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TO: CHARLIE BROWN

FROM: SAVILLE HEDDEN

SUBJECT: BUSH AND CIVIL RIGHTS (PRIMARILY BLACKS)

DATE: JANUARY 17, 1980

BILLS INTRODUCED OR SPONSORED BY GEORGE BUSH:

- H.R. 16626 (4/11/68): Bush co-sponsored legislation revising the provisions of the Civil Rights Act of 1968- dealing primarily with housing.

- H.RES 1213 (9/17/70): Bush co-sponsored legislation that provided that the U.S. Supreme Court should consider and decide desegregation cases at the earliest possible date in order that the Nation's public school system may be provided with guidelines consistent with the mandate of Congress, which states: "desegregation shall not mean the assignment of students in order to overcome racial imbalance."

CONGRESSIONAL RECORD:

- 89. H.R. 10805 (7/11/67): Bush voted for the extension of the Civil Rights Commission through January 1973.

- 112 H.R. 2516 (8/16/67): Voted in favor of the bill providing additional protection for persons exercising their civil rights.

- 184 H.R. 12963 (9/16/68): Voted in favor of the bill authorizing a Presidential Commission to study ways to foster a better understanding and knowledge of Negro History.

- 50 H. RES 1100-H.R. 2516 (4/10/68): Voted in favor of the Senate amendments to the House passed Civil Rights Bill. These amendments prohibited interference with a person exercising his/her civil rights, and prohibited discrimination in the sale or rental of housing.

- 212 H.R. 18037 (10/3/68): Voted in favor of prohibiting the use of funds to force attendance of students at a particular school, or to force busing of students, or the abolishment of schools (this motion was defeated in the House).

- 214 H.R. 18037 (10/3/68): Voted against the amendment which weakened the House provision prohibiting HEW from withholding funds from districts practicing "freedom of choice" desegregation plans. Bush is, in essence, supporting desegregation - but supporting the idea of

"free choice planning"- as opposed to the forced busing of children to predetermined schools.

- 196 S 2455 (11/16/70): Voted in favor of the bill increasing the funds to be authorized for the Civil Rights Commission.

The following is a collection of quotes and comments made by Ambassador Bush on the issue of Civil Rights. Some of the comments will be general, but many will refer to specifics,in which case the comments(either by or about Bush) will be arranged by subject and in a chronological order.

AS RNC CHARIMAN:

1) Appointment of Rep. Steiger(for more details, see the Additions to the Hispanic Record.)

2) Appointed Art Fletcher as the consultant to the RNC for minority affairs.In announcing the appointment, Bush said,"With the appointment of Art Fletcher, the Republican National Committee will be putting the Nation on notice that the Republican Party means business and is going to actively and agressively seek to not only build a broad base of support for the Party and its programs, but also to significantly involve black leaders in the affairs of the Party."(August 1973).

- In the October edition of First Monday (1973), Bush commented, "When I look at this country,and I look at blacks in politics, I hopefully sense an increased black participation in our Party. We want it- we need it- we must do what we can to encourage it."

- At a workshop of the National Newspaper Publishers Association In January 1974, Bush told a gathering of Newspaper executives that "the heavy concentration of Blacks in one party is not good for the country, it will not produce good government, it is not good for either political party, nor is it good for the Black community."

GEORGE BUSH ON THE ISSUE OF BUSING:

I have received a great deal of mail from my constituents expressing their opposition to busing in Houston. I can certainly understand this feeling and, frankly, I share it. From correspondence I have had it appears to me that neither Negro nor white in Houston wants busing. Like most,I would not like to see the Houston Independent School District adopt a busing proposal.

I would like to point out that the proposal for busing is not a proposal of the Nixon Administration. The suit filed by the Justice Department is a procedural one calling to the attention of the court, which is controlling Houston's desegregation procedures, that it has a case before the court that the Justice Department would like to see considered as soon as possible. The actual motion was filed by the Justice Department over one year ago. The case itself was instituted by private plaintiffs in 1956. In other words, it will be up to the court to decide whether or not Houston's "freedom of choice" plan is, in fact, achieving the intent of the law.

As long as the Houston Independent School District is under court order to desegregate the Department of Health, Education, and Welfare cannot withdraw federal funds from it under any circumstances.

In the authority granted to the Justice Department to enter into cases such as this, the law specifically prohibited U. S. officials or courts from issuing any order seeking to achieve racial balance in schools by transporting children from one school to another. Since that time Congress has twice voted to reinforce its disapproval of busing. One of these votes came last year and I voted, with the majority of the Members of Congress, against using federal funds for distribution to school districts that use busing as a means of complying with a court desegregation order.

I think that the concept of the neighborhood school is important to Houston and I hope that the Houston School Board will make the strongest possible presentation to the court in order to keep the neighborhood school program.

- taken from the statement of the Honorable George Bush on February 25,1969.

Let me restate the position I have consistently taken on this issue. I oppose busing to achieve racial balance. I have voted this way all three times that this has come up in the Congress. I support the equal enforcement of desegregation laws in all parts of this country - North and South alike.

Quality schools in all neighborhoods provide the only correct answer to this problem. Where our schools are inadequate, let's use all our energies to upgrade them, being sure that no minority group has substandard schools. Let's not ruin our neighborhood concept by busing, but let's have our freedom of choice plans so sensitive and fair that none can find fault with them.

- taken from a letter to the Honorable Preston Smith (2/24/70).

The President's statement on school desegregation was the most extensive ever made by a Chief Executive. In it, he restated his opposition to compulsory student busing to achieve racial balance, and he urged that school boards facing desegregation decisions be given wide latitude provided they act in good faith to carry out the law. Mr. Nixon emphasized that while raising the quality of education in all schools, emphasis will be placed on racially-impacted schools, and particularly on equalizing those schools that are farthest behind. My position: I was impressed by the scope and humanistic aspects of the message. It was a very realistic appraisal of the current status of elementary and secondary school desegregation, one which recognized the human problems involved in the integration process. In my opinion, the President's support of neighborhood schools as a basis for our public school system is correct.

- taken from The Way I See It, Congressman Bush's monthly newsletter; April 1970.

"I dont think it is right to force a child to attend school out of his own neighborhood. There is the question of time in transport. There is great value in being near one's homes as far as sickness goes. Parents and children can be more active in extracurricular school affairs if they can readily get to the school. The neighborhood school concept strengthens the local community and in my view the family. Under 'freedom of choice' those who disagree with this can go outside of their neighborhoods." --from Where Does GEORGE BUSH stand on the Issues?, p. 1, undated.

"Busing to achieve a racial balance is wrong. I have voted against federal funds for such busing over and over again." --from George Bush for U.S. Senate NEWS RELEASE, July 20, 1970.

"The goal of this nation must be quality education in schools free of discrimination located near a child's home."--same as above.

"Speaking at a capitol press conference, Bush said he has always favored maintaining the neighborhood schools and has always voted against busing." --from "Bush Consoles Schools Facing Integration Suits," Houston Chronicle, 7/30/70.

"Republican U.S. Senate candidate George Bush said Monday he opposes racial quotas and forced busing as means to bring racial balance to public schools." --from "Candidate Bush Opposes Bussing," Amarillo Daily News, 7/30/70.

'The country wants desegregated schools,' Bush said. But he said the answer to educational problems 'lies in quality neighborhood school education for all, but not in racial or ethnic quotas.'" --from "Bush Challenges Busing be Schools," The Dallas Morning News, 7/21/70

"I firmly believe the neighborhood school concept should be the rule...I am opposed to busing to achieve racial balance. A sound education requires an atmosphere conducive to learning. I don't believe that busing of school children contributes to this kind of atmosphere. This is why three different times I have voted against the use of federal funds for busing. It has been clear that parents of black students have resisted busing as strongly as white parents in many areas." -- from George Bush for U.S. Senate NEWS RELEASE, 8/10/70, p. 1.

"'In the first place, I don't start from the same precept, that a child can't get a good education in a segregated school,' Bush said. 'The question is in the equality of the schools. I don't think it's good enough.'....He said in talking with black, Mexican-American and white parents in Houston he has found that no parent wants his child bused...'The people want neighborhood schools,' Bush said..." --from "Bush Cites Record in Seeking Black Vote," Houston Chronicle, 9/22/70, p. 10, Sec. 1.

CONGRESSMAN GEORGE BUSH

"By 1966 he(Bush) was the reform hope, the choice of Houston liberals against a Democrat who "accused" Bush of seeking support among the black voters." taken from the Congressional Quarterly report on Bush, 1970.

"As a member of the House Bush voted for the Civil Rights Act of 1968 and the open housing requirements that it contained. 'I do not want it on my conscience,' Bush said, 'that I had voted against legislation that would permit a Negro serviceman returning from Vietnam, where he had been fighting for the ideals of this Country, to buy or rent a home of his choosing if he has the money.' He was the only one of the three Texas Republicans then in Congress to support the bill." taken from the Congressional Quarterly report on Bush, 1970.

"Interestingly enough - and the racial record of America's Ambassador to the U.N. is always of wide interest - the only rough political controversy Bush faced in his district concerned one of his votes on civil rights. In 1968, the Johnson Administration's bitterly debated open-housing bill passed the House. Bush voted for it.

That Bush's vote took considerable courage was evident from the reaction in his district. He described some of it in a letter he wrote to a close friend while flying back to Washington after confronting his angry constituents. The letter also recounts an incident on the plane that captures the peculiar intensity of Bush's commitment as a politician.

'... I never dreamed the reaction would be so violent. Seething hatred-the epithets-the real chicken shit stuff in spades-to our (office) girls;"You must be a nigger or a Chinaman"- and on and on- and the county crowd disowning me and denouncing me and wondering if they could "still continue to support me" - and at the Gridiron Dinner

— the snubs by legislative candidates who were wanting my support and fawning all over me a couple of months ago...

Tonight I got on this plane and this older lady came up to me. She said,"I'm a conservative Democrat from the district, but I'm proud, and will always vote for you now"- and her accent was Texan(not Connecticut) and suddenly somehow I felt that maybe it would all be OK- and I started to cry - with the poor lady embarrassed to death - I couldn't say a word to her...'."

Bush's interest in the black community is further illustrated through a particular program which he sponsored for the black youth in his district:

Forward Action, Inc. is a program we carried out last summer in which about a dozen Houston firms cooperated in hiring 100 young Negroes for summer jobs. Our goal for this summer is 300 jobs. To implement this program, I have added Mr. John H. Bowers to my staff to serve until August 1. He will be working full time on this project interviewing applicants for summer jobs and talking to representatives of Houston businesses which I hope will cooperate in what I consider to be an essential program.

-taken from Bush Reports on the Action, March 1968.

BUSH AS A CANDIDATE FOR THE U.S. SENATE:

"U.S. Rep. George Bush, Republican candidate for the U.S. Senate has asserted that Negroes should support him because of two pro-black votes in Congress while his opponent has no record of efforts for minorities...Bush pointed to his votes in favor of th e open housing civil rights bill in 1968 and in favor of the "Philadelphia Plan" in 1969. And Bush...asserted that black people have "been had" by Democrats who have taken their votes for granted for years while delivering nothing...!At least I've demonstrated some sensitivity. I voted for open housing in 1968. And a lot of people in my district(Southwest Houston)asked me 'Why did you vote for that? It can't help you any in your district.' 'But I told them that I would vote my district in most instances and whenever I could, but in the last analysis the most important thing I owe them is my judgment.'" --from "Bush Cites Record in Seeking Black Vote," Houston Chronicle, 9/22/70, p. 10, Sec. 1.

A LITTLE SENATE SCANDAL: TAKE IT OR LEAVE IT...

"One Republican Congressman told Roll Call that, during a long conversation with Bush just after the election, Bush told him that former Treasury Secretary John Connally (a Democrat in 1970) was the "engineer of my defeat." According to the Congressman, Bush said that Connally held a secret meeting with several of the state's civil rights leaders and asked, "What will it take to get you to support Bentsen?" They allegedly answered, "A Congressional district in Houston." And, since redistricting had been scheduled for after the Senate election, Connally said, "You got it." The congressman added that Rep. Barbara Jordan (of Houston) was elected to Congress in 1972.

On Saturday, Bush told Roll Call that Connally did campaign quite actively for Bentsen, but he could not verify whether a deal had been made for a black Congressional district in Houston." taken from the Congressional Roll Call.

GEORGE BUSH ON THE CIVIL RIGHTS BILL:

The Civil Rights Bill of 1964 "insures the rights of 12 percent while violating the rights of 100 percent" of the population. "The answer to the problem lies in equal job opportunities and equal educational opportunities, not in compulsive legislation." taken from the Houston Chronicle, October 18,1964.

The bill " is politically inspired" ...and"makes further inroads into the rights of individuals and the states, and even provides for ultimate destruction of our trial by jury system." taken from the Houston Chronicle, April 11,1964.

CIVIL RIGHTS BILL.... I oppose the Civil Rights Bill on the grounds that it transcends civil rights and violates the constitutional rights of all the people. Job opportunity, education and fair play will help alleviate inequities. Sweeping Federal legislation will fail. - taken from the George Bush Pamphlet, 1964.

*** Note: Attached is the text to a more detailed question and answer approach to the subject of Busing.

THE GEORGE BUSH RECORD ON MINORITIES

NDICAPPED

- HR 12257 --(1967) Vocational Rehabilitation Amendments. Bush voted in favor of authorizing grants to states for basic vocational rehabilitation services, establishing a National Center for Deaf-Blind Youths and extending services to migratory workers.

HR 6430 --(1967) Mental Retardation. Bush voted in favor of the authorization of funds for an extension of two programs for grants for the construction of mental retardation facilities and a new program of grants for staffing the facilities.

S 1611 --(1969) National Center on Educational Media and Materials for the Handicapped. Bush voted in favor of the bill establishing a center to develope teaching materials and methods for the handicapped.

BILLS SPONSORED OR CO-SPONSORED BY BUSH

HJ Res. 1422 --(1968) Sponsored a resolution directing the Secretary of Labor to make recommendations to Congress to increase employment opportunity for young people and the handicapped (see also HJ Res. 279 -1969).

AMBASSADOR BUSH'S RECORD ON HISPANIC AFFAIRS

1. CONGRESSIONAL RECORD

A. Bilingual Education

1. In 1968, he spoke out against Congress' decision to deny President Johnson's proposed $5 million funding for bilingual education, and introduced his own bill, H.R. 12283, which would have declared it to be "the policy of the United States to provide financial assistance to enable State educational agencies to develop and carry out new and imaginative elementary and secondary school programs designed to meet these special educational needs." His bill called for the "authorization of $5 million for the first fiscal year, increasing by equal amounts during the following two years."

2. Also in 1968, Mr. Bush and 48 other Congressmen proposed the creation of a $2.5 billion "human renewal fund", coupled with a $6.5 billion budget cut, to meet "urgency human needs" in the nation. Significantly, the $5 million proposed funding for bilingual education was not on the list of items to be cut from the budget, but would have been implemented in spite of other reductions.

3. In 1969, Bush worked successfully for passage of the Bilingual Education Act, which authorized an initial $7.5 million for research and pilot programs.

4. In 1970, Mr. Bush announced his support for HEW's decision to incorporate bilingual education in its effort to ensure equal educational opportunities to all citizens.

B. Open Housing

Representative Bush voted for the passage of the Civil Rights Bill which prohibited discrimination in the sale or rental of housing. (H.R. 2516) (Congressional Record Vote No. 96, April 10, 1968, see 1968 CQ Almanac pp. 24-25H)

C. In 1969, he introduced H.R. 12184 to create an Interagency Commission on Mexican-American Affairs, and voted in favor of a bill establishing a Cabinet Committee on Opportunities for Spanish-speaking People.

D. During his Congressional career, Mr. Bush frequently submitted for inclusion in the Congressional Record items of Hispanic interest, in order to keep his fellow Congressmen aware of Hispanic issues. These included a tribute to the Cinco de Mayo celebration, a speech on the "Amigos de las Americas" volunteer program, and a reference to National Hispanic Heritage week.

2. REPUBLICAN NATIONAL CHAIRMAN RECORD

A. On Ocotber 25, 1973, Chairman Bush announced the formation of an Advisory Committee on the Republican Party's role in the Spanish-speaking community and designated it a "top priority program". He named Representative Manuel Lujan (R. - N.M) as Chairman of the committee. This committee reported its recommendations on issues of major significance to Hispanic community, including revenue sharing, U.S.-Cuban relations, the problem of illegal aliens, and the appointment of a Special Assistant to the President for Hispanic affairs.

residents without fear of reprisal for their previous illegal status.

The recommendation that a Special Assistant to the President be appointed was soon followed by the appointment of Fernando De Baca as Special Assistant to the President.

