving to Kenilworth-Parkside 22 years ago, Gray has rarely stopped pushing for her dreams. Soon after she arrived, she became president of the local day-care center. Later she organized "College Here We Come," a program that has helped send nearly 600 academically gifted youngsters from public housing to colleges throughout the U.S. Since 1981 Gray has helped create a wide range of programs for the 3,500 residents of the project that have paid off in myriad ways: in the past six years dependence on welfare has dwindled from 85% to 2%, administrative costs of the project have dropped by nearly two-thirds, and teenage pregnancies have been cut in half. Along the way, Gray's brand of tenant management has saved the District and Federal Government about $5.7 million in operating expenses. Says Congressman Kemp: "She is inspirational, and her mind is breathtaking. She might have been born poor, but there is no poverty in her."

Such praise has been hard won. In the early years, Gray was considered a radical and troublemaker. "I'd go to meetings and get so mad I'd yell and turn the place out," she says. Politicians tried to block her plans, so Gray used a tool no politician can ignore: votes. In 1976 she organized and registered to vote 12,000 public-housing tenants. As chairman of the citywide public-housing board, Gray is now a local political power of the first order. The success at Kenilworth-Parkside hasn't come without struggle. Poverty can drive out hope, and Gray admits that at the start of the tenant management struggle, "there were nights I cried myself to sleep because people wouldn't listen, didn't trust me or themselves."

Slowly, attitudes began to change, aided by new tenant rules that Gray admits are neither gentle nor subtle. Example: residents must take turns serving as hall and building captains. "People don't throw trash on the ground when they know it soon will be their turn to pick it up," she says. Tenants can use the day-care center, but only if they are working or looking for work. Residents are expected to take care of their property, which means fixing broken toilets and sinks themselves. One member of each family must take six weeks of training in such subjects as personal budgeting, pest control and basic home repairs. A system of fines is imposed on residents who break the rules. "Being poor doesn't give you the right to be dirty or lazy," she says. Though the bylaws seem downright harsh, in six years only five families have been evicted for breaking them.

Conservative black scholar Robert Woodson argues that "people change their behavior in order to stay in Kenilworth-Parkside. It's a class-specific solution in which poor people help themselves." Woodson, whose National Center for Neighborhood Enterprise helps promote tenant management throughout the U.S., says that "the federal and state governments have spent nearly $1 trillion

over the past 20 years in a largely failed effort to fight poverty. Now Kimi and others are taking it out of the hands of professionals and giving jobs to tenants."

Gray is the first to admit that tenant management and ownership are not the only antidotes to public housing and welfare, but she insists that her efforts can be duplicated elsewhere. "There are thousands of Kimi Grays in America who are willing to try," she says. Woodson agrees: "Kimi and other leaders are the last best hope for many of these public-housing projects. Tenant managers can't offer guarantees, but they hold great promise. The only thing worse than poverty is accepting the status quo."

GRAPHIC: Picture 1, NO CAPTION descColor: Kimi Gray. , TERRY ASHE; Picture 2, Kimi Gray visiting the day-care center at Kenilworth-Parkside descColor., PAUL FETTERS

22ND STORY of Level 1 printed in FULL format.

November 20, 1988, Sunday, Late City Final Edition

SECTION: Section 6; Page 45, Column 1; Magazine Desk

LENGTH: 4052 words

HEADLINE: D.C., The Other Washington

BYLINE: By Marianne Szegedy-Maszak; Marianne Szegedy-Maszak is a Washington-based freelance

BODY:

''WASHINGTON'' MAY BE THE ULTIMATE Rorschach test for Americans. To some, the White House and the Washington Monument symbolize the capital of the free world; to others, they epitomize the trappings of a company town. The Capitol building and the Pentagon can evoke images of dedicated Government servants or of greedy lobbyists.

Shifts in Presidential power accentuate the clash of contrasting images. When John F. Kennedy arrived, Washington became ''Camelot.''

Eight years ago, it was declared ''Hollywood on the Potomac.'' Like others absorbed in the workings of the Federal City, Ronald Reagan has never given any visible sense that a real city surrounds him. Nor is President-elect George Bush likely to, even though the White House is only four blocks from Washington's city hall.

Unless one has acquired the kind of knowledge not generally found in the corridors of power or on the blue-and-white tourmobiles, one image is likely to be rare: Washington as the capital of black America. ''We have the very best of what black America has to offer and we also have the very worst,'' says Catherine Liggins Hughes, owner of radio stations WOL and WMMJ, talk show host and community activist.

Seventy percent of Washington, D.C.'s 638,333 residents are black. Most of the city's elected officials are black. The city has the highest median black-household income in the country, a stable black middle class and a large black intelligentsia, including many former Cabinet members and political appointees, such as Donald F. McHenry, Clifford L. Alexander Jr. and Roger W. Wilkins, who have stayed on in the capital.

This is ''the other Washington,'' largely unknown, even to white residents of the capital, a city whose municipal schizophrenia is evident even in its name: high-powered officials and socialites who take the shuttle to New York live in ''Washington,'' but the city hall employee or the kid in the go-go music club is from ''D.C.''

Two cities, two cultures, many tensions. ''Race relations are awful,'' says a frustrated former black political appointee. Washington's often contentious Mayor, Marion S. Barry Jr., agrees. ''I think we are getting along better in the workplace; I think it's worse socially,'' he says. ''Now we go to white affairs and my wife and I are the only black people there. And we got there because I

am the Mayor. We go to black affairs and see no whites.''

Perhaps the most powerful symbol of the distance and fundamental lack of understanding between Washington's black and white residents is a concept called ''The Plan'' - the theory that white people systematically intend to reclaim the city they lost control of during the troubled 60's. As evidence, believers point to the continuing gentrification of formerly black neighborhoods, like Foggy Bottom and Capitol Hill. They point to real-estate developers, the predominantly white banking system and The Washington Post as The Plan's principal conduits. They point to David A. Clarke, chairman of the City Council of the District of Columbia, as foreshadowing one of The Plan's central tenets: a white mayor.

Although many people of all colors and economic levels dismiss the notion of The Plan as preposterous, it has become a point of reference for most blacks. When The Plan was mentioned to white people during a series of recent interviews, few knew what it meant; black people knew, and had an opinion.

''Whites are going to drive the housing prices up, make it difficult for blacks to get loans, and they are going to elect a white mayor,'' says Grier M. Greene, a 27-year-old native Washingtonian who works as an information analyst at The Greater Washington Research Center. ''Those are the basics of The Plan.''

WHEN ASKED ABOUT LIFE IN ''THE OTHER Washington,'' many of the 30 black and white politicians, community, business and religious leaders, urban planners, poor people, rich people and young adults interviewed pointed to the paradoxes of living in the capital of the free world. Not until 1964 were Washingtonians able to vote in Presidential elections. Since 1971, they have been represented in Congress by a nonvoting delegate.

And only in 1974 did they regain a semblance of home rule (lost following the Civil War), with an elected mayor and 13 City Council members.

They say that some of the tensions in the local political and social life of today are the inevitable growing pains of a city that has undergone rapid political and economic growth.

What also surfaces is the profound, almost conspiratorial, sense residents have of living in a secret city within a national city, one which 19 million tourists visited last year and to which 400,000 suburbanites commute each day, many to Federal Government jobs.

With it all, Dennis E. Gale, professor of urban planning at George Washington University and director of the Center for Washington Area Studies, says, ''This city has developed new approaches to low-income housing and urban development, so other cities look to D.C. for some ideas.''

Catherine Hughes is less academic when speaking of the city's expansive social welfare system, ''If you answer 'Yes' to 'Are you alive?' then we say, 'O.K., can we get you some clothes, can we get you some food, some housing?,'' she says. ''Need some transportation? How about some day care?' Poor people here ain't poor by other people's standards.''

WHILE ''WASHINGTON'' CONCERNED ITSELF WITH Presidential politics, ''D.C.'' was more fascinated this summer with three events: the fight over whether out-of-towners could hold city jobs, the proliferation of drugs and the

early-morning shooting of a white teen-age intruder by Carl T. Rowan, a black newspaper columnist. To outsiders, these may seem to have been unrelated; they were, in fact, bound together in what many perceive as a web of racial politics.