B. Tony Salinas, County Chairman of Jim Hogg County, was appointed by Chairman Bush a member of the Rule 29 Committee to study rules of the Republican Party with a view to increasing participation in the Republican Party.

3. Mr. Bush participated for two years in the Mexican-United States Interparliamentary Conference, serving in 1969 as co-chairman of the Conference's committee on economic affairs. In 1970, he and Congressman Manuel Lujan (R.- N.M) toured five Texas cities to confer with Mexican-Americans prior to the conference.

4. The only positions in which Ambassador Bush had control over the selection of staff members were his positions as U.S. Representative and Chairman of the Republican National Committee. As U.N. Ambassador, Chief of the U.S. Liaison Office in China, and Director of the Central Intelligence Agency, he had very few staff positions under his control. A few of his appointments were:

A. Mr. Bush's first press secretary when he was a Congressman was John de la Garza.

B. Mr. Bush nominated Hispanic high school students to appointment for the Service Academies, including Rafael Acosta to the Air Force Academy.

C. As Republican National Chairman, he appointed Tony Salinas of Texas to the powerful Rule 29 Committee which rewrote the national party rules.

D. Also at the RNC, he appointed J. Raul Espinosa as Director of the RNC's Spanish-speaking Advisory Committee.

QUOTES FROM GEORGE BUSH ON MINORITIES

—The Republican Party can woo more minority support by explaining that its economic impetus proposal "offers them jobs, hope, and opportunity in the private side." He said "a dynamic economy would be the best thing that's ever happened to the minorities."

The Huntington Herald Press
9/22/78

QUESTIONS AND ANSWERS ON SCHOOL BUSING
by George Bush, Member of Congress, 7th District, Texas

Question: Has the Federal Government ordered busing to achieve racial balance?

Answer: NO. IT IS SPECIFICALLY AGAINST THE LAW FOR THE FEDERAL GOVERNMENT TO INSIST UPON BUSING TO ACHIEVE RACIAL BALANCE. THE CIVIL RIGHTS ACT OF 1964 PROHIBITS THIS.

Question: Can the Department of Health,Education, and Welfare (HEW) withhold funds from Houston in order to force busing?

Answer: FIRST, HEW CANNOT WITHHOLD FUNDS FROM THE HOUSTON INDEPENDENT SCHOOL DISTRICT FOR ANY REASON, BECAUSE HOUSTON IS UNDER A COURT ORDER.
SECOND, THE HEW APPROPRIATIONS BILL IN 1968 SPECIFICALLY PROHIBITS THE USE OF FEDERAL FUNDS FOR BUSING.

Question: How did you vote on busing?

Answer: I VOTED FOR THE PRESENT LAW - I VOTED AGAINST USING FEDERAL FUNDS FOR BUSING.

Question: Will the Justice Department suit against the Houston Independent School District force busing in Houston?

Answer: THERE IS NO MENTION OF BUSING IN THIS SUIT. THE MOTION URGES THE FEDERAL COURT TO PROMPTLY CONSIDER THE ORIGINAL LAW SUIT BROUGHT AGAINST THE HISD IN 1956 BY AN INDIVIDUAL. THIS MOTION STATED THAT THE HISD "FREEDOM OF CHOICE" PLAN IS DISCRIMINATORY.

Question: But, I thought the government suit set out a busing proposal?

Answer: NO, THAT WAS A DISTINCTLY SEPARATE SUIT BROUGHT BY THE NAACP. IT, I UNDERSTAND, CONTAINS A BUSING PLAN.

Question: Congressman, do you favor the NAACP busing plan?

Answer: NO! I AM CONVINCED THAT NEGRO AND WHITE ALIKE OPPOSE FORCED BUSING. THEY BOTH FAVOR EXCELLENT NEIGHBORHOOD SCHOOLS AND "FREEDOM OF CHOICE".

Question: Are you for segregated schools?

Answer: NO. THE COURT PROPERLY STRUCK DOWN THE CONCEPT OF WILLFULLY SEGREGATED SCHOOLS IN 1954. I DO NOT FAVOR FORCED SEGREGATION IN OUR SCHOOLS. I SHOULD ADD THAT TEXAS IS WAY AHEAD OF THE SOUTH IN DESEGREGATION ACCORDING TO HEW. I SHOULD ALSO ADD THAT THE SEGREGATED SCHOOL PROBLEM IS AS MUCH A NATIONAL PROBLEM AS IT IS A REGIONAL PROBLEM - LOOK AT NEW YORK CITY.

Question: If you oppose segregation and you oppose busing, what is the answer?

Answer: THE ANSWER LIES IN PERFECTING THE BEST POSSIBLE "FREEDOM OF CHOICE" PLAN. EQUALLY IMPORTANT IS THE GUARANTEE THAT ALL HOUSTON SCHOOLS HAVE THE SAME DEGREE OF EXCELLENCE - EXCELLENCE IN CURRICULA, IN SCHOOL BUILDINGS AND IN TEACHERS. IN ADDITION IN A CITY AS BIG AS HOUSTON THERE IS ROOM FOR EXPERIMENTATION. ONE NEW IDEA MIGHT BE SPECIALIZATION CENTERS WHERE THE HIGH ACHIEVER FROM ANY PART OF TOWN COULD REALLY BE CHALLENGED. THIS WOULD BE ON A VOLUNTARY BASIS ONLY. PERHAPS THERE ARE OTHER NEW IDEAS WHICH WILL TEND TOWARD NEGATING DE FACTO SEGREGATION THROUGH THE STRESS OF EXCELLENCE.

Question: Do you think all Houston schools today have the same degree of excellence?

Answer: NO. I THINK GREAT STRIDES HAVE BEEN MADE, BUT THERE IS ROOM FOR VAST IMPROVEMENT IN SOME PREDOMINANTLY WHITE AND MANY PREDOMINATELY NEGRO SCHOOLS.

Question: Why do you oppose busing?
Answer: I DON'T THINK IT IS RIGHT TO FORCE A CHILD TO ATTEND SCHOOL OUT OF HIS OWN NEIGHBORHOOD. THERE IS THE QUESTION OF TIME IN TRANSPORT. THERE IS GREAT VALUE IN BEING NEAR ONE'S HOME AS FAR AS SICKNESS GOES. PARENTS CAN BE MORE ACTIVE IN SCHOOL AFFAIRS IF THEY CAN READILY GET TO THE SCHOOL. THE NEIGHBORHOOD SCHOOL CONCEPT STRENGTHENS THE LOCAL COMMUNITY AND, IN MY VIEW, THE FAMILY. UNDER "FREEDOM OF CHOICE" THOSE WHO DISAGREE WITH THIS CAN GO OUTSIDE OF THEIR NEIGHBORHOODS.

Question: But won't neighborhood schools result in some segregation?
Answer: YES, BUT IT IS NOT FORCED SEGREGATION AND, FRANKLY, THE MAIN CONCERN SHOULD BE TOWARD EXCELLENCE IN EDUCATION FOR ALL SCHOOLS.

Question: Does President Nixon favor forced busing?
Answer: NO. HE HAS STATED HE FAVORS "FREEDOM OF CHOICE."

Question: Does the Secretary of HEW favor forced busing?
Answer: NO. IN THE WASHINGTON POST OF MARCH 3, 1969, AND THE U. S. NEWS & WORLD REPORT OF MARCH 10, 1969, SECRETARY FINCH STATED THAT HE DID NOT FAVOR FORCED BUSING TO ACHIEVE RACIAL BALANCE. HE HAS APPOINTED DR. ALLEN HEAD OF THE OFFICE OF EDUCATION AND DR. ALLEN REPORTEDLY FAVORS BUSING. I AM HOPEFUL THAT THE VIEW OF THE SECRETARY WILL PREVAIL.

Question: Do you favor petitions on this question? Will petitions help?
Answer: IT IS EVERY CITIZENS RIGHT TO PETITION HIS GOVERNMENT. I WOULD BE CAREFUL ABOUT SIGNING ANY PETITIONS THAT ARE NOT FACTUALLY CORRECT OR PETITIONS THAT ARE WORDED IN SUCH A WAY AS TO INFLAME THE SITUATION.

Question: Would you elaborate on "inflame the situation"?
Answer: QUESTIONS INVOLVING RACE REGRETTABLY ARE TREMENDOUSLY EMOTIONAL TO SOME PEOPLE. THE SCHOOL SITUATION IS TOO CRITICAL TO ALL HOUSTONIANS TO PREVENT ITS BEING USED AS A DEMAGOGIC ISSUE BY ANY GROUP. I GET A LOT OF MAIL THAT IS INFLAMATORY. SOME OF THIS MAIL USES RACIAL EPITHETS. THE QUESTION OF GOOD SCHOOLS FOR ALL IS TOO URGENT TO PERMIT THE ISSUE TO BE CAPITALIZED UPON BY THOSE WHO DON'T FAVOR UNDERSTANDING AND FAIR PLAY AND WHO DON'T REALLY CARE ABOUT GOOD SCHOOLS FOR ALL. THUS ANY PETITIONS TO BE EFFECTIVE SHOULD BE FACTUAL AND WITHOUT RACIAL SLUR. IF THIS IS NOT SO, THE PETITIONS WILL SIMPLY BE INEFFECTIVE.

Question: Are you satisfied with the Houston schools?
Answer: I AM NOT FULLY SATISFIED - NO - BUT I DO FEEL WE HAVE A GOOD SCHOOL SYSTEM, WITH DEDICATED TEACHERS. THERE IS, OF COURSE, ROOM FOR IMPROVEMENT. EACH SCHOOL BOARD MEMBER SHOULD ASK HIMSELF IF HE IS SATISFIED THAT ALL AREAS HAVE THE BEST POSSIBLE TEACHERS, CURRICULA AND FACILITIES. IF THE ANSWER IS "NO", HE SHOULD DO ALL HE CAN TOWARD CORRECTING THIS - FOR HEREIN LIES THE ANSWER TO THE PROBLEM OF RACE IN THE SCHOOLS AND IN THE CITY. THE CRITICS OF THE SCHOOL BOARD MUST BE TOLERANT OF SOME OF THE SEVERE FINANCIAL LIMITATIONS PLACED ON THE BOARD, JUST AS THE BOARD MUST ALWAYS BE SEEKING EXCELLENCE IN ALL AREAS. I WILL NOT BE "SATISFIED" UNTIL THE HOUSTON SCHOOL SYSTEM IS NUMBER ONE.

Question: Why don't you Congressmen leave the local schools alone?
Answer: FIRST, I'M A CONGRESSMAN, BUT I'M ALSO A PROPERTY OWNING, TAX PAYING CITIZEN OF HOUSTON.
SECOND, WHETHER WE LIKE IT OR NOT THE SCHOOL DISTRICT IS INVOLVED WITH WASHINGTON - FEDERAL FUNDS IN ONE FORM OR

HOUSTON SCHOOLS. I WANT TO SEE THAT THESE FUNDS COME BACK WITH THE FEWEST POSSIBLE RESTRICTIONS BECAUSE I FAVOR LOCAL CONTROL. IT IS PROPER THAT FEDERAL FUNDS NOT BE USED IN A DISCRIMINATORY FASHION. THIS WOULD VIOLATE FEDERAL LAW AND WOULD VIOLATE MY CONSCIENCE AND THE CONSCIENCE OF MOST AMERICANS.

Question: Do you think there will be changes under the Nixon Administration affecting the Houston schools?

Answer: I EXPECT WE WILL SEE IMPROVED NEW GUIDELINES. I HOPE WE WILL SEE MORE BLOCK GRANTS AS OPPOSED TO CATEGORICAL GRANTS. BLOCK GRANTS GIVE THE LOCAL SCHOOLS MORE CONTROL AND MORE VERSATILITY. THERE ARE FEWER STRINGS ATTACHED. UNDER BLOCK GRANTS, ALL CIVIL RIGHTS LAWS WILL BE COMPLIED WITH, BUT THE SCHOOLS WILL HAVE MORE FLEXIBILITY TO INNOVATE AND THUS, IMPROVE. I THINK WE HAVE GREAT ABILITY HERE IN HOUSTON, AND I'D LIKE TO SEE IT EXPRESS ITSELF TO THE FULLEST. I DON'T CONCEDE THAT THE OFFICE OF EDUCATION IN WASHINGTON HAS A CORNER ON ALL THE GOOD IDEAS.

Question: Are you concerned about the Justice Department suit?

Answer: I AM CONCERNED. I DON'T WANT TO SEE THE FEDERAL LAW CHANGED WITH REGARD TO BUSING. I DO WANT TO SEE HOUSTON SET THE PACE FOR EDUCATIONAL EXCELLENCE AND FOR FAIR PLAY IN RACIAL MATTERS. I THINK IT CAN BE DONE. THE SCHOOL BOARD MUST SEE THAT IT CAN IMPROVE WHAT IT IS DOING. THE PEOPLE MUST LOOK AT ALL HOUSTON SCHOOLS AND SAY "ARE WE SATISFIED?" WE MUST BE DILIGENT IN BATTLING TO PRESERVE THE CONCEPT OF NEIGHBORHOOD SCHOOLS AND "FREEDOM OF CHOICE" AND WE MUST BE EQUALLY DILIGENT IN SEEING THAT AS EACH PARENT GOES TO EXERCISE HIS CHOICE, HIS NEIGHBORHOOD SCHOOL WILL MEASURE UP IN ALL WAYS TO THOSE IN ANY NEIGHBORHOOD IN HOUSTON. SOME OF THIS WILL TAKE TIME. MUCH OF IT WILL TAKE UNDERSTANDING AND ADJUSTMENT. TO SHOOT FOR LESS IS UNTHINKABLE. THERE IS TOO MUCH AT STAKE. THERE IS A REAL URGENCY.

Question: Why do you keep stressing educational excellence?

Answer: I FEEL THE LONG RUN ANSWER TO POVERTY AND DESPAIR LIES IN JOBS AND QUALITY EDUCATION. BUT QUALITY EDUCATION MUST COME FIRST. THE BETTER HOUSTON DOES ITS EDUCATIONAL JOB, THE FEWER HANDOUT PROGRAMS WILL EXIST AND THE LESS UNREST WILL BE AROUND. EDUCATION AND JOBS - HEREIN LIES THE ANSWER. STRONG RESPONSIVE NEIGHBORHOOD SCHOOLS WITH UNPARALLED CURRICULA AND OUTSTANDING TEACHERS REPRESENT THE FIRST GIGANTIC STEP. ADD TO THIS A DETERMINATION BY ALL TO INCULCATE INTO THE LIVES OF ALL CHILDREN, FAIR PLAY AND UNDERSTANDING ON RACE AND AMERICA WILL HAVE COME A LONG WAY TOWARD REACHING THE AMERICAN DREAM.

Question: Does understanding mean whites should understand blacks better?

Answer: IT MEANS THIS, AND MOST DECIDEDLY IT MEANS A NEED FOR UNDERSTANDING IN THE BLACK COMMUNITY. JUST AS AN INFLAMMATORY RACIST STATEMENT BY A WHITE OFFENDS THE SENSITIVITY OF A BLACK AND JUST AS SOME RACIST SLUR STRIPS HIM OF HIS DIGNITY - SO DO SOME OF THE OUTRAGEOUS STATEMENTS BY NEGRO MILITANTS CAUSE UNDERSTANDABLE CONCERN AMONGST WHITES AND SET BACK THE QUEST FOR REASON. THESE NIHILISTS RIPPING CHURCHES ASUNDER ARE POORLY SERVING THEIR ALLEGED QUEST FOR FAIR PLAY. NO, THE CASE IS NOT ONE-SIDED - MUTUAL UNDERSTANDING IS WHAT IS NEEDED.

BUT LET ME END ON AN OPTIMISTIC NOTE. IN HOUSTON, I FEEL THE VAST MAJORITY OF CITIZENS, BLACK AND WHITE, SHARE THE QUEST FOR BETTER UNDERSTANDING. I REALLY BELIEVE THE VAST MAJORITY FAVORS THE APPROACH TO THE SCHOOLS THAT I HAVE OUTLINED ABOVE.

QUOTES FROM GEORGE BUSH ON CIVIL LIBERTIES

Bush said he initially voted for the Equal Rights Amendment, "but I must say I was appalled at some of the baggage that popped up along the way."

And he does not support the proposed extension of the deadline for its ratification, saying that such an action means changing "the rules in the middle of the game."

Post- Valley Forge (Pa) 8/10/78

8) Equal Rights Amendment? A. Favor. I voted for it along with Phil Crane, Bob Dole, and former President Ford. It's in the Republican platform, and I support it. I do not support some of the baggage that has come to be identified with it. What I'm for is a person's rights not being abridged because of sex. We've got a lot of young women working in this country and they should be treated fairly in terms of compensation for equal work.