''The mayor plays race politics, (Continued on Page 58) the white people on the City Council play race politics, everybody is playing race politics,'' says John A. Wilson, a black City Council member from Ward 2, which includes the poor black neighborhood of Shaw and the elite white enclave of Georgetown. ''Our biggest problem is the racial healing that needs to take place.''

Roger Wilkins, the writer and civil rights leader, recognizes that the city has made progress: ''Whatever people say about the District of Columbia today, no matter how difficult things get, I am here to tell you that it is a lot better now for everybody than it was before home rule.'' Then, many black people lived in slum conditions and all blacks encountered almost daily humiliation in a city dominated by a white police force and ruled by apppointed white commissioners.

Under the current home-rule charter, Congress reserved the right to review D.C.'s appropriated budget -of which the Federal Government provides only 16.6 percent - and all legislation passed by the City Council. It also retained direct control over the Federal enclave, which encompasses 41 percent of the city's 69 square miles.

One of the most confrontational episodes between Captiol Hill and the District government occurred this summer. What catalyzed the dispute was a city law requiring people who work in municipal jobs to live in D.C. Of the 45,000 city employees, 41 percent are not D.C. residents, having been grandfathered in when the law took effect in 1980 or were exempted as essential employees with an expertise unavailable among city residents.

A Congressional amendment that would permit nonresidents to qualify for municipal jobs, while giving preference to D. C. residents, was introduced in June by Representative Stan E. Parris. The D.C. Congressional committee member represents a predominately white Virginia suburban district with 83,000 constituents who work in Washington. To expedite its passage, Parris tied the motion to Congressional approval of the District's $3.2 billion 1989 budget.

Reaction in the city was swift. On the narrow streets of poor and black neighborhoods in the Southeast and on radio call-in shows, Parris's contention that qualified workers had to be brought in was seen as camouflage for something else: people in mostly white suburbs were coveting the jobs of people living in the mostly black city.

At a Ward 4 forum for City Council candidates, more than 40 residents in this primarily black middle-class and residential area in one Northwest section of the city vented their frustration over Congressional intrusion. Many saw it as the unfolding of yet another phase of The Plan.

''I will not be deprived of a job in this city or pay taxes to support these people who come into our community from the suburbs and then leave,'' a woman in her early 30's said angrily.

The residency issue triggered an avalanche of Congressional intrusion into local affairs. Congress not only canceled D.C.'s residency requirement, it

repealed a key gay rights section of the city's human rights law, altered the municipal government's AIDS insurance law and eliminated all public funding for abortions in D.C., unless the mother's life was in danger. It tied these items to the loss of funds if the City Council did not implement the measures by certain dates. Congress also prohibited D.C. from expanding a chronically overcrowded correctional facility in Lorton, Va. Stunned, some D.C. officials threatened to ''close down the city.'' Once more, Congressional clout prevailed.

The District's Congressional delegate, Walter E. Fauntroy, observed: ''Now I understand why Nelson Mandela said, 'I'd rather die in jail than to come out and be told' that he did not deserve self-government.' ''

THE CASE OF CARL Rowan's shooting a white 18-year-old student from the elite suburb of Chevy Chase in the wrist began early on the morning of June 14 and preoccupied the city for months.

Rowan argued that he was protecting his home and his family. Benjamin N. Smith contended that he and his companions were only doing what everybody does -sneaking into private pools in the overlapping Chevy Chase-D.C. neighborhood for a middle-of-the-night swim.

The United States Attorney's office dropped unlawful entry charges against Smith and 19-year-old Laura A. Bachman, the only two apprehended, on the condition that they complete 40 hours of community service. But Rowan had to stand trial for unlawful possession of an unregistered gun and unregistered ammunition. Had the case not resulted in a mistrial, with a decision not to retry, Rowan could have faced, if convicted, up to one year in prison and a $1,000 fine on each count.

Residents of D.C. took the case personally. Typical of their reactions was one from a caller to a radio talk show, who said: ''I can tell you that if those children had been my black children and Carl Rowan had been David Brinkley my babies would be in jail right now.'' Calvin W. Rolark, publisher of The Washington Informer, a black weekly and a recognized community leader, accused Frederick D. Cooke, the black District corporation counsel, of racism in pressing charges against Rowan, who frequently criticizes the city government in his columns. Rolark was quoted in The Washington Post as saying, ''I wish that the corporation counsel were as judicious with Carl Rowan as the special prosecutor was with Ed Meese.''

DESPITE A GUN-CON-trol law that is one of the toughest in the country, D.C. has the third highest murder rate in the nation. This summer, the rate soared. During August, someone was killed every 18 hours on D.C. streets. By September, the homicide rate topped the previous year's total of 225, and early in November stood at 300.

A top rap song in the Washington area throughout the summer was ''D.C. Don't Stand for Dodge City,'' by the Go Go Posse.

''There is no law, no order

'cept the gun you hold.

Like the wild, wild

West in all its calamity, but D.C. DON'T MEAN DODGE CITY. . . . I looked in the paper and there I read that three were injured and two were dead from crimes motivated by a common tug, that five letter word we know as drugs . . .

D.C.'s a capital town, but . . . sometimes it's like DODGE CITY . . . .'' COPYRIGHT c1988, TIGER FLOWER PUBLISHING COMPANY.

As the song points out, the murder rate is a symptom of a serious drug problem -Washington is one of the leading cities in cocaine- and heroin-related deaths. When asked why he has not been able to control the problem, Mayor Barry said, ''To blame me for the drug epidemic is like blaming you for being at 14th and U'' - a rough neighborhood - ''and being robbed.''

''Epidemic'' accurately defines the problem's dimensions: between 1985 and 1987, adult drug arrests for sales rose 70 percent and juvenile arrests increased an astonishing 456 percent. ''All these young people using drugs and getting arrested,'' Mayor Barry says, ''means we have an effective police department.''

With a local police force of 4,080, and a multidepartmental Federal force of 3,100, covering Federal buildings, parks and Embassy Row, Washington is among the most heavily policed cities -yet there are still more than 80 open-air drug markets. On a neighborhood level, some residents have taken matters into their own hands. In the predominantly black Mayfair Mansions housing complex, residents invited Nation of Islam members to drive drug dealers away. At Kenilworth-Parkside, Kimi O. Gray, a tenant leader in public housing, battles drug dealers more directly. When thousands of junkies invaded her neighborhood, she said, ''I organized our residents and we walked through this area for days getting them out.''

Experts have long agreed that the real trick in controlling drug use is education, prevention and treatment. But the drug problem has greatly stretched the resources of D.C.'s existing treatment centers.

Mayor Barry offers an additional explanation for the intractability of the drug problem. ''All these people who read Regardie's'' - a Washington business magazine - ''and complain about drugs would be the first to say they don't want facilities in their neighborhoods,'' he says. ''These people who read Regardie's'' are mostly whites.

Drugs in D.C. have also stigmatized those who neither deal nor use them. Grier Greene knows that to be young, black and male in this city is to be immediately suspect. Greene, whose role models are the entrepreneurs on the cover of Black Enterprise, moonlights after his daytime white-collar job delivering pizzas. ''You certainly don't make nearly as much money delivering pizzas as selling crack,'' he says ruefully. When he went to buy a car recently, Greene, who comes from one of Washington's thousands of stable black families, says, ''The woman sat there with my application and financial statement in front of her and said, 'Do you work?' in this sort of insinuating tone. She was just assuming that I sold drugs.''

LOCATED AS IT IS below the Mason- Dixon line, Washingon has traditionally been Southern and, until the 1950's, segregated. Yet even during segregation, it had a large, well-educated black middle and upper-middle class. Government jobs were the vehicle of economic opportunity for the blacks who flooded into

Washington after the 1940's.

After graduating from college in 1951, Elsie M. Monroe came to Washington to work for the Army Map Service as a microfilm operator. ''The job wasn't really rewarding,'' she recently recalled. ''But I was extremely proud because I was working 5 days a week and I had sick and annual leave and, most importantly, I was working for the Government.''

Yet D.C. was not the city Monroe had imagined. ''As the nation's capital it was very disappointing,'' she said. ''I am from Richmond, the Gateway to the South, and I never remember being turned away from a store there. But blacks could not shop at Garfinckel's,'' an exclusive Washington store. Her eyes filled with tears of remembered humiliation. ''You had the money; the money was the color green, but your money would not spend in that store.''