Texas Advocate June 1979

7) **Abortion?** A. Oppose. I am opposed to federal funding, but I do not support the amendment to change the Supreme Court decision. It's a matter for the states, in my view.

Washington Post 5-2-79

• Opposed federal funds for abortions and a U.S. constitutional amendment outlawing them. Bush said constitutional amendments should be left to the states and that he opposes abortion "on moral standards."

Washington D.C. Post
5-2-79

Civil Liberties

H. Res. 654 (GB) Prohibit travel to incite riots
H. R. 11027 (GB) Prohibit using federal facilities to incite a riot

3-0 89 HR 10805 Civil Rights Commission - passed - yes
94 HR 421 Anti Riot Bill - passed - yes
3-0 112 HR 2516 Civil Rights - adopted - yes
3-0 118 HR 2516 - additional Protection for civil rights - passed - yes
114 HR 12257 - Vocational Rehabilitation Amend. passed - yes
133 HR 6430 Mental Retardation - passed - yes

1968

Civil liberties

3-0 49, 50 HRes 1100 - Open Housing

H. J. Res. 1061 (GB) amendment to prayer in public bldgs.
3-0 H. R. 14626 (GB) Fair Housing
H. J. Res. 1422 (GB) Youth + Handicapped - employment

1969

Civil Liberties

H. R. 4605 (GB) Contraceptives - prohibitions
H. J. Res. 279 (GB) Employment for young + handicapped
H. R. 14173 (GB) Family Assistance Act of '69
H J Res 320 (GB) Prayer in public building
3-0 150, 151 HR 4249 - Voting Rights, passed, yes

1970

Civil Liberties

H J Res 1242 (GB) Equal Rights for men & women

N.Y. TIMES: 06-19-89

Business and the Law | Stephen Labaton

Bias Rulings Aid Japan's U.S. Units

165\122\127\145

WASHINGTON

QUITE fortuitously, Japanese companies may be reaping the benefits of a recent group of Supreme Court decisions on civil rights.

In the last three weeks, a sharply divided Court has deeply undercut the ability of employees to sue their companies on charges of discrimination and has opened court-approved settlements of some civil rights cases to subsequent legal challenges. Although none of the defendants in those cases have been Japanese subsidiaries in the United States, those subsidiaries have become a leading target of employment cases in recent years. The Supreme Court action means those and other civil rights cases will be more difficult to pursue.

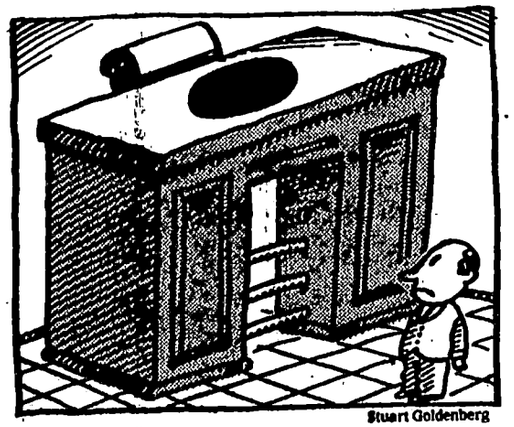
In one case, Wards Cove Packing v. Atonia, the Court ruled that employers need not justify hiring practices on the basis of "business necessity," shifting an important burden of proof and making it easier to defend such cases.

• • •

Two other decisions handed down on Monday further chipped away at employee suits. The Justices opened court-approved affirmative actions to subsequent legal challenges and placed tight time limitations on lawsuits that challenge seniority systems that are purported to be discriminatory. And in a decision handed down on Thursday, Patterson v. McLean Credit Union, the Justices said that a major civil rights statute barred discrimination at the initial hiring, but not discriminatory treatment or harassment on the job.

Japanese subsidiaries have been facing a growing hostility from their American workers, who have been helped in large part by a 1983 Court decision that said foreign subsidiaries in the United States must abide by Federal civil rights laws.

For the Japanese, particularly in service-oriented industries, the 1983 ruling has been difficult to comply with. Their lawyers assert that the companies need to hire senior management people who speak Japanese and understand the ins and outs of the home office.



Stuart Goldenberg

The Sumitomo Corporation of America, as part of a settlement of a case brought by women employees, promised to run a training program to assist the women to learn Japanese.

One of the latest Japanese cases moved forward last month when Federal Judge Leonard B. Sand, who sits in Manhattan, said that Anthony R. Yap and Vishu Sethi, two workers at Sumitomo, could proceed to represent a class of more than 100 American men against the company. The plaintiffs said they have not been promoted because of a "dual track" that favors Japanese workers over other employees, a charge denied by Sumitomo.

In another case in the same week that Judge Sand issued his ruling, E. Gaull Silberman, the vice chairman of the Equal Employment Opportunity Commission, accused two American subsidiaries of the Recruit Company of Japan of practicing blatant employment discrimination based on race, sex, age and national origin. Mr. Silberman said the two subsidiaries have continually violated anti-discrimination laws in the face of earlier complaints. Court documents submitted at the request of the commission included a memorandum by one of the subsidiaries, Interplace Transworld Recruit, that described a code used by the company on job orders to indicate when a client wanted an employee of a particular age, sex or race.

The memorandum said that "Talk to Maria" meant the client preferred Hispanic employees, "Mary" meant Caucasians, "Mariko" meant Japanese, "Adam" meant men, "Eve" meant women and "Maryanne" meant blacks.

Lawyers report that in New York and California, where the Japanese have the strongest presence, more than two dozen major cases have been filed against subsidiaries, which include C. Itoh, Mitsubishi Bank and Nikko Securities.

Honda of America agreed in March 1988 to settle discrimination charges by paying $6 million and hiring 377 blacks and women who were denied employment at the company's plants in Ohio. Toyota and Nissan subsidiaries have reached smaller, though similar, settlements. And in November, three American workers at a Matsushita Industries unit, the Quasar Company, won a $1.9 million verdict for age discrimination.

• • •

"The foreign multinationals, for reasons political as well as legal, are clearly the wave of the future in the employment area," said Ronald M. Green, a lawyer with the New York firm of Epstein, Becker & Green, which is representing Sumitomo and other Japanese subsidiaries in discrimination cases. "They are more commonly becoming the targets of such allegations even though they are not more commonly the culprits."

The plaintiffs insist that the Japanese are the culprits, and that the recent Supreme Court decisions will unfairly limit meritorious claims. "They gave me a new title, but no increase in pay," said Mr. Yap, a 51-year-old analyst in Sumitomo's treasury department who earns $45,000 a year and is suing the company. "The Japanese in similar positions are getting two to three times as much money as I am."

WASH.POST:06-19-89

DOROTHY GILLIAM

If Not the Court, Who?

Our worst nightmares are realized. The U.S. Supreme Court has defied logic and history to side with the beneficiaries of bias, not its victims. Now, conventional wisdom has it that Congress is the new line of offense where these rights will be restored.

But those contemplating this strategy may find themselves between a rock and a hard place.

On one hand, it should be asked whether Congress can be seen as a viable alternative for justice and equality at a time when there is so much evidence of moral decay and questionable ethics on the Hill.

On the other, while it is true that the pendulum has swung and aggrieved persons may have to change strategies and look to the legislature, it should not be forgotten that laws come back to the Supreme Court for interpretation.

Constitutional historian Olive Taylor of Howard University reaches a more ominous conclusion:

"The Founding Fathers saw the judiciary as a safety valve to give people the opportunity to redress their grievances. If you take that away, for blacks at least, the question is, where do we go now? When you get that kind of hopelessness among large segments of society, that is the stuff of which revolution and violence are made.

"If people feel the tools are being taken away to go to the judiciary, and Congress isn't right, it adds to the lack of confidence of people in government, and no government can last long without the confidence of its people. So those seeking redress are in a dilemma—and it is, on another scale, the dilemma of the whole nation."

Taylor's point is harsh, but it is on target. And no less so for the court's attempt to honey-coat its pernicious, mean-spirited decisions. In telling why the conservative majority agreed not to overturn a 1976 decision in *Runyon v. McCrary*, but held that the right to nondiscriminatory contracting provided by an 1866 law on which that decision was based did not cover the plaintiff's right to be free from racial hazing on the job, Justice Anthony M. Kennedy made the following statement:

"Neither our words nor our decisions should be interpreted as signaling one inch of retreat from Congress's policy to forbid discrimination in the private, as well as the public, sphere." Those are nice sounding words, but they are as hollow as a rotten log.

In one other recent case, the court ruled against three women employees of American Telephone & Telegraph Co. who were demoted under a dual-seniority system that allowed women to be fired or demoted before men. In another case, it held that disgruntled white firefighters in Birmingham could continue to challenge a consent decree that called for hiring and promoting blacks and whites in equal numbers. In still another, the court limited the scope of the bedrock legal weapon that made it possible for minorities and women who are victims of bias to sue for money damages.

"This represents not only a judicial shift, it is bolstering the climate that people who are underdogs and whom the law is designed to protect are not welcome before the court," Taylor said. "It smacks at the very meaning of liberty in a free society—that is, the use of government and law for the protection of the ordinary person."

Forty or 50 years ago, the Congress was the conservative branch of government and civil rights advocates such as now-Supreme Court Justice Thurgood Marshall were forced to go to the judiciary. Now that is reversed and the judiciary has become the reactionary force.

Although Americans may find it futile to look to the court, we should never forget its quiet power, including its power to define what the Constitution really means. Given the ages of several justices, it is likely that President Bush will have the opportunity to name a person to the Supreme Court. It is important to fight despair with action and pressure the president to appoint constitutional theorists, not political ideologues, who may provide some balance to the court.

I hope this series of decisions may be one of the last gasps of racism from this court.

And while these rulings are not in the spirit of the Constitution, I have faith that, in the long run, the true spirit of that document shall prevail.

C.TRIBUNE:06-19-89

The court's 'retreat' on civil rights

To hear its critics, the Supreme Court has been taken over by rabid Reaganites who are rushing to undo the civil rights progress of the last quarter-century. How much truth is there in this critique? Not much. The court has been a good deal more careful and judicious than its critics.

The justices, it's true, have undertaken a review of many programs adopted to help minorities, and they have rejected some. But for the most part, they have done a good job of balancing the need to compensate for past racism with the duty not to unduly penalize the innocent. No balance could please everyone. But the court hardly deserves the hysteria that has greeted each of its decisions on race-related laws.

Last week the justices handed down two notable rulings. The first involved the Birmingham, Ala., fire department, which in accordance with a consent decree has a policy of hiring and promoting blacks and whites in equal numbers. In that case, the court held that white firefighters, who weren't a party to the agreement, have a right to sue to overturn it. Chief Justice William Rehnquist argued reasonably in the majority's opinion that "a consent decree between one group of employees and their employer cannot possibly 'settle' ... the conflicting claims of another group of employees who do not join in the agreement."

The second involved an 1866 law that that grants blacks the same freedom to make contracts as whites. It long had been interpreted to bar only government discrimination, but in 1976, the court said it could be used to punish private discrimination as well. With a healthy respect for precedent, the court upheld the use of the law as a weapon against employment discrimination, arguing that whether the 1976 decision was right or wrong, "it is not inconsistent with the prevailing sense of justice in this country."

The court did rule, however, that the law can't be stretched to combat racial harassment on the job, something that remains illegal under other laws. That this decision can be taken as evidence that the court is hostile to minorities is puzzling in the extreme.

These decisions are painted by opponents as merely the latest in a long series of setbacks in the Supreme Court. In January, the court struck down a Richmond, Va., program reserving 30 percent of all public works contracts to blacks and other minorities. Earlier this month it made it easier for employers to defend practices that supposedly disadvantage minorities. But in both cases, the court reached narrow, sensible rulings. The point of each was to advance truly color-blind practices and to minimize the use of rigid quotas that make race the prime criterion in handing out benefits.

In no case has the court issued a blanket ban on preferences for minorities. In the Richmond case, it said that such preferences can be used, but only as a remedy for past discrimination—not simply as an effort to achieve some vision of a perfectly balanced work force. What's clear is that the court refuses to see mere racial imbalances as proof of racism—or fixed racial formulas as the best cure for racism.

For those who see unyielding quotas as an essential part of the solution for minorities who have been held back in the past, this pattern of Supreme Court decisions is a defeat. But for those Americans, black and white, who think the right goal is equality of opportunity for all people, it represents progress.

N.Y.TIMES:06-18-89

Language of the Law

As recent decisions have made clear, the Burger and Rehnquist courts have looked at similar civil rights cases from different angles. The following excerpts, from some of the Court's principal cases, show the Justices' changing observations about the purpose and scope of the laws.

Unequal Opportunity

In this term, the Court effectively shifted the burden of proof in suits alleging discriminatory patterns in hiring and promotion.

1971 : [The Civil Rights Act of 1964] proscribes not only overt discrimination but also practices that are fair in form, but discriminatory in operation. ... Congress directed the thrust of the Act to the consequences of employment practices, not simply their motivation.

Griggs v. Duke Power Co.
Chief Justice Burger

1989 : The plaintiff bears the burden of disproving an employer's assertion that the adverse employment action or practice was based solely on a legitimate neutral consideration.

Wards Cove Packing Co. v. Atonio
Justice White

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Ten years ago, the Court found that an affirmative action plan agreed upon in labor negotiations did not violate whites' civil rights; this year, it held that whites affected by a court-ordered affirmative action plan could sue to reopen the case.

1979 : It would be ironic indeed if a law triggered by a Nation's concern over centuries of racial injustice and intended to improve the lot of those who had "been excluded from the American dream for so long," constituted the first legislative prohibition of all voluntary, private, race-conscious efforts to abolish traditional patterns of racial segregation and hierarchy. ... We need not today define in detail the line of demarcation between permissible and impermissible affirmative actions plans. ... The challenged Kaiser-U.S.W.A. affirmative action plan falls on the permissible side of the line.

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The Court has outlined limits on set-asides of public-works funds for minority contractors, an arrangement approved in 1980.

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Richmond v. Croson
Justice O'Connor

L.A. TIMES: 06-18-89

High Court No Longer Seen as Rights Defender

Activists, Stung by Decisions of Reagan-Shaped Bench, Turn to Congress for Remedial Legislation

By DAVID G. SAVAGE, *Times Staff Writer* 22\27

WASHINGTON—Civil rights activists, stung by a series of setbacks in the Supreme Court, say the rulings appear to mark the end of one era of anti-discrimination action and the beginning of another.

For 35 years, from the time the justices unanimously decreed an end to school segregation in 1954 and through the years of the Ronald Reagan Administration, the Supreme Court was counted on to be an active defender of civil rights.

In the 1970s, although dominated by Republican appointees, the court nonetheless gave a broad interpretation to civil rights laws enacted by Congress. And, through most of this decade, the court repeatedly rejected moves by the Reagan Administration's attorneys to retreat on civil rights in the areas of housing, voting, education and employment.

Protections Undercut

But no more. With Reagan appointees now controlling the court, and issuing rulings that recently have undercut minority protections on several fronts, civil rights advocates say they will look now to Congress to take the lead in civil rights action.

"We can't rely on the court any more, but . . . we have a strong bipartisan consensus in Congress in support of civil rights. We are confident remedial legislation will be enacted," said Ralph Neas, executive director of the Leadership Conference on Civil Rights, an umbrella group representing more than a hundred organizations.

Although aggressive support for civil rights has waned in the Supreme Court, the civil rights lobby has shown itself to be more powerful than ever on Capitol Hill. Recently, pro-civil rights forces have managed to win key victories even when matched against both the executive and judicial branches.

Last year, for example, the House and Senate, by nearly 3-1 ratios, overrode President Reagan's veto and enacted a law applying federal anti-discrimination standards broadly to schools, colleges and other recipients of federal funds.

Reagan Victory Reversed

The legislation overturned a Reagan Administration high court victory, the 1984 Grove City College ruling, that said that government standards were binding only on departments receiving federal aid, not the entire college.

Despite Reagan's opposition, the pro-civil rights coalition in Congress enacted broader laws attacking discrimination in housing and voting. And, in 1987, the Senate soundly defeated Reagan Supreme Court nominee Robert H. Bork in large part because he was perceived to be a foe of broad civil rights protections.

Sen. Edward M. Kennedy (D-Mass.), a leading sponsor of civil rights legislation, took the Senate floor Thursday to declare that a new Capitol Hill offensive on civil rights will begin soon.

In referring to the recent high court decisions, he said: "Taken separately, each of these recent retreats would be source of genuine concern. Together, they are a serious threat to the 35 years of progress we have achieved toward a better and fairer society. Congress must not let these decisions stand."

In the House, Education and Labor Committee Chairman Augustus F. Hawkins (D-Los Angeles) also pledged to "mobilize a counteroffensive in Congress."

Congressional aides say they hope to put together one large bill that will reverse the result of several of the high court decisions, which affected affirmative action and the handling of job discrimination complaints.

The liberals acknowledge, however, that race issues are inherently sensitive. Achieving agreement on legislation will be difficult and time-consuming, with success far from certain, they said.

Regardless of what happens in Congress, conservative legal experts say that the court's change in direction marks a historic, and long-overdue, shift.

"A generation ago, [civil rights lawyers] could go to the court and win what they couldn't win in Congress. Now, it's going to go the other way," said Alan Slobodin, general counsel for the Washington Legal Foundation, a conservative research group.

Bruce Fein, a conservative legal scholar, described the court's recent decisions as not so much a retreat on civil rights but a return to fair and common-sense readings of the law.

Ruling Limits 1866 Law

"It seems to me the court is declaring that it is no longer going to play fast and loose with the language of a law so that the civil rights people can always win," Fein said.

He cited as an example Thursday's ruling on the Civil Rights Act of 1866. As enacted, the law gave blacks the same rights as whites "to make and enforce contracts." Beginning in 1968, a liberal Supreme Court interpreted that provision as a broad ban on racial discrimination in schools, hotels, amusement parks and other private businesses.

Now, however, the court says the law is quite limited. It forbids a business to deny a job to a person because of race, because that is akin to a refusal to make a contract, but it does not forbid racial discrimination on the job.

This result, civil rights lawyers complain, means that a black employee subjected to racial harassment at work will have no effective remedy in federal law.

But Fein and Slobodin praised the court for adhering to a literal reading of the law.

"I'm sure the civil rights groups will rush to Congress and try to get this changed. They are a formidable political force. That's probably going to be the scenario for the next couple years," Slobodin said.

However, lawyers for civil rights groups say that it will not be possible to entirely reverse the court's rulings.

In January, for example, the high court cast doubt on all local and state programs that give blacks and other minority members an edge in competing for public contracts. On a 5-4 vote, the justices specifically struck down a Richmond, Va., law that reserved 30% of city contracts for businesses owned by blacks or members of other minorities.

Equal Protection for Whites

Such a program violates a white contractor's right to "equal protection" and is therefore unconstitutional, the court concluded. This ruling, because it is based on the Constitution, cannot be overturned by Congress.

But other recent court decisions on civil rights were interpretations of federal laws, including the Civil Rights Act of 1964, so they can be countered with new laws.

Two weeks ago, the court ruled that, in claiming illegal job bias under the 1964 Civil Rights Act, minority plaintiffs may not rely on statistics showing they were segregated in low-paying jobs but must show that employer policies intentionally discriminated against them.

Last week, the court said that the federal rules of civil procedure permit white employees to challenge court-approved affirmative action plans, which previously had been considered final, and that women adversely affected by a seniority policy may not challenge it after it has been in effect for 300 days.

To counter these interpretations, Congress could rewrite the law to clarify or change how it should be applied.

N.Y.TIMES:06-18-89

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C. TRIBUNE: 06-18-89

Despite rulings, death knell for affirmative action is premature

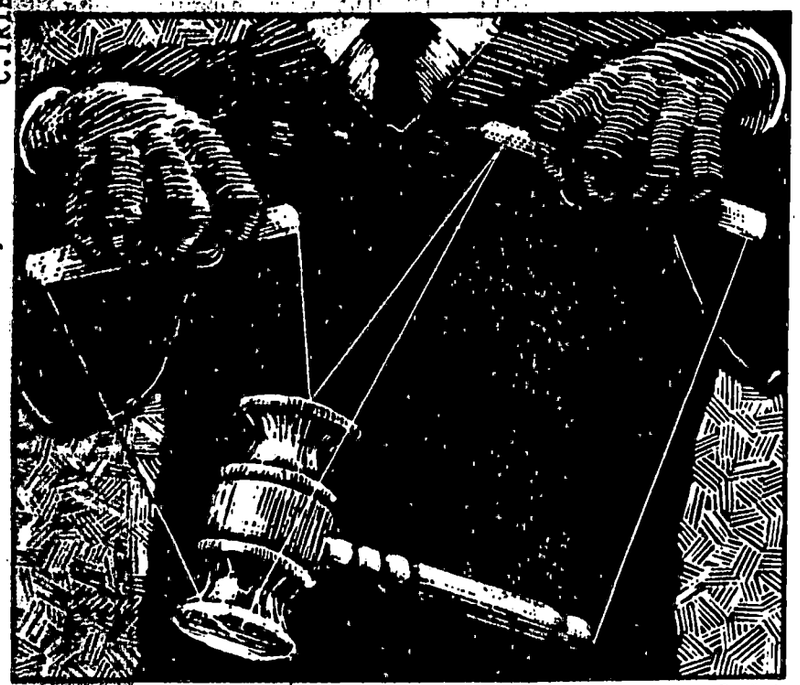

Illustration by Brian Lies/Los Angeles Times Syndicate

By Paul Weingarten

Is affirmative action dead?

That question haunted civil rights leaders last week after the latest in a series of four U.S. Supreme Court decisions that limited the rights of those who claim racial discrimination in hiring and promotion or harassment on the job.

The answer to that question—and to a corollary one: Is affirmative action still necessary?—depends in large part on the color of one's skin, polls show.

While civil rights leaders decried the court decisions last week as part of a "fiendishly clever" plan to "turn back the clock on civil rights," others praised the rulings as an indication that affirmative action was past its prime, no longer necessary to guarantee fairness in job hiring and promotion.

Civil rights advocates assert that affirmative action remains crucial in the battle against discrimination in job hiring, pay and promotion. Others, mainly whites, believe the main goals of affirmative action already have been achieved.

Paul Weingarten is a Tribune correspondent.

● Ruling threatens tool used to resolve disputes. In Business.

One of two Supreme Court decisions last week allowed white firefighters in Birmingham, Ala., to challenge an affirmative action settlement, or consent decree, approved by a lower court eight years ago. The other limited the right of a North Carolina credit union teller, who complained that she had been the target of racial harrassment on the job, to sue her employer.

In a June 5 decision, the court told salmon cannery workers in Alaska that simply having a disproportional number of white men in upper management was not sufficient proof of discrimination. At the same time, the court also reversed an 18-year-old precedent that forced companies to prove that their hiring and promotion practices are related to job performance, not race. It said the burden falls on the employee to prove bias.

In a decision last January, the court declared unconstitutional an ordinance in Richmond, Va., that set aside 30 percent of public works spending for minority contractors, a practice at the heart of many affirmative action programs. It said the city first had to produce proof of discrimination by white contractors before it could take that action.

The decisions have sent civil rights activists reeling.

"I believe that the right of minorities and women to fair employment is in greater jeopardy now than at any time since the passage of [the Civil Rights Act] 25 years ago," said Ralph Neas, executive director of the Leadership Conference on Civil Rights.

"No question it is a time for retrenchment," said Paul Bayless, president of the American Association for Affirmative Action.

But both insisted that, despite the decisions, affirmative action is still alive, if bloodied. And other civil rights leaders said it remains crucial in the battle against discrimination in job hiring, pay and promotion.

But some believe many of the goals of affirmitive action already have been achieved.

"No question there is still discrimination out there, but a great deal of progress has been made and I don't think it makes much sense to say we're in the same situation we were in a generation ago," said Alan Slobodin, president of the legal studies division of the Washington Legal Foundation, a conservative public interest group. "Perhaps [the court decisions] will stimulate some new thinking in this area, rather than trying to continue to push a tired old idea."

Many attribute the Supreme Court's recent decisions to the

C. TRIBUNE: 06-18-89

rightward political shift in this country over the last decade, and the fact that the court has been stacked with conservative Reagan appointees.

Still, most activists expect an intense congressional effort later this summer to repair the damage, and recent polls show that the overwhelming majority of the American public, black and white, support the goals of affirmative action, if not racial quotas.

"There's a real appetite in Congress to put the muscle back into these civil rights laws," said Rep. Don Edwards (D., Calif.), a member of the House Subcommittee on Civil and Constitutional Rights.

None of the recent court decisions has directly attacked affirmative action, that is, the process by which past discrimination in job recruitment, hiring, pay and promotion is remedied through preferential treatment of minorities. The decisions instead complicate and stiffen legal requirements for those who make claims of employment discrimination, civil rights attorneys said.

"What we're going to see is a lot of new lawsuits by white men trying to dismantle affirmative action programs," said Isabelle Katz Pinzler, director of the women's rights project for the American Civil Liberties Union. "The road has been made so incredibly easy for them at the same time that it's been made incredibly difficult for women and minorities."

Even so, most civil rights advocates said it was too early to tell whether the recent decisions would trigger a 1960s-style revival in affirmative action fervor.

"I can't say there's going to be a march on Washington," said Sarah Burns, attorney for the Legal Defense and Education Fund for the National Organization for Women. "The realization of the erosion of [civil rights] laws hasn't yet filtered through."

Civil rights attorneys said the most damaging decision to their cause was last week's ruling in the Birmingham case.

In that case, the Supreme Court declared that white firefighters could challenge a 1981 consent decree intended to increase the number of blacks hired and promoted in the department. The firefighters claimed they were denied promotion in favor of less-qualified blacks because of the decree.

Consent decrees are settlements approved by a court, but unlike other settlements, they are monitored by the court to ensure both sides adhere to the agreement. The decrees were thought to be impervious to legal challenge once they were approved.

But the court allowed the Birmingham consent decree to be reopened, even though the white firefighters began filing their claims eight months after the settlement was approved by the lower court and the city of Birmingham.

In doing so, the court reversed a district judge in Birmingham, who ruled that the firefighters had been aware of the litigation and had ample opportunity to object before the settlement was adopted.

The Supreme Court said a voluntary settlement between one group of employees and an employer "cannot possibly settle, voluntarily or otherwise, the conflicting claims of another group of employees who do not join in the agreement."

That decision could force hundreds of affirmative action consent decrees across the nation back to lower courts, where they could be changed, civil rights attorneys said. Many of the consent decrees that now may be vulnerable were negotiated between groups of employees—often police, firefighters, or county workers—and local governments.

At the Justice Department, which filed 169 consent decrees from 1977 to 1987, lawyers are "conducting a legal review," said spokeswoman Deborah Burstion-Wade, "but at this point it's much too soon to say what effect would be on the past cases or cases currently under negotation."

"It's a Pandora's box," said James Gray, director of the testing and employment standards project of the Lawyers' Committee for Civil Rights Under Law, a public interest law office created by the American Bar Association. "This is like Friday the 13th, Part 27. . . . [The killer] keeps coming back, and you don't know when he's finally going to die."

A recent national survey commissioned by the NAACP Legal Defense and Educational Fund showed that people's view of affirmative action depends on their race. The exception was that 78 percent of blacks and 73 percent of whites support the notion of affirmative action if it does not mandate racial quotas.

But the survey revealed deep rifts in the perceptions of how much progress has been made in the last decades. Whites, for instance, widely believed that blacks get equal pay for equal work, while blacks did not. The same held true in opinions about whether blacks are hired as readily, paid as much, or promoted as rapidly as whites.

Civil rights leaders say the need for affirmative action remains as strong as ever, particularly for promotions into upper management.

"Women and minorities are feeling the 'glass ceiling,'" said Isabelle Katz Pinzler. "It looks like the sky is the limit, but then you hit" discrimination.

"The barriers are much more subtle now," said Bayless.

"The signs that say, 'Blacks and women need not apply,' are down. People have been lulled into a certain false sense of security because of that. But we haven't reached Utopia yet."

WASH. POST: 06-17-89

William Raspberry 302 127 / 127

The Shame of the Supreme Court

"One wonders whether the majority still believes that race discrimination—or more accurately, race discrimination against nonwhites—is a problem in our society, or even remembers that it ever was."

That poignant sentence, from Justice Blackmun's dissent in *Ward Cove v. Atonio*, the Alaskan cannery case, pretty well sums up the frustration so many of us feel with the Supreme Court's recent discrimination decisions.

The problem is not that the conservative majority are bigots, but that their personal experience seems to have left them unequipped to understand bigotry and unable to muster any sympathy for its victims.

It is tricky business, I know, to suggest that members of the highest court in the land—a court symbolized by the blindfold and the impartial scales of justice—are guided by personal predispositions. But it is foolhardy to imagine that a judge's personal background and his view of what ought to be have no bearing on his assessment of what a less-than-crystal-clear law requires.

The views of Chief Justice Rehnquist, Justice Scalia and, increasingly, Justice Kennedy suggest (and not just to me) the conservative ideologue, the tendency to prefer good theory to racially fair outcomes. Justice White has been tending toward that position since about 1970. Four other justices—Blackmun, Brennan, Marshall and Stevens—seem to care about the probable results of their rulings.

The result is that Justice O'Connor often represents the swing vote on the nine-member court. As a woman who finished near the top of her Stanford Law class only to be spurned by a number of major law firms, O'Connor brings to the court a special sensitivity to gender discrimination. But on matters of racial bias, hers is often the fifth vote of a conservative majority.

The conservatives on the court (unlike the retired—and generally reliable—Justice Powell, who was a member of the Richmond school board during the 1950s wars over school desegregation) are largely innocent of hard-edge racial experience: thus the aptness of the Blackmun quote.

They seem to believe that racism and (except for O'Connor) sexism are something that *used* to exist and that efforts to reduce their effects amount to nothing more than discrimination against white men. Only the most blatant discrimination merits their concern.

Thus a plan to help minority contractors in Richmond land city contracts was overturned because its architects failed to show a pattern of discrimination. The plantation-like stratification of workers in an Alaskan cannery—whites holding virtually all the professional positions, with native Alaskans and Filipinos concentrated in the unskilled jobs—was insufficient evidence of discrimination. Women demoted under a dual-seniority system that expressly favored men were denied relief because they sought it too late—when they were demoted rather than when the system was adopted. White firefighters were allowed to challenge, after the fact, a consent decree calling for integration of the work force in Bull Connor's Birmingham. The unsettling implication is that white men can now lay claim to jobs now held by blacks under hundreds of consent decrees.

The irony is that minorities, who used to look to the Supreme Court for relief because Congress didn't seem to care, must now turn to Congress for relief from the Supreme Court.

Fortunately, except for the Richmond case, which was decided on constitutional grounds, the recent decisions rest on the interpretation of statutes and thus can be corrected by Congress, just as the Civil Rights Restoration Act corrected an overly narrow reading of the Title VII in *Grove City*.

"We have reason to believe that there exists in Congress a bipartisan consensus to do the right thing," says Ralph Neas of the Leadership Conference on Civil Rights. "I think we can correct the court's decisions through congressional action, but it will require a wasteful rearguard action to refight the civil rights battles of the '60s and '70s."

Neas echoes the point made by Mary Berry of the U.S. Civil Rights Commission, who wonders "how far we might be if we had been able to work on social-policy and economic issues instead of fighting to retain what we had already won."

Maybe Lewis Carroll's "Red Queen" said it best of all: "It takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that."

It is the shame of this court that it has transformed settled fights into running battles.

CHRIS.SCI.MON.:06-16-89

Affirmative Action

GONE are the exhilarating days of the civil rights movement, when unarmed men and women braved lynchings, ax handles, and fire hoses to secure for blacks and other minorities the basic rights of a democratic and humane society – the right to vote, to eat and sleep in public accommodations, to buy a home or attend a school where one chooses.

It was only yesterday, yet the Martin Luther King Jr. era – which so fired the moral imagination – already seems nostalgically simple. The battles of the '50s and '60s have been won – irrevocably; there will be no going back to Jim Crow. But less than a generation later, the civil rights environment has become incomparably more complex and ambiguous.

Where once the concern was overt, deliberate bias, now it's complicated statistical patterns that might – but might not – be evidence of discrimination in jobs and housing. Once the evil was the racism of officials and employers; now it's the legacy of past wrongs, extending into the future even amidst a more benign racial climate. Once the goal was the *civil* rights inherent in citizenship; now the goal is *economic* rights, to be fostered by that murky and troubling doctrine, affirmative action.

Why is affirmative action "murky and troubling"? Not because one doesn't yearn for a fairer and more just society, not because one is insensitive to the legacy of slavery, and not because one doesn't believe in extending a helping hand to those left disadvantaged by history. Rather, affirmative action vexes the conscience because, in practice, it has proved so difficult to favor minorities without disfavoring whites.

When does fairness to one become unfairness to another? When does antidiscrimination become reverse discrimination? These are the hard questions American society must grapple with. Those who cavalierly dismiss the complexity of such issues are as blinkered as those who ignore the imperatives of social justice.

It's in this spirit that one must consider recent Supreme Court decisions on affirmative action that civil rights activists say have "turned back the clock." It's not that simple. The United States has not gone far enough along the road to genuine equality to adopt strictly "color-blind" policies, and that term can be an excuse for unacceptable stand-patism. At the same time, race- (or gender-) based remedies have their own moral shortcomings.