When Elsie Monroe arrived in Washington, the former Nixon speechwriter Patrick J. Buchanan was growing up in the Northwest section of the city, an area that continues to define the city for most white residents. Many businesses, embassies, luxury hotels and fine restaurants are located there. The residential areas are lush with large lawns and tree-lined streets.

''There were no race problems because we simply didn't interact,'' Pat Buchanan recalled one afternoon while waiting to tape a television show. ''That bus on Connecticut Avenue symbolized it all: Black women came into our neighborhood in the mornings to work in homes, while white men in their snap-brimmed hats got on the bus to go to work downtown.''

After Martin Luther King Jr. was assassinated in 1968 and riots erupted throughout Washington, this time of simplicity ended.

Nell E. MacCracken was having lunch at the Rive Gauche Restaurant in Georgetown when, she recollected, ''They told us that we had better get home because they were burning down the city.'' Blond and imposing, MacCracken is a representative of a dying breed called ''cave dwellers'' - white and affluent members of Washington families of at least two generations long considered the backbone of Washington society.

For many cave dwellers, the riots and home rule marked the decline of their home town; it was now a more threatening place. Yet they were largely unaffected by the riots; black neighborhoods burned, black people died.

THE PREDOMI-nantly black area across the Anacostia River is perceived by most whites as a no-man's land. Poverty is, indeed, a part of life in many sections east of the river, where 41 percent of local public housing is located. But there is burgeoning community development, with local black groups like the Marshall Heights Community Development Organization Inc. purchasing shopping centers and luring banks to open branch offices. There are also gracious neighborhoods to rival those in Chevy Chase; the only difference is that black people, like Mayor Marion Barry, live in them.

Kimi Gray, a 43-year-old native Washingtonian and mother of five by the time she was 19, is one of the moving forces behind resident management of public housing. Gray's own 464-unit Kenilworth complex, whose tenants were recently given five years to buy their apartments, now provides a number of services not previously available: a co-op food store, a barber and beauty

shop, a snack bar, a recreation center and a youth education program.

One of Gray's political heroes is Marion Barry. She believes that residents of ''the other Washington,'' or those whose children go to public schools and who are black, will guarantee his re-election in 1990.

Not all residents east of the river are Barry supporters. Absalom F. Jordan quit his $35,000-a-year municipal job to make an unsuccessful bid this year for city council representative from Ward 8. His campaign office was broken into and burglarized before the primary election. Jordan attributed it to dirty tricks, not vandalism. As he sat toying with the parts for a home-security system, Jordan said, ''There have been lots and lots of promises made to this part of the city, but fortunately,'' - for Barry - ''voters here have a short memory.''

During the 1960's, Washington became the national focus of the civil rights movement and a metaphor for it locally. Among those who appeared on the political scene then was Marion Barry. As a dashiki-wearing community organizer for the Student Nonviolent Coordinating Committee, Barry was so effective that The Washington Post reported that ''he was fast becoming the leading catalyst for change in Washington.''

His reputation since he was elected Mayor in 1978 has suffered from personal excesses and managerial problems: at least 11 municipal officials have been convicted of corruption, and a dozen have resigned or left under a cloud of alleged misconduct.

Barry himself has gained unwanted attention for escapades in his private life and for frequent unofficial absences from the city. This summer when he went on vacation to an undisclosed location - billing D.C. more than $2,000 for rooms booked at the New York Hilton and Towers to mislead the press -he had to deny rumors that he was at a drug treatment center. He later revealed that he had gone to a health spa in upstate New York to recover from the stress of being mayor.

His response to such visible city problems like clearing snow off the streets or filling potholes has been interpreted as increasing indifference to the nuts and bolts of managing a city. Yet Barry has effectively attracted new development and created an expansive social-welfare system. After the Congressional assault on home rule, when demonstrations were being organized on Capitol Hill by community leaders, Barry's was one of the few voices urging moderation.

His third term runs out in 1990, but he has made it abundantly clear that he has no plans to retire. ''I'm not perfect, but I am perfect for Washington,'' is one of his most frequently heard sayings. When asked if he thought he had an image problem, Barry shook his head and said, ''I have a media problem.''

Aside from Barry's deep affection for the office and a well-entrenched political machine, there is another reason behind his being derisively referred to by one small white-owned local paper as ''Mayor for Life.''