In race relations, it's not a time for finger-pointing, tired shibboleths, or arid, formulaic proposals, but for hard thought, imagination, and spiritual generosity.

WASH. POST: 06-16-89

Charles Fried

Restoring Balance to Civil Rights

The Supreme Court has, since January, decided three cases which critics say have undermined the fairness of civil rights laws. In fact these cases have completed the process of restoring a needed balance in a practical and moderate way.

It is easy to forget one particular legacy of the Carter years: governments and bureaucracies at every level, often abetted by activist lower federal courts, forcing quotas and rigid preferential schemes on businesses, colleges and public and private institutions.

So its ruling Monday (*Martin v. Wilks*) that court-approved affirmative action settlements are open to legal challenge by white workers, the court did no more than take seriously the claims of persons on the wrong side of quotas and govern those claims by the same procedural rules that apply to litigants generally.

In January the court ruled in *City of Richmond v. Croson* that any time government uses race to distribute burdens and benefits it must meet a strict standard of demonstrated necessity. While remedying discrimination is the principal and perhaps the only such justifying purpose, that purpose may not be lightly invoked by pointing to statistical disparities alone or to what the court has called societal discrimination: it is necessary to identify the particular discrimination that is being remedied. The court denied that racial classifications for "benign" purposes can more easily pass constitutional muster than discrimination of the old-fashioned kind.

Croson, interpreting the Constitution, refers only to governmental practices. *Wards Cove Packing Co. v. Atonio*, decided June 5, interpreted the Civil Rights Act of 1964, which bars discrimination in public and private employment. Congress made clear that it must not be used to force private employers to adopt quotas or preferences.

In 1971 the court in *Griggs v. Duke Power* interpreted the act to bar ostensibly neutral practices (like height and weight or accreditation requirements) that serve no reasonable purpose while raising unnecessary barriers to women and minority workers. Unfortunately, aggressive plaintiffs' lawyers and some lower federal court federal judges used this sensible rule to threaten employers with crushing liability if they used entirely reasonable employment qualifications (for instance, a high school diploma for blood bank technicians) but hired less than a statistically satisfactory number of minority or women workers. The only way to avoid the uncertain and costly burden of validating even common-sense employment qualifications was just to buy peace by using quotas.

To avoid this sinister pressure toward quotas Justice White in *Atonio* said that a minority employee must show that the requirement he was attacking (say, a high school diploma) produces the bad numbers. And while the employer must come forward with an explanation for his criteria, the ultimate burden of proving this explanation unsatisfactory rests with the complainant.

This year's cases make sense in the context of other civil rights cases. In 1987, in *Johnson v. Santa Clara County*, the court held that under the Civil Rights Act an employer acting freely might adopt an affirmative action plan without first convicting himself of illegal past discrimination. In 1986, in *Sheet Metal Workers v. EEOC*, all but two justices agreed that a court faced with an "egregious" and "recalcitrant" discriminator may impose a "minority membership goal" but not a "strict racial quota."

Thus, intentional discriminators face strong remedies. That's why the court yesterday wisely did not overrule a precedent punishing intentional discrimination. But where there has not been identified discrimination, the Constitution will not tolerate the use of governmental power to prefer people on grounds of race—whether the government is managing its own affairs or regulating the affairs of others. And the Civil Rights Act must not be perverted, as sometimes happened after *Griggs*, into a device to threaten private employers into adopting such preferences.

When a private employer acts voluntarily, not under the threat of liability, he is freer to prefer women and minorities. After all, before the Civil Rights Act, private employers could discriminate *against* women and minorities with impunity.

It this is where the court has taken us, I wonder whether those who see in recent decisions "a giant step backward" are not in truth simply nostalgic for the bygone days of quotas and government-imposed preferences.

The writer, a professor at the Harvard Law School, was solicitor general during the second Reagan administration.

WASH.TIMES:06-16-89

Justices reaffirm rights ruling

By Linda Ponce
THE WASHINGTON TIMES

The Supreme Court upheld yesterday a key civil rights ruling barring discrimination in private contracts, but sharply restricted its use, saying it does not cover racial harassment in the workplace.

The court alarmed the civil rights community last year when it announced it would reconsider its 1976 ruling in Runyon vs. McCrary, which allows lawsuits for money damages against private individuals charged with racial discrimination.

It voted 9-0 yesterday to uphold that decision, which was based on an 1866 civil rights law.

But in a separate vote, a 5-4 majority gave the 1866 law a narrow interpretation, ruling that on-the-job racial harassment does not constitute discrimination in making or enforcing contracts.

Judge Anthony Kennedy, who provided the crucial fifth vote to reconsider Runyon just two months after he joined the court, said respect for precedent required upholding the Runyon ruling.

Writing for the majority, he said that "no special justification" had been shown for overruling the decision, but stopped short of saying it was correctly decided in the first place.

"Whether Runyon's interpretation ... is right or wrong as an original matter, it is certain that it is not inconsistent with the prevailing sense of justice in this country," he said.

Conservatives who advocated cutting back the reach of the 1866 law considered yesterday's ruling a mixed blessing.

Civil rights leaders said the court's conservative majority was continuing to redefine the ability of minorities and women to press discrimination claims against their employers.

"We think the practical effect is pretty devastating," said Penda Hair, a lawyer with the NAACP Legal Defense and Education Fund.

She said the right of women and minorities to make and enforce contracts "is not going to have much practical significance" because those workers still can be harassed or otherwise mistreated in the workplace.

"This Supreme Court term has been disastrous for all those committed to equal employment opportunity," said Ralph Neas and Benjamin Hooks of the Leadership Conference on Civil Rights.

"Sadly, the Supreme Court, the principle protector of individual rights and liberties the past 35 years, has been abandoning that historic role."

Earlier this month, the court broadened the prospect for reverse-[illegible] by women and minorities to prove discrimination based on statistics showing imbalance in the work force.

Clint Bolick, director of the Landmark Center for Civil Rights, called yesterday's decision "largely a non-event."

"We believe that Runyon was wrongly decided and probably a majority of the justices agree," he said. But, he said, "it has become such a part of the legal terrain that the court's failure to overturn it is not such a disappointment."

Paul Kamenar, executive legal director of the Washington Legal Foundation, said he was pleased that the court had not expanded Runyon.

Overruling it "would have been icing on the cake, but the fact that we got the cake without the icing, we'll take that," he said.

Mr. Kamenar said Runyon might still be vulnerable because Justice Kennedy's opinion "did not reaffirm Runyon in any strong way."

However, civil rights lawyer John Payton said Runyon was not undermined by the way in which it was upheld.

"It has become the fabric of the law," said Mr. Payton, who wrote a brief to the court on behalf of 66 senators and 118 House members supporting the decision.

The court decided last year to review the case on a 5-4 vote, with the majority consisting of President Reagan's four appointees — Chief Justice William Rehnquist and Justices Sandra Day O'Connor, Antonin Scalia and Kennedy — plus Justice Byron White.

Those five voted yesterday against including racial harassment under the 1866 law. The dissenters on that point were Justices William Brennan, John Paul Stevens, Thurgood Marshall and Harry Blackmun.

In a separate opinion, Justice Brennan said, "What the court declines to snatch away with one hand, it takes away with the other."

Justice Stevens accused the majority of replacing "a sense of rational direction and purpose in the law with an aimless confinement to a narrow contruction of what it means to 'make' a contract."

Justice Stevens argued that a contract "is not just a piece of paper" but is "evidence of a vital, ongoing relationship between human beings."

Requiring black employees to work in a hostile environment denies them "the same opportunity for advancement that is available to white citizens," he said.

In the Runyon case, black children were refused enrollment in Bobbe's School in Arlington and Fairfax Academy School in Bailey's Crossroads, both all-white private schools. The court said the 1866 law banned such discrimination in making private contracts.

The law had become a powerful tool in employment cases because it provides for a jury trial and enables a successful plaintiff to collect compensation for emotional suffering plus punitive damages.

Title VII of the 1964 Civil Rights Act, which also covers employment discrimination, only provides an employee with reimbursement for back pay.

Justice Kennedy said yesterday that the "making and enforcement" of contracts does not encompass "conditions of ... employment." He said racial harassment should fall under Title VII.

But Ms. Hair with the NAACP said Title VII is not sufficient because many forms of on-the-job mistreatment are not tied to wages.

"We need monetary remedies because that's where it hits employers and makes them change their behavior," she said.

The case decided yesterday, Patterson vs. McLean Credit Union, involved a black woman working as a teller at the North Carolina credit union. Brenda Patterson claimed she was harassed and denied promotions during her 10 years working there and then was fired, all because of her race.

A U.S. District Judge in Winston-Salem, N.C., dismissed Mrs. Patterson's case, saying the 1866 law did not cover racial harassment. That court also told the jury that, in order to prove she was wrongly denied a promotion, Mrs. Patterson had to show she was better qualified than a white person who was promoted instead.

Although Mrs. Patterson lost yesterday on her racial harassment claim, the Supreme Court said she still might prevail with regard to the promotion. The justices ordered more hearings in the lower court, saying she could use other evidence besides her qualifications to prove the credit union intentionally discriminated in denying her a promotion.

WASH.POST:06-16-89

William Cohen

Our Enduring Racism

The second Reconstruction period [illegible] the Supreme Court, in a [illegible] has changed as much about minority living. As with the end of the first Reconstruction period, [illegible] again made themselves apiece the [illegible]

Reconstruction is probably the most controversial period in American history—either an era when the South was rapaciously ruled by northern opportunists or a period of great legal and social reform. Either way, it lasted just a decade, and by the end of the century, Jim Crow and the lynching tree had replaced the five Army major generals who had once ruled the South.

Probably, the second Reconstruction period will be no less controversial. It, too, resulted in enormous gains for American blacks, but the remedies to many people were obnoxious. Among them was—or is—affirmative action, designed to correct the effects of what some see as past discrimination by legally permitting reverse discrimination, the favoring of blacks over whites.

In recent decisions, the Supreme Court has greatly limited what was once a broad affirmative action mandate. A new court majority, created by Ronald Reagan in his own image and—like him—out of touch with reality, ignored shocking examples of racial discrimination in an Alaska cannery (separate dining and housing facilities, for instance) but managed to muster ultimate sympathy for white firefighters in Birmingham, Ala.

After each decision, legal experts either differed on their impact or said time will tell. But the trend is clear. A new conservative Supreme Court majority is expressing either its antipathy toward affirmative action or its deep skepticism. With the court's liberal minority so old it could well be the Chinese Politburo, it is only a matter of time until President Bush gets to make his appointments. Bush is no Reagan, but he's no liberal either.

But Bush would be well advised to glance over his shoulder at the first Reconstruction period. If anything endures in America, it is racism. Only a dreamer could think it has been eradicated, and only a fool could think that the sons and grandsons of those who once arranged all-white police and fire depart- [illegible] have lost their cunning. The [illegible] and the [illegible] [illegible] death of the [illegible] by blacks to recruit [illegible]

Possibly the time has come to abandon affirmative action altogether. Many Americans can't abide it. They believe in the ideal of meritocracy, which in practice has often come down to the reality of sons getting the jobs of fathers—or their places at universities. Be that as it may, affirmative action institutionalizes discrimination—discrimination for a good cause, but discrimination nonetheless. A 20-year-old white, penalized either for employment or promotion, might reasonably ask what he has done to deserve such treatment.

But if we are going to say either goodbye or good riddance to affirmative action, then we had best redouble the national effort to both fight and recognize racism. Reagan did neither, and indeed, his opposition to affirmative action was just another civil rights remedy he opposed. This after all was a man who had never recognized the need to do anything about racism—except, possibly, to acknowledge the evils of slavery and, worse, segregated baseball.

Bush, however, comes out of that wing of the Republican Party with roots in the abolitionist movement. If he is going to be true to his heritage, not to mention his own rhetoric, then he must ensure that reverse discrimination is not replaced by the old discrimination. This means, among other things, more federal aid to minority college students, who have a hard enough time staying in college even with affirmative action programs. This means increased vigilance on the part of such entities as the Civil Rights Commission, vitiated by Reagan and reduced to a joke. It means, in short, using the power of the presidency to ensure that, once again, another Reconstruction period is not followed by a return to the status quo.

History is far too perverse to repeat itself exactly. The second Reconstruction period was different from the first and so will be its aftermath. America is a changed nation, but not so changed that racism does not remains its most durable weed. A Supreme Court majority, mostly raised in comfort and viewing the world from country club pools, sees only green fairways. It is now up to the president to notice the caddy.

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.

we are aware, not satisfied. Workforce 2000 we'll work on it.
Roger
554-0573 (h)
Arthur Fletcher
499-0347 (w)

July 27, 1989

MEMORANDUM FOR ROGER. B. PORTER

FROM: EMILY M. MEAD

SUBJECT: The President's civil rights statements during the campaign.

All five speeches have been highlighted for civil rights issues. The tabs indicate each highlight. The yellow tags separate the speeches.

William Raspberry WP 7.14.89

Reaching Out to Blacks

HUD Secretary Jack Kemp, in Detroit on Monday to address the annual convention of the NAACP, told the 3,000 delegates that the struggle for racial equality is just half complete.

"Chapter One—enactment of the civil rights laws—is a proud part of our country's history," he said. But before the United States can promote itself as a model for the world, it has to finish Chapter Two: economic equality.

His speech, in which he called on his Republican Party—"nowhere to be found" during the first phase of the movement—to become an active player in the second phase, drew three standing ovations from an overwhelmingly Democratic audience.

During an earlier visit to Chicago, Kemp eschewed the usual tack of inviting a few public housing types to join him at his meeting with the mayor. Instead, he invited Mayor Richard Daley Jr. to join him at the Leclaire Court public housing project and a visit to Cabrini Green. Only then did he head downtown for lunch with city officials.

"It played well with the press," said Robert Woodson, a black conservative who has made public housing his special concern, "but it also played well with the local public housing leadership. By meeting with them, on their turf, he gave them status. They now get their phone calls returned from downtown."

Kemp has always known the words of racial inclusion. He's now learning the music and, as a result, is fast becoming the GOP's most effective emissary to the black electorate.

"It's no secret that I want George Bush to be the first Republican president in my lifetime to have an urban strategy," he said in an interview a few days before his Detroit trip. "Most Republican presidents haven't thought of urban America's ghettos and barrios as potential votes, notwithstanding the need that is there. This is a magnificent opportunity to have a Republican president reach out to people who have not heretofore thought of the Republican Party as concerned or compassionate or caring about either their housing or their social or economic or educational needs."

Kemp, of course, is not the first Republican to recognize the value—to both blacks and the GOP—of breaking the Democratic stranglehold on black votes. But so far, no one has managed to deliver the message in a way that blacks find appealing. The Republican ideologues keep hoping that blacks will buy their cold theory. GOP Chairman Lee Atwater, for all his "white soul brother" hipness (his jam sessions with B. B. King, for instance), is almost irredeemably suspect because of his association with the negative Bush campaign.

Kemp sees the importance of showing that Republicans really do care about the pressing problems of minorities.

Is there any risk in wooing black voters?

"None," says Kemp, whose department is beset with scandal inherited from the Reagan administration. "The only loser is David Duke [the former Klansman recently elected to the Lousiana legislature]. There's nobody in the cities or suburbs who doesn't realize we've got to do something for the folks who've been left behind. I haven't met anybody—left, right or center, in business, in the profit or nonprofit sector or in the religious community—who doesn't realize that if we fail on urban America, we will miss a magnificent opportunity to show that democracy can work for the least of us as well as the well-off."

He claims there is a growing interest in many of his economic development ideas: enterprise zones, tax incentives for investing in low-income housing, tenant management of public housing, community reinvestment schemes, help for the homeless.

"People are starting to understand the difference between Pruitt Igo [the huge St. Louis public housing project so beset with problems that it was razed] and Cabrini Green, a third of which has been recaptured from drug dealers.

"I used to say that these people picked their bed, let them lie in it. But now I understand that there are people who are driven to such circumstances by factors over which they have too little control, where there can be a helping hand from government."

Kemp believes that the Republican Party can make serious inroads into the black electorate without abandoning its basic conservatism. Indeed, he has taken it as one of his key missions.

"I'm not quixotic, but I am idealistic," he told me. "I want to prove that you can be both progressive and conservative at the same time, that you can be both compassionate and Republican at the same time, that you can be both idealistic and a free-enterpriser at the same time, that you can be both Caucasian and a believer in civil rights at the same time."

It isn't exactly "I have a dream," but it just may be that the music and rhythm of his message may find an audience in black America—if he can teach President Bush the Kemp cadence.

Testimony of Secretary Jack Kemp

Subcommittee on Economic Stabilization

House Committee on Banking, Finance and Urban Affairs

April 3, 1989

South Bronx, New York

ENTERPRISE ZONES -- RESTORING HOPE TO AMERICA'S INNER CITIES

Members of the subcommittee, it is a pleasure to appear before you today on the topic of revitalizing our inner cities, a subject that is not only of vital interest to this Committee but a high priority of President Bush and mine as well. Certainly, it is no secret that two of the strongest supporters of Enterprise Zones come from New York City -- Representatives Charles Rangel and Robert Garcia for whom I have high regard and respect.

First I want to say a word about the signficance and symbolism of the South Bronx as our meeting place. For more than twelve years, a parade of Presidential candidates and lawmakers have made their way here to commit themselves and our nation to restoring hope to this distressed community -- not to be seen again after the television cameras have gone and the cars have sped off for another campaign stop.

I don't doubt for a moment that intentions have been sincere and many good efforts have been made to help this community, continuing up to this very day. But somehow, the economic and social problems of the South Bronx and hundreds of

other distressed communities across the country like it not only persist, but they are growing worse.

Ladies and gentlemen, the politics and partisanship must be put aside. It's time for action on Enterprise Zones at the Federal level. The South Bronx has had enough of promises and pledges. We must redouble our efforts to pass Enterprise Zones not just for the South Bronx, but for all other places in America, urban and rural, that have similar problems. President Bush and I are commited to getting Enterprise Zones signed into law to greenline communities for growth and opportunity that have been redlined for despair and hopelessness.

The states are already ahead of us. Since 1982, 32 states have enacted enterprise zone legislation. These state zones are demonstrating substantial success, despite the fact that they have no benefits from much more powerful federal incentives. Surveys show that state zones have created over 100,000 new jobs, retained nearly 68,000 jobs, and promoted more than $8.8 billion in new investment.

The purpose behind Enterprise Zones is really very simple -- stop doing things that destroy our cities, snuff out jobs, and smother the entrepreneurial spirit. Instead, foster an investment climate that will create new jobs and help produce hundreds and hopefully thousands of new entrepreneurs and small business people.

With the proper set of economic policies, President Bush and I are confident that Enterprise Zones can help "percolate" a whole new generation of small business entrepreneurs and community leaders, set in motion a process of self-improvement and job-generation, but most of all restore hope for progress in America's future.

Jobs, homeownership, and good education for our children are at the center of the American dream, and we must once again recapature that dream for those who are fighting to pull themselves out of poverty.

In our fight for equal opportunity, poverty must not seen as a permanent condition in America, but as a temporary setback in our goal of full employment and jobs for all Americans.

But while we must continue to provide a social safety net under which no one will fall, we must also strive to provide an opportunity ladder upon which all may climb to jobs, upward mobility, and good education.

From the day I was nominated by President Bush, I have pledged to use all the resources of HUD to wage a war on poverty. but let us remember that the Federal Government is not the only partner in this battle. We must also recognize the potential of private sector entrepreneurship to create an opportunity society for all Americans. And we must measure our success in this war on poverty not by the numbers of people who need government assistance, but by the number of people who have taken the

opportunity for private sector jobs, income, and decent housing and shelter.

I have often quoted Robert Kennedy's remarks that "To fight poverty without the power of free enterprise is to wage war with a single platoon while great armies are left to stand on the side." Bobby Kennedy was concerned that the war on poverty sought only government solutions, to the exclusion and diminishment of the private sector.

The small business sector will be one of our most powerful armies in this war on poverty. MIT's David Birch found that for the country as a whole, firms with 20 or fewer employees generated 66 percent of all net new private sector jobs. In the Northeast small firms accounted for vitually all the net new jobs created. Most of these new jobs -- some 80 percent -- were created by young firms, less than 4 years old.

But small business is also very risky, fragile, and unstable, the type of firms that government is least likely to reach or provide assistance to. More than 65 percent of small firms were found to fail within the first 4 years. But those firms which did survive were 4 time more likely to expand than contract.

Remarkably, the deathrate of jobs is fairly constant throughout the nation. Cities that suffered a net loss of jobs did so because of a low birthrate of new jobs, not because of the deathrate of jobs was very high.

The clear conclusion from Birch's finding is that the most effective strategies for job creation will not center around luring big businesses and corporations into depressed areas, nor in attempting to prevent corporations from failing or leaving an area. The best strategies for job creation must capitalize on the tremendous job-creating powers of small businesses.

Yet, these small business people tell us that what they most want from government is less regulation, less taxation, and lower interest rates. Enterprise Zones offer the sort of innovative tax reductions and regulatory relief efforts that can remove these barriers to small business and job-creation.

The Administration and Congress are considering a number of tax incentives as integral parts of Enterprise Zone legislation that should be very helpful to these type of businesses. One of the most helpful changes we can make is to eliminate the capital gains tax on investments in enterprise zones. By allowing entrepreneurs to receive 100 percent of the benefits from selling their company, the capital gains tax cut will encourage small business entrepreneurs to take risks, start companies, and expand.

Hong Kong is one of the most vibrant and growing economies in the world. Hong Kong has the second highest per capita income in Asia, and real wages have soared 20 percent in recent years. Ladies and gentlemen, Hong Kong doesn't even tax capital gains

and it has very low rates of tax on income and corporations. These low tax rates don't necessary mean a diminished tax revenue yield or reduced government services. Hong Kong is planning to reduce its income tax rate even further. They have so much new government revenue that they can't spend it all.

Obviously, this is not a perfect parallel, but I believe that correct policies of free trade, free markets, low taxation, and minimal regulation can help unleash the power of private enterprise and self-help in America's own depressed communities.

Let me say a word about President Bush's plan to lower the capital gains tax to 15%. Some say that the capital gains tax is a tax on the rich. I say that it is really a tax on wealth creation -- on the poor who seek some day to become rich. Upper-income people can avoid paying the capital gains tax simply by not selling an asset in which the capital gain exists. As long as there is no "realized" capital gain, there is no tax liability.

But people trying to start a business need access to seed capital and they need the promise of future rewards to encourage them to take large business risks, especially since we know that most new businesses end in failure. History proves that a lower capital gains tax rate will not only reward enterprising activities, but it will also free up billions of dollars in risk capital for new small businesses. Between 1978 and 1985 when the

top capital gains tax rate was reduced from 49.1% under previous law to 20%, the number of small company startups more than doubled, rising to 640,000 from 270,000 and creating an additional 15 million new jobs.

We should also remember that a capital gains tax cut is one of the few tax incentives that pays off to the entrepreneur only if he or she increases the value of the firm. If a business person fails, they won't benefit from the tax cut. But if the business grows and creates new jobs, they will be rewarded. I believe that this is exactly the type of message we want to be sending our inner cities and depressed rural areas.

Entrepreneurs will also be helped by a second incentive -- expensing of equity investment in an Enterprise Zone. Because start up businesses typically have little or no tax liability in their first years, there is a limit to what direct tax reductions can do to help these firms. That's why I also support the idea of giving investors an upfront deduction for their first $100,000 equity investment in Enterprise Zone businesses. This is one of the most innovative and exciting features of the Enterprise Zone bill offered by Reps. Charlie Rangel and Bob Garcia.

In return for an upfront tax deduction, investors would provide inner city entrepreneurs the kind of seed capital they need to start up retail stores, a printing shop, a delivery company, laundries, or workshops, just to name a few examples. This should be an effective tax incentive to finance the service

industries and labor intensive small businesses that we expect will be prevalent in Enterprise Zones.

It's been my view that equity expensing helps remove the bias toward double taxation of savings and business income. Any possible revenue costs should be recouped eventually since the entire amount of the investment plus any net gain will be taxed as ordinary income at the time the Enterprise Zone stock is sold.

I'm also supporting new employment-based tax incentives to help draw welfare recipients off the welfare rolls and into the productive workforce. Welfare recipients and other low-income people on government support often face effective tax rates that are steeper than for our highest income earners. As poor folks enter the workforce, not only do they pay income taxes on their earnings, but they also face higher effective marginal taxes from losing their AFDC, welfare, Medicaid coverage and other government payments cut as well as new costs such as child care and other employment related expenses.

I want to see Enterprise Zone legislation that gives employers greater incentives to train welfare recipients and offer them job opportunities to help break the poverty trap.

Federal tax relief is only one component of a comprehensive urban strategy. But federal tax incentives can act as a catalyst for other state, local, and private sector efforts to restore urban vitality and economic bouyancy. I strongly favor

a competitive process for Enterprise Zone selection. In this process, those states and localities which offered the strongest package of incentives and initiatives would receive preferential selection for zone eligibility.

For example, some preference for federal Enterprise Zone designation could be given to states and localities that offer relief for land use regulations, zoning laws, and building codes and rent control. Similarly, states and localities could toughen community drug enforcement, begin new anti-crime efforts, or improve municipal services and neighborhood infrastructure.

The U.S. Government can also do more to leverage federal tax incentives. I have directed my staff to put together a strategy for using the full resources of the Department of Housing and Urban Development to strengthen Enterprise Zones. We will also be seeking cooperation and contributions from the other Cabinent Secretaries. The Jobs Training Partnership Act, for example, can help train people in Enterprise Zones for the new jobs that will be created by our tax incentives and business-formation efforts.

In this way, Enterprise zones may be the key to making traditional spending programs much more effective.

But government efforts are not the only answer. Right now in our inner cities there are a rich variety of self-help groups, religious institutions, and neighborhood and service organizations that are the strong social fabric of our

communities. This complex webb of social interaction and mutual help efforts are the strength and pride of our neighborhoods. Too often, government has destroyed this invisible network of relations or simply ignored it.

We need to empower these groups and unleash their energy and efforts, as we have done with dozens of tenant management groups across the nation who are taking over their projects and achieving their dream of homeownership. We have barely begun to scatch the surface in promoting many other self-help efforts. In this crucial component of our urban revitalization strategy, let us build upon the strengths of the community and rely on those closest to the problems themselves -- the grassroots leaders.

Ladies and gentlemen, I believe we are forging a common and bi-partisan agenda for waging a new and successful war on poverty. Our principles are founded on our faith in our democratic capitalist system, but we can gain our inspiration from Dr. Martin Luther King, who said he had boundless faith in America and an audacious faith in the future of mankind. We who believe in the boundless potential of free men and women to better their lives and the future of their country must now become audacious in our commitment to combate poverty.

Let's begin this new War on Poverty, right here in the South Bronx, and this time let's make it one that is successful, where jobs, homes, and hope replace despair and unemployment. Thank you all.

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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9TH STORY of Level 1 printed in FULL format.

Proprietary to the United Press International 1982

July 2, 1982, Friday, PM cycle

SECTION: Domestic News

LENGTH: 268 words

BYLINE: By RON AMADON

DATELINE: PORTSMOUTH, N.H.

KEYWORD: Naacp -Bush

BODY:

Vice President George Bush today deflected criticism about his failure to appear at the NAACP Convention in Boston, saying he was never formally invited to attend.

''It may have given them a cleaner day for rhetoric without having us around to clutter things with the facts,'' Bush said before participating in a charity golf tournament at the Portsmouth Country Club to benefit a local day care center.

Georgia state Sen. Julian Bond criticized Bush Thursday for not appearing at the convention and said it was another indication of the Reagan administration's insensitivity to blacks.

''I didn't get a formal invitation,'' replied Bush, who appeared Thursday night at a Republican fund raising event in Boston across town from where the NAACP was meeting.

Bush said an NAACP official asked an administration aide earlier this year if the vice president would be interested in speaking at the convention. But he said at the time he was scheduled to be in Africa during the convention.

Bush said the Africa trip was canceled three weeks ago, but he was never re-invited to appear before the NAACP.

''To say no Reagan administration officials were there -- where were the invitations?'' said Bush.

Appearing in a tattered, tan sportcoat and Boston Red Sox baseball cap to play in the golf tournament, Bush said he was ''encouraged'' by the June unemployment figures released today that showed the jobless rate remained at the 9.5 percent level nationally that it hit in May.

Bush said the fact that the unemployment rate was holding steady indicated more people were working last month than in May.

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The Associated Press

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July 17, 1983, Sunday, AM cycle

SECTION: Domestic News

LENGTH: 249 words

HEADLINE: Black GOP Leader Defends President

DATELINE: NEW ORLEANS

KEYWORD: Blacks-Reagan

BODY:

The NAACP's opposition to the Reagan administration and its hostile reception to Vice President George Bush shows improper partisanship in the civil rights group, a black Republican leader says.

President Reagan is "the right man in the right place at the right time," LeGree Daniels, chairwoman of the National Black Republican Council, said at a council meeting Saturday.

Ms. Daniels, an NAACP member, said she was dismayed that Bush was booed Friday during a speech to the annual convention of the National Association for the Advancement of Colored People.

"I can't understand why they could not respect the office of the man even if they did not agree with his policies," she said.

"I personally feel the NAACP's sole purpose at their convention ... was to drum up support for the Democratic Party."

She criticized NAACP Executive Director Benjamin Hooks for his announced plans to oppose a Reagan re-election effort.

"Inasmuch as they (NAACP leaders) feel they can't be non-partisan, I feel they should come up with alternatives if they disagree with the administration," she said.

Hooks has accused Reagan of contributing to 20 percent unemployment among blacks, hurting integration by opposition to busing and affirmative action, and undermining the U.S. Civil Rights Commission.

But Ms. Daniels said the president has been responsive to blacks, wants to help solve their problems and has appointed a task force of 30 black Republican leaders to advise the administration.

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24TH STORY of Level 1 printed in FULL format.

The Associated Press

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July 16, 1983, Saturday, PM cycle

SECTION: Domestic News

LENGTH: 555 words

HEADLINE: Vice President Bush Gets Hostile Greeting at NAACP Convention

BYLINE: By BETTY ANNE WILLIAMS, Associated Press Writer

DATELINE: NEW ORLEANS

KEYWORD: NAACP

BODY:

Vice President George Bush, who said he was addressing the NAACP convention to close "the gap between rhetoric and our record on civil rights," was hissed and booed by delegates who have mounted a drive to unseat President Reagan.

"A wall of misunderstanding exists between most members of your organization and the Reagan administration and that wall does neither of us any good," Bush told members of the National Association for the Advancement of Colored People. "We are going to try to break it down. That's why I came here."

The belief that the Reagan administration is lax on civil rights enforcement is "wrong, dead wrong," Bush told several thousand delegates Friday, the final day of the civil rights organization's national convention.

He said he came to the convention in an attempt to close "the gap between rhetoric and our record on civil rights."

Bush said the Reagan administration surpassed its predecessors in supporting voting rights, prosecuting criminal cases for civil rights violations and enforcing the laws against employment discrimination.

Bush received a polite standing ovation when NAACP Executive Director Benjamin Hooks presented him as "a good man, a man of integrity and compassion."

But Bush's defense of the administration's policies was unacceptable to his audience, which sporadically booed and hissed his speech. Bush conceded that the administration has made mistakes, but chastised the NAACP for opposing Reagan.

"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," he said.

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The NAACP is a non-partisan organization that does not endorse candidates, but its leaders have said they do not want Reagan re-elected.

Bush was preceded on the platform by former Vice President Walter Mondale, who received a rousing welcome as he described his long involvement with the civil rights movement, and by Sen. John Glenn, D-Ohio, who got a more restrained greeting.

Both Mondale and Glenn want the Democratic nomination for president.

Mondale encouraged the organization in its plan for a massive voter registration drive for the 1984 election.

"A lesson has to be taught in 1984 that a president cannot do to a nation what he (Reagan) has done and be re-elected," Mondale said.

Glenn said he had supported every piece of civil rights legislation which has come before the Senate during his tenure. He also criticized the administraion's economic record, saying "instead of the economic emancipation you were promised, you were driven even further into the bondage of inequality."

He noted that black adult unemployment stands at 20 percent, twice the rate for the general population, and that black youth unemployment is 50 percent. He also said the gaps between incomes of black families and white families widened 6 percent since Reagan took office.

Later, Hooks said he was not disturbed at the way the audience reacted to the vice president.

"If we were as rude as people say we are, there would have been a massive walkout," he said. "I applaud the action of our delegates in sitting there listening to what they obviously didn't want to hear."

GRAPHIC: Laserphoto NU1

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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 or 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 ~~we were~~ ~~opposed~~ 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 bunch 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 ~~osmething~~ 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 B.I. now

INSERT B

first a General point on the economy. It 's ~~getting better~~ growing stronger ~~better~~ every single day. There ~~a re a lot of~~ people still hurting, ~~and~~ there are people who have not 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 ~~get 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 ~~a~~ disaster for all Americans.... ~~The battle against~~ high interest ~~continues but, in heaven's name be fair about it where 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 ~~the~~ leading us to ~~these disastrous results~~- economic disaster?

~~were coming back. [illegible] 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 WE'VE 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.