As Dennis Gale, the Washington specialist sees it, ''Marion Barry is a guy who is all dressed up politically with no place to go. Does he become a Senator or a Congressman? No, he can't. Why do you think there is so much interest in this city for statehood?''

THE DISTRICT OF CO-lumbia, in effect, has a one-party - Democratic - system. Carol Schwartz, white, Jewish, Republican, female and raised in Texas - ''I have every handicap there is'' - is the only non-Democrat on the City Council. ''The one thing I don't like about Washington,'' she says, ''is that you don't have the competition of a two-party system. It has not been helpful in establishing good government.''

Since 1975, there have been about 25 elections for various D.C. officials and only 10 incumbents from the 25 major elected offices have been unseated. In September's Democratic primary - the real election in D.C. - all the incumbents who ran were re-elected, despite the stench of ethics charges against a City Council member and Federal and city probes about alleged misuse of funds by another.

Political gridlock extends from the school board to the city's first and only Congressional delegate, Walter Fauntroy, who was one of Martin Luther King's closest advisers. When asked if, after 17 years, he had any plans to leave Congress, Fauntroy was incredulous. ''You mean . . . just, quit? Why no,'' he said. ''When I first came to Congress I thought the seniority system was a terrible thing, but now I have seniority in several committees. This is all the clout that the people of the District of Columbia have.''

Technically, Fauntroy is correct. But he may be missing the point.

''I don't mean this as being critical of the current group of people, but we have to make the transition to the next generation of leaders,'' says Frederick Cooke, the District corporation counsel. ''Like lots of cities that happen to have had black leadership in the recent past, our leaders tended to be people who were very much involved in the civil rights movement. The manager-leader, like Kurt Schmoke in Baltimore, is maybe the kind of person we are headed for.''

John Wilson, the City Council member who also rose through the civil rights movement and is seen as a possible successor to Marion Barry, is acutely sensitive to the problems and tensions in D.C. He says:

''I am in one of the only wards that could elect a white person. And every year a group of white people ask me if I'm going to go so that there will be an opportunity for more white leadership in this city. And I wonder if they ever ask themselves how I feel when they do that,'' he said, his voice cracking with emotion.

''I don't think that there has been anybody on the City Council more protective of the interests of all ethnic groups and still they ask me that. I have had a wonderful life in this city. I really love it. But I hurt. I truly hurt.''

GRAPHIC: Photos of Grier Greene an information analyst (pg. 44); Kimi Gray with neighbor children (Eugene Richards/Magnum) (pg. 45); Talk-show host Catherine Hughes (pg. 46); young women and family in her neighborhood (pg. 47); Marion Barry, Washington's Mayor in 1978 (pg. 47);

SUBJECT: BLACKS (IN US)

NAME: SZEGEDY-MASZAK, MARIANNE

7/20/89

Natl. Urban League

ask NUL → fear of blocks

7/24/89

Steph:

Re Nat. Urban League:

Could you help me with

1) Info on GB's vote on Open Housing Bill, 1968 -
(from Cong. Record or wherever?)

2) Background on most recent affirmative Action / Civil Rights Rulings.

Thanks!

Dan

Ready from C.R.

Jackson
Robin

7/24/89 NVL

Hate Crimes Act - stuck in Helms off.

~~Civil Rights Comm~~ of Comm — straight reauthorization

- Tony from Justice

Joe Perkins - OVP - AF will call

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memo	Re: Taking the Offensive on Affirmative Action. (7 pp.)	07/05/89	~~P-5~~	

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July 5, 1989

Memorandum

Subject: Taking The Offensive On Affirmative Action

I. Introduction

A liberal counter-offensive is likely in the aftermath of the Supreme Court's rulings on affirmative action. Combined with the seeming permanence of the underclass problem, there is increasing danger that the public will begin to believe that the President and his party, as well as the Court, are indulging in neglectful "social laissez faire."

Therefore, we need to take the offensive. We need to seize the high ground on these difficult issues and not concede them to the Left. The President supports affirmative action but opposes quotas. The public supported the President's position in the 1988 election and continues to support it today.

Nevertheless, we can expect the Left to react to the Court's rulings by appealing more and more for programs that effectively mean racial quotas in hiring and education. If we don't actively articulate the President's philosophy we will concede the intellectual argument to the Left. You can't beat something with nothing.

II. Four Fronts

Our task, then, is to organize our ideas and policies into a coherent whole. A new, reformulated Civil Rights Commission may give us the opportunity. Specifically, we need to take action on four fronts:

- First, to re-emphasize the traditional civil rights principle of a color-blind Constitution and society; The principle of color-blindness broadens the civil rights agenda beyond black-white issues, and takes into account the civil rights of Asians, Hispanics, and immigrants, among others;

(more)

- Second, to group the President's economic opportunity programs under the theme of a new civil rights agenda: parental choice in education, the child care tax credit, enterprize zones, illiteracy programs, the anti-violent crime program, community service, and the like;

- Third, to tap into "hot" new arguments and enlist new allies, such as James Fallows and his new book, More Like Us, to regain the initiative on domestic issues.

- Fourth, to enlarge the argument for "civil rights" narrowly defined to the issues of social mobility, economic growth, and international competitiveness; Here again, James Fallows has a great deal to contribute.

In the past few years, a number of new arguments have been offered as an alternative vision to the civil rights agenda that the Left coopted and supplanted with redistributory policies after Martin Luther King's death.

Many of these focus on attacking government-imposed barriers to economic opportunity, particularly licensing requirements that inhibit minority entrepreneurship.

On the Right, William Wilson, Thomas Sowell, and Clint Bolick of the Landmark Legal Foundation (which recently successfully represented a licensing victim, shoeshine stand operator Ego Brown in Washington, D.C.), have exposed a number of effectively discriminatory licensing barriers. Perhaps the most famous example is the exorbitant cost of entry into the taxicab business in major American cities, which bars would-be entrepreneurs among the underclass and immigrants.

These licensing barriers, while egregious, have the political difficulty of affecting special interests who are zealous in protecting their privileges.

III. More Like Us

The popular new book, More Like Us, by the neo-liberal journalist James Fallows, advocates an alternative to quotas that is a species of the anti-licensing critique, but which avoids some of the political difficulties by focusing on new methods of evaluating people. We believe that this approach may achieve better short-term effects in shifting the debate on affirmative action.

(more)

The original premise behind affirmative action was the race-neutral effort to guarantee equal opportunity, not by means of quotas but by careful review of employment decisions, uniform application of standards, expanded training, and increased efforts at recruiting people. This is the essence of the President's approach and of popular sentiment towards affirmative action.

Fallows believes that we can achieve better recruitment by devising better systems for evaluating people. If we can better evaluate the abilities of people then we will broaden the pool of talent without lowering standards.

Fallows broaches ideas for evaluating job performance which permit people, especially minorities, to advance in fields where advancement is often stymied because they lack the requisite formal credentials (e.g., a certificate representing some required educational background or training). People would also have more "second-chances" to start new careers that would otherwise be closed to them for the same reasons.

His main emphasis is on the professions: teaching, nursing, airline pilots, and the like. Again, there is an obvious political difficulty in advocating sweeping reforms for the licensed professions -- all the more for the most elite professions: the law, medicine, engineering, and architecture.

But the same arguments that Fallows uses for the professions apply to any number of careers -- firefighting, civil service, police -- that currently use tests to measure job applicants.

The Fallows approach to evaluating people is based on three principles:

1) De-emphasize educational background wherever possible.

2) Let people perform whatever service or profession they've shown they can perform competently, whether or not they've prepared for it in the conventional way.

3) Keep judging people on competence even after they've gone into their profession.

(more)

Educational Background

The heart of Fallows's argument is that America is becoming increasingly ossified by credentialism. He notes that the military now requires its pilots to have a college degree -- a qualification that would have prevented Col. Chuck Yeager and Lieutenant George Bush from flying.

On the other hand, he points out that many highly specialized occupations, computer hardware designers and software engineers, for example, owe their high productivity to a lack of any educational requirements or licenses. If there had been such barriers, there would never have never have been Steve Jobs, Steve Wozniak, or Bill Gates -- a college dropout, to start their industries.