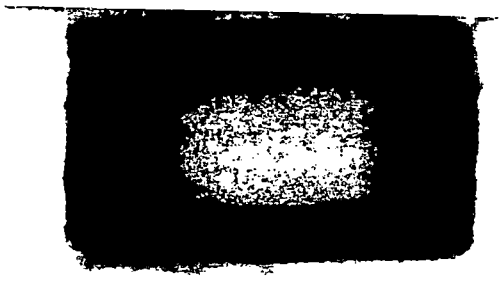
OUR APPROACH IS TO TARGET MONEY TO THOSE WHO NEED IT MOST. OUR VOUCHER PROGRAM TO RETRAIN THE LONG-TERM UNEMPLOYED -- A PROGRAM IN WHICH PRIVATE EMPLOYERS ARE GIVEN INCENTIVES TO TRAIN WORKERS ON THE JOB -- IS IN DRAMATIC CONTRAST TO PREVIOUS PROGRAMS WHERE MONEY WENT NOT TO TRAINING PEOPLE BUT TO FUNDING 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 ~~GRANTS~~ 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 reddily concede, [redacted] will, that I have failed if get the story out that

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'VE MADE ERRORS IN JUDGMENT, we have made mistakes, [redacted] 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.

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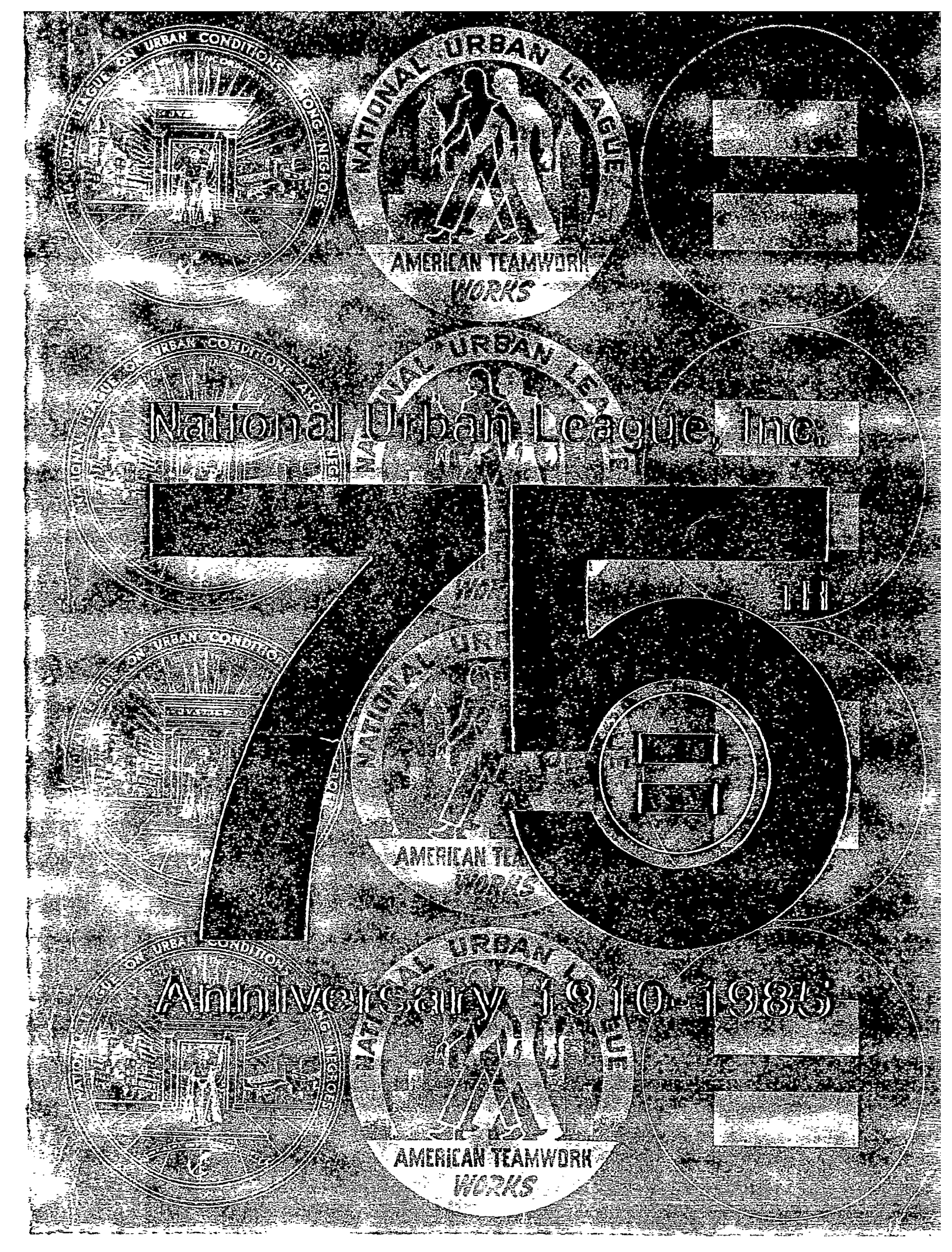

NATIONAL URBAN LEAGUE
AMERICAN TEAMWORK
WORKS
National Urban League, Inc.
75th
Anniversary 1910-1985

John Edward Jacob

"We want an open society in which everybody has a chance to make it on their own—a society in which whiteness and wealth confer no special advantages—a society in which black people and poor people are full partners in democracy."

—John E. Jacob

On January 1, 1982, John Edward Jacob officially assumed the leadership of the National Urban League as its President and Chief Executive Officer.

One of his first major actions was to target four critical problem areas that would receive a large part of the Urban League Movement's attention in its program activities and service delivery. Identifying them as teenage pregnancy, single female-headed households, crime and voter apathy, Jacob warned that allowing them to persist would only increase proverty and erode the social progress achieved by the black community over the last 20 years.

This emphasis on black self-help has continued as a theme of Jacob's administration. It was evidenced in the NUL's and the National Association for the Advancement of Colored People's co-sponsorship of a historic "Black Family Summit," which brought together black educators, community activists, social workers and other professionals to develop strategies for the preservation of the black family.

Jacob's belief in the value of black self-help has been demonstrated throughout his professional life. Prior to joining the staff of the National Office as Executive Vice President in 1979, Jacob headed the League's Washington, D.C. affiliate. During that period he released the results of two widely publicized surveys, "Speak Out for Survival (SOS)," in 1976 and again in 1978, which presented authoritative studies of poverty among blacks and the poor in the nation's capital. In fact, his career in the UL Movement began in that same affiliate in 1965, when he was its Director of Education and Youth Incentives. He also headed the San Diego affiliate, greatly expanding its programs and services and held a number of important administrative positions including Acting Executive Director of the Washington Urban League and Director of Community Organization Training in the NUL's Eastern Regional Office.

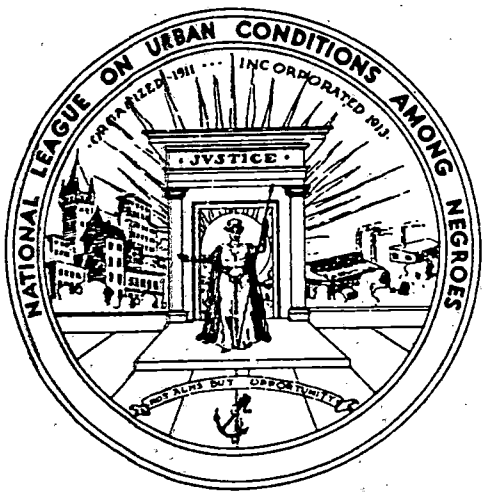
Mr. Jacob is author of a weekly newspaper column, "To Be Equal," distributed by the Copley News Service to over 600 newspapers and he has written articles on national issues for major publications. A widely-sought after speaker, Mr. Jacob has delivered major addresses before some of America's most prestigious forums.

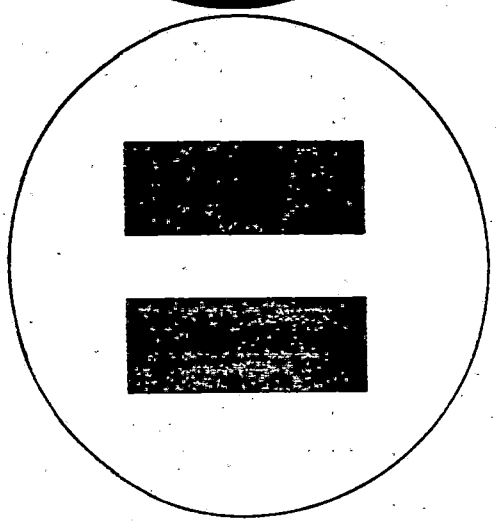
Before assuming the presidency of the NUL he was Executive Vice President, administering the daily operation of the agency. While in this position, Jacob was also largely responsible for helping the League's activities to continue without disruption, taking on the additional role of national spokesman, during the crisis surrounding the 1980 assassination attempt on Vernon E. Jordan, Jr., President of the NUL at the time.

In addition to heading one of the nation's oldest civil rights and social service agencies, Jacob serves on the Board of New York Telephone, the National Conference of Christians and Jews, the Local Initiatives Support Corporation, American Board of Family Practice, New York Foundation, Eisenhower Foundation and others. In the past, he has served as a member of the D.C. Manpower Services Planning Advisory Council and as a Trustee of the D.C. Legal Aid Society among other groups.

Jacob received his undergraduate and MSW degrees from Howard University and holds honorary degrees from Old Dominion University, Fisk University and Lafayette College. He also serves as Vice Chairman of the Howard University Board of Trustees, and is a member of the Rockefeller University Council.

A Houston, Texas native, Jacob is married to the former Barbara Singleton of Washington, D.C. They have one daughter, Sheryl, who is herself a graduate of her father's alma mater, Howard University.





The three logos shown in the cover design and on this page virtually span the existence of the National Urban League. The top logo was first used in 1911 when the agency was still called the National League on Urban Conditions Among Negroes. The logo in the center shows a white and black figure striding forward against a background of city skyscrapers reflecting an emphasis on interracial cooperation. It was in use from 1948 until 1967. The final logo, a graphic reminder of the League's commitment to equality, has been used since 1968.

Life in the rural South in the 1900s was often mean and hard for blacks.

History records that the early years of the 20th Century marked an important phase in the Black Experience in America. True, blacks had begun to leave the rural South immediately after the Civil War, but as late as 1900, 90% of them still lived there. However, a decade later, thousands of them, fleeing peonage, discrimination and privation, had emigrated North in search of a better life.

In 1910, the number of blacks in New York City had risen to 90,000 to constitute the largest concentration of blacks in any city outside the South. These new arrivals went North seeking better opportunities, but most of them, unskilled and untrained, were forced to face the harsh realities of a hostile urban environment. Women, particularly, were shamefully exploited.

Employment opportunities were limited, and blacks, either through lack of training and/or racial bias, were restricted to unskilled labor trades or domestic and personal service. Work was especially difficult for men to find and as a result, many women were forced to take jobs to support their families. In addition to prejudice and exploitation, blacks also had to contend with shabby schools and inadequate teachers, poor recreation, housing and police protection, as well as inadequate sanitation and higher incidences of disease.

Several relatively small agencies had been established to address the needs and concerns of southern black emigrants, but it was obvious that more had to be done. On January 20, 1910, Mrs. Ruth Standish Baldwin, the widow of William Baldwin, a railroad magnate and a patron of education for blacks in the South, invited an interracial group of New Yorkers concerned about the plight of blacks to her home at 44 East 65th Street.

The principal speaker was Ray Stannard Baker, a noted journalist of the day who had become famous on the strength of his reports about black life in the South. His articles not only stirred up considerable controversy, they became a valuable overview of race relations in the major cities of both the North and South.

A Historical Account of the NUL

And when they went North they were frequently stunned by the reality of urban life and the harshness they encountered.

Among the other information he shared with the group was that "The Negro problem is inextricably bound up with all the larger economic problems of today... essentially a problem of competition and of the distribution of wealth...We center wealth and opportunity in the city and it draws men and women, white and black, as the flame draws the moth."

The idea for a new agency was planted at that meeting and it germinated until September 29, 1910, when representatives from a number of institutions and organizations, with the urging of Mrs. Baldwin, met to form the Committee on Urban Conditions Among Negroes. In an internal memo, the agency described itself as "an outgrowth of a conference held last January of persons active in work among colored people in New York City, at which there was strong expression of the need for cooperation among existing betterment agencies, in order to avoid the waste of effort and money due to duplication of work and to the starting of new agencies without sufficient preliminary study of conditions and need."

Joining Mrs. Baldwin as co-founder was George Edmund Haynes, 30-years-old and a native of Pine Bluff, Arkansas, who was filled with what seemed to be an insatiable thirst for knowledge. Haynes, who had shared his ideas with Mrs. Baldwin on what needed to be done to assist black people, became the first director of the fledgling group. He was eminently suited for the enormous task at hand having received his A.B. from Fisk University where his record earned him a scholarship to Yale University where he received his M.A.

After Yale, he served briefly as Secretary of the International Committee of the YMCA and then pursued his interest in the social sciences and economics as a graduate student at Columbia University in 1908, thus earning his Ph.D. and becoming the first black to receive a doctorate from that institution.

In their history of the National Urban League, "Blacks in the City," Guichard Parris and Lester Brooks described the primary objectives of the new agency as: "First, the careful study of the conditions which result from the growing concentration of Negroes in cities with a view to encouraging helpful cooperation between betterment agencies already in existence and the establishment of such agencies where necessary. Second, the training of young men and women for social work among their own people." The budget for the first year was $4,000.

A year after its founding, two other agencies—The National League for the Protection of Colored Women and the Committee for Improving the Industrial Conditions of Negroes in New York—merged with the Committee on Urban Conditions Among Negroes, to create the National League on Urban Conditions Among Negroes, that was later shortened to the now familiar National Urban League.

It was a momentous occasion and as the Afro-American Newspaper pointed out, it signalled "—a new chapter in social uplift."

Fittingly the first motto of the agency was "Not Alms, But Opportunity." It also began life devoted to the principle of interracial cooperation, a stance that has remained unchanged throughout the years. Haynes put it well when he said: "Whites were to be asked to work with Negroes for their mutual advantage and advancement rather than for them as a problem."

In the first few years after its founding the National Urban League made a limited impact through expert testimony before investigating groups, counseling black emigrants to the city, providing training for black social workers, and working to bring educational and employment opportunities to blacks. After five years, the new League had affiliates in nine cities, 15 employees at headquarters, and a budget of almost $45,000. The affiliates were started because of the presence in other cities of the same type of problems that afflicted blacks in New York City.

By the end of World War I, the League had 81 paid staff members in 30 cities and a budget of $102,000.

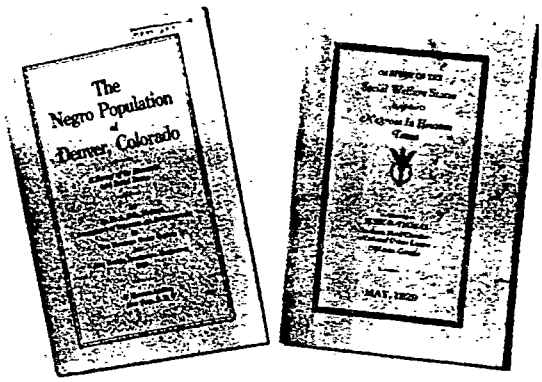
From these humble beginnings, the League has developed into a national community service organization that occupies a unique place in American society and continues to be an effective force in creating equal opportunity for its constituents in virtually every aspect of their lives.

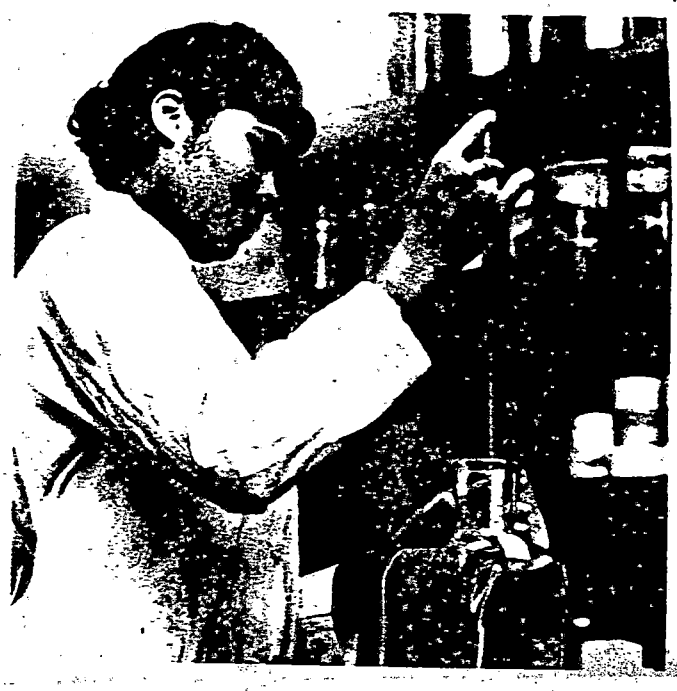
A familiar scene in Urban Black America—standing in line for a jo

The League Changes With The Times

As the country has changed, so has the National Urban League. It began with what in retrospect was a relatively simple goal—to help rural blacks make a successful transition to urban life. Over the years, its efforts have expanded to embrace new problems and new concerns so that it has remained youthful and relevant.