Note that the President's call for alternative certification of teachers and principles supports this theme of emphasizing talent over credentials. The President was himself a victim of credentialism back in the 40's when he was denied an opportunity to teach in the Ector County schools for lack of a teaching certificate.

Test For Performance, Not Preparation

Walter Williams noted a study of Missouri's licensing laws for beauticians and cosmetologists which found that in the required two-part test for receiving the license, blacks passed one part of the test, the performance part, at the same rate as whites.

But blacks accounted for only 3 percent of those passing the written examination, which asked esoteric questions (e.g., the chemical composition of bones) requiring high verbal skills and knowledge of anatomy and physics.

Fallows's argument is similar: there is too much emphasis on how job applicants prepared for their jobs, and not on demonstrated skills.

Testing for jobs like nursing, for example, should not be based on "ability" tests designed to measure standardized skills. Testing should instead determine competence, i.e., what nurses can do.

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From the perspective of affirmative action, the standardized "ability" tests, as opposed to testing for skills and competence, are much more likely to disfavor those from disadvantaged groups.

For the nursing profession, Fallows proposes the following, which would be politically controversial, but gives a sense of his principles:

> They [nurses] could take time off for additional academic training -- even though they did not finish college or score well on the Medical College Admissions Test -- and then show, by performance testing, that they would be ready for another step to the top.

The point is to separate people into categories of ability no earlier than necessary, to allow them the maximum flexibility later in life, and to base the classifications on actual skills, not on background.

Test Continually For Competence

The airline pilots' licensing system already puts more stress on real competence and less on academic preparation. Airline pilots must regularly demonstrate their competence. They must show that they can fly their particular model of aircraft. As Fallows notes, people can be good at one thing without being good at others, and they should be licensed only for the skill they have mastered.

A regular percentage of pilots do not make the grade in these regular competence tests, which raises the question: how many sub-par performers linger on in other professions?

Inclusiveness With Merit

Again, Fallows bases much of his proposals on practices in the highly-skilled professions. But there is no reason why these proposals could not apply to other occupations (and to the educational system) where quotas in the name of affirmative action continually demoralize the affected workforces by injecting doubt about the qualifications of affirmative action's beneficiaries.

Fallows's proposal is essentially inclusive, which makes it attractive as an alternative to the traditional means of affirmative action, namely, include some by excluding others.

(more)

It is inclusive because the point is to make as much room as possible for people who can show their talent, and not lock in privileges on the basis of early schooling or family background.

Fallows points out that the more employers concentrate on the specific skills their employees have, the more opportunities will be opened up -- and the better the level of performance will be.

Skills, as he says, are specific, not general. Occupations that depend on testing assume that "preparation," like "intelligence," is a big, general quality that you either have or don't have.

But when people are given a chance, they can learn. No one can change his family background or where he did or didn't go to college, but people can learn to do surprising things.

For example, according to Fallows, several American companies, as well as the Foreign Service, have set up "competency centers," where people are judged on specific skills required for performing different jobs well, rather than on general ability. In most cases, it's been found that the more specific the focus, the more people suddenly become "talented," because they can focus on learning a skill.

This, as Fallows puts it, is a supply side approach to jobs: when a company gives up the idea that only a few people are smart enough to do the job, the supply of people who <u>can</u> do the job suddenly increases:

> Richard Boyatzis, of the consulting company Mcber, said, "The most positive message we consistently get is that people do want to improve themselves, but usually they don't know <u>exactly</u> what to work on. When you can give them good feedback on specific goals, that releases the natural internal inclination to improve."

Thus Fallows's proposals effectively increase the supply of applicants, with obvious benefits for minorities, while encouraging the attainment of skills.

This approach seems to have a natural appeal as an alternative to the mechanistic approach of the Left: numerical goals, guidelines, and timetables in hiring.

(more)

IV. Conclusion

If the Administration were to cast the issue of affirmative action in these terms, we would not only rebuff any coming counter-offensive by the Left in response to the Supreme Court's rulings, we would also put the President on the offensive with a pro-active plan for racial fairness, heightened productivity, and increased American competitiveness.

But whether or not Fallows's proposal is the way to go, our thesis is that we must adopt new strategies for taking the offensive on increasing minority job opportunities lest our opponents seize the momentum of a backlash to the Court's decisions.

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