Research, for example, has been a major League thrust since 1920 when Dr. Charles S. Johnson, a classic figure in black scholarship, organized the NUL's Research Department. Dr. Johnson produced numerous landmark studies on the black condition and also edited the magazine; *"Opportunity: Journal of Negro Life,"* which became a mainstay of what was known as "the Negro Renaissance," publishing almost every leading black poet and writer of the day.





Throughout the NUL's history, a major goal has been to broaden economic opportunities and during the 20s and 30s, it concentrated on breaking barriers to black employment. Persuasion was buttressed by boycotts against firms that refused to employ blacks, pressures on schools to expand vocational opportunities for young people, constant prodding of Washington officials to include blacks in New Deal recovery programs, and a drive to get blacks into previously segregated unions.

Jobs remained a major concern during World War II, when the NUL strove to get blacks into defense plants, joining with A. Philip Randolph's March on Washington Movement to fight discrimination in defense work and in the armed services. Through its Industrial Relations Laboratory, the NUL was instrumental in cracking the color bar in a number of defense plants. The war years also provided impetus to the NUL's Vocational Opportunity Campaigns which were geared to the preparation of young people for meaningful employment.

After the war, the League helped shape the post-war scene by expanding the role of black workers based on their successful experience in war industries. One of its most successful moves in this area was the "Pilot Placement Program" in which blacks were placed in hitherto closed upper echelon jobs in industry where their successes opened the doors for other blacks.

The success of the program led to the first recruitment effort by a major corporation on a black college campus—a process which was to multiply spectacularly. The post-war years also saw the formation, under the guidance of Winthrop Rockefeller, of the NUL's Commerce and Industry Advisory Committee, composed of high ranking officers of major corporations. The C&I Council became the nucleus of business support for the League and an important factor in increasing job opportunities for blacks.

During the decade of the 50s the number of affiliates climbed to 58 and staff to 395. Financial strength rose to $1,416,072 of which $1,245,939 was allocated to local League operations.

Whitney Young Assumes Leadership

In the 1960s the NUL was headed by Whitney M. Young, Jr., whose forceful advocacy role helped futher establish the NUL as a significant spokesman for black citizens as he issued a call for a domestic Marshall Plan, a ten-point program designed to close the gap between the conditions of black and white citizens with an infusion of federal funds in black communities to mount an all-out attack on racial inequality. If the Plan had been carried out by the public and private institutions he addressed it to, it could well have put today's problems of race and poverty behind us.

In the late 60s Mr. Young helped steer the NUL into still greater relevance by his "New Thrust" program that aimed to bring the League closer to the communities it served and to target in on institutions to make them more receptive to black needs and aspirations.

His untimely death in 1971, in a drowning accident in Africa, brought another change in leadership. The legacy he left included an Urban League Movement on the verge of a major expansion of its programs through unprecedented federal contracts for delivery of services to urban communities.

For the remainder of the year, Harold R. Sims, the League's Deputy Executive Director, served as Acting Executive Director of the Urban League Movement which, though badly stunned by Mr. Young's death, continued to function effectively. Vernon E. Jordan, Jr., an attorney by profession with a long involvement in the civil rights movement, formally took over as the League's fifth Executive Director in 1972. Prior to assuming this position, Mr. Jordan had served as Executive Director of the United Negro College Fund. For ten years, until he resigned on December 31, 1981, Mr. Jordan skillfully and forcefully guided the NUL to new heights of achievement. Under his leadership, the League became the nation's prime voluntary sector institution in terms of financial strength, managerial efficiency, effective service delivery and eloquent advocacy.

On January 1, 1982, Mr. Jordan was succeeded as President of the NUL by John E. Jacob, who had served as Executive Vice President, the second highest staff position at the NUL, since early in 1979. A veteran of over 15 years with the Urban League Movement, Mr. Jacob had previously served as the chief executive officer of the Washington, D.C. and San Diego League affiliates. A social worker, Mr. Jacob made a pledge on taking office "to help guide the Urban League Movement to new heights of effectiveness; to help educate the nation to its unfinished responsibilities, and to help bring fresh opportunities to the black and poor people who are the constituency of the Urban League."

Organization & Structure

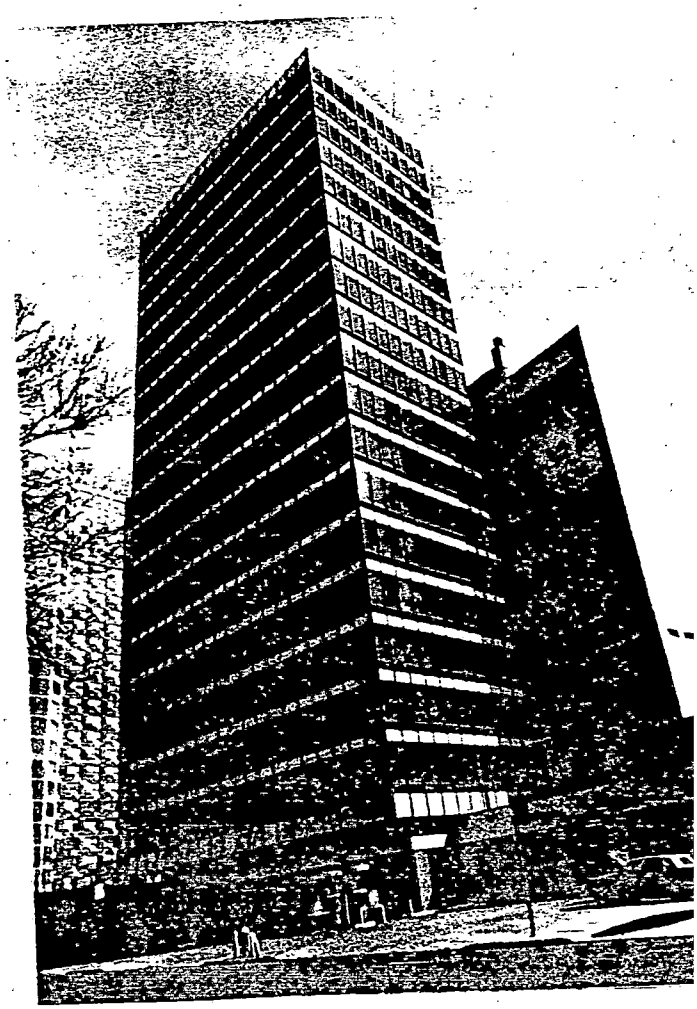
The present-day National Urban League is a far cry from Dr. Haynes' two-man operation at the beginning. In addition to several thousand full time employees, the League can call on more than 30,000 volunteers to carry forth its work. The staff of the Urban League Movement is unique in that it brings together a group of highly motivated and well-trained professionals (one-third of League staffers hold advanced degrees) whose expert knowledge embraces not only social work, but housing, education, criminal justice, entrepreneurship, etc.

This concentration of professional skills, in addition to being applied to the operation of League programs, is also shared with the black and other minority communities. In this way, the local affiliates fulfill one of their most important tasks—providing technical assistance to community groups.

On the local level, the National Urban League has 113 affiliates in 34 states and the District of Columbia, serving all urban areas that have substantial black populations. Affiliates are bound to the National Urban League by agreeing to terms of affiliation that set the broad standards they must meet. They receive technical assistance and supportive services from the National Office. The Urban League Movement serves some 1.5 million people a year.

The National Urban League is governed by an interracial Board of Trustees composed of outstanding men and women from the professions, business, labor, civic and religious communities. This composition is duplicated in boards at the local level.

In the fiscal year ending June 30, 1984, the NUL operated on a general budget of some $6.5 million. Of this, 48% came from the business community, 20% from private funds and foundations, 15% from affiliate dues, and 17% from all other sources. Restricted funds in the same period—these were funds allocated to specific programs and projects—totaled almost $13 million. Of these funds, 83% came from government, 3% from foundations, and 14% from all other sources.



Urban League Programs

An important part of the Urban League Movement are the Urban League Guilds that support the work of the affiliates in 70 cities. The oldest of the Guilds—the National Urban League Guild—was organized in New York City in 1942 to raise funds for headquarters and over the years has contributed several hundred thousand dollars to the work of the NUL.

The programs of the Urban League are pervasive, touching just about every aspect of black life and community needs. Traditional concerns such as employment, job training, housing, health and social services continue to account for much of the League's programmatic activities. In addition, the League has recently taken on the challenge of addressing several fundamental problems facing Black America that are particularly related to its young people. These are teenage pregnancy, education, single female heads of households, crime, and voter education and participation.

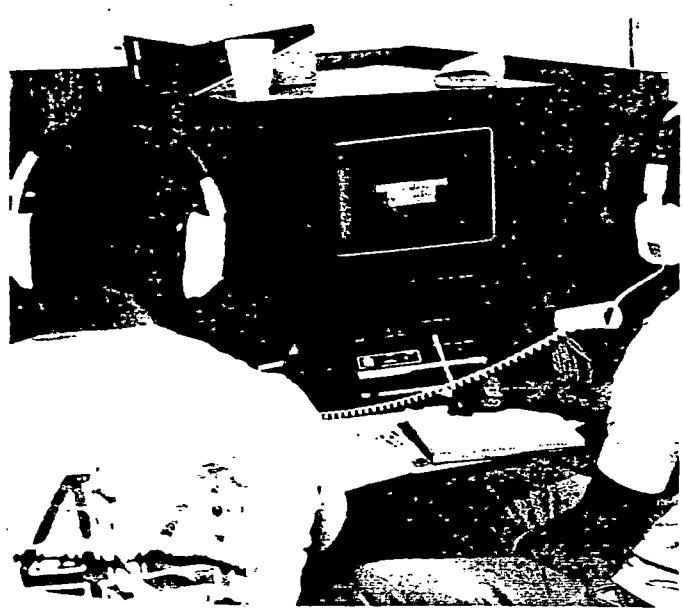
Space prohibits a listing of all NUL programs but several examples appear below.

- SKILLS TRAINING CENTERS—Presently numbering 25, with more on the drawing board, these centers take applicants, many of them either unemployed or underemployed, provide training, motivation and support over a 16-week period and develop them into employable workers with strong job skills suited for today's job market. The centers, which are operated in concert with IBM, have a placement rate of 82%.

- SENIORS IN COMMUNITY SERVICE—Through this program, thousands of participants, 55 years and older, are afforded opportunities to perform meaningful work and earn money in the public and private non-profit sectors. A number of them are able to move on to unsubsidized permanent jobs. The program operates in 22 affiliates.

- BLACK EXECUTIVE EXCHANGE PROGRAM—With more than 15 years of outstanding success behind it, this program continues to recruit black executives from business, industry and government to go to the campuses of predominately black colleges and universities where they teach credit-bearing courses in their fields of specialization including business, communications, engineering and technology. Their firsthand experiences in the world of work impart a very special importance to their teaching.

Advocacy



By virtue of its professionalism, its roots in the community, and its historical institutional strength, the National Urban League has a mandate to speak out on public issues on behalf of its constituents. This mandate has been exercised on both the local and national levels. The League believes it has a solemn duty to speak out on any and all issues that affect black and poor people, whether it is a local affiliate demanding a street light at a ghetto school crossing or the National Urban League designing a national income maintenance program.

Finally, the National Urban League is a believer in an open, pluralistic, integrated society. It believes that black citizens have the right to maintain their cultural and ethnic identity, while at the same time enjoying free access to all aspects of the larger society of which they are members. It believes that racial identity and interracial harmony are not mutually exclusive; they can both grow and prosper in an open society devoted to nurturing freedom, pluralism and integration.

The National Urban League reaches across barriers of race, social status, education and economics, to bring people together in an ongoing effort to make real the promises of America.

Bill Johnson - Hudson Institute
Labor

THE WHITE HOUSE
WASHINGTON

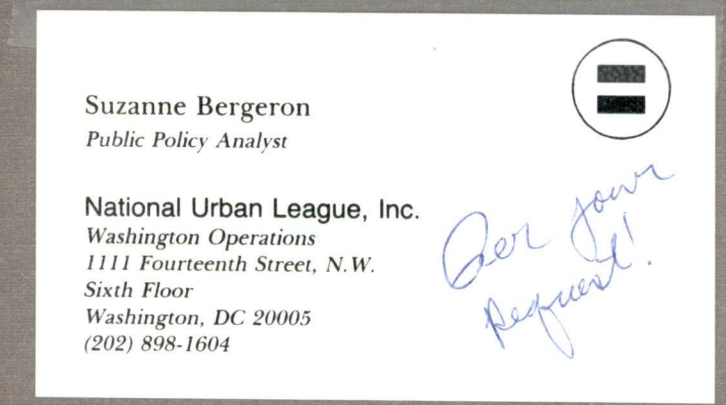
son Otis - revitalize & develop Liberty City area

Developing business, eliminate blight -

Crime Watch -
North Side Station

largest crime watch of any station in Miami -
over 15 yrs. 63 yrs. old

National Urban League, Inc.



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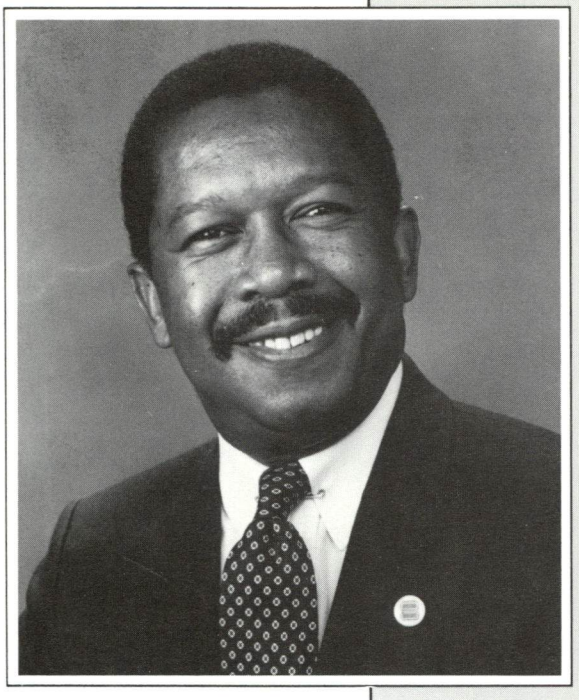
Per your request!

ANNUAL REPORT 1988

Message from the President



In 1988, white Americans celebrated another year of economic expansion, while many black Americans were driven deeper into poverty and despair. African Americans were three times as likely as whites to be poor and two-and-a-half times as likely to be jobless. Housing segregation increased. For the second straight year, black life expectancy declined.

The National Urban League calls on America to complete its unfinished agenda—its promise of equal opportunity for African Americans and other minority citizens. Our goal is to secure black-white parity by the year 2000. The task is a national challenge and a national responsibility, which demands the active involvement of all citizens of good will.

Since its inception in 1910, the National Urban League has been the leading organization working toward the goal of equal opportunity. The League's hallmark is the development of effective programs that provide direct services to millions of Americans and advocacy and public policy initiatives which respond to human needs of critical importance.

We want Black America to be able to compete in the world of tomorrow, and we believe that the future economic health of this country is dependent upon the readiness of a work force that must draw heavily on its African-American population.

The League continues to be an innovator and leader in responding to demanding social issues. We sounded the alarm of an increasingly undereducated minority population and developed a national education initiative to help solve it. To deal with the complex issue of teenage pregnancy, we developed a program of adolescent male responsibility that provides positive role models and encourages pregnancy prevention. The times continue to demand attention to other complex issues: low and moderate-income housing, job training for single, female heads-of-households, black-on-black crime prevention, and welfare reform. The League is actively involved in these issues and in the ongoing fight against other problems caused by racism and poverty.

Recognition of these problems does not deter our belief that this great nation can live up to its creed of justice and equality. To achieve a just and humane life for all African Americans, we combine our optimism with practical programs and creative solutions. This report shows some of our accomplishments of the past year. The National Urban League, along with our 113 affiliates, continues to be a catalyst, an advocate, a teacher, a community leader, a social worker, and a friend to those in need.

We need your support and participation in order to achieve the goal of "Parity by the Year 2000." The challenge can be met with commitment, caring, and rededication to the American ideals of equality and opportunity for all.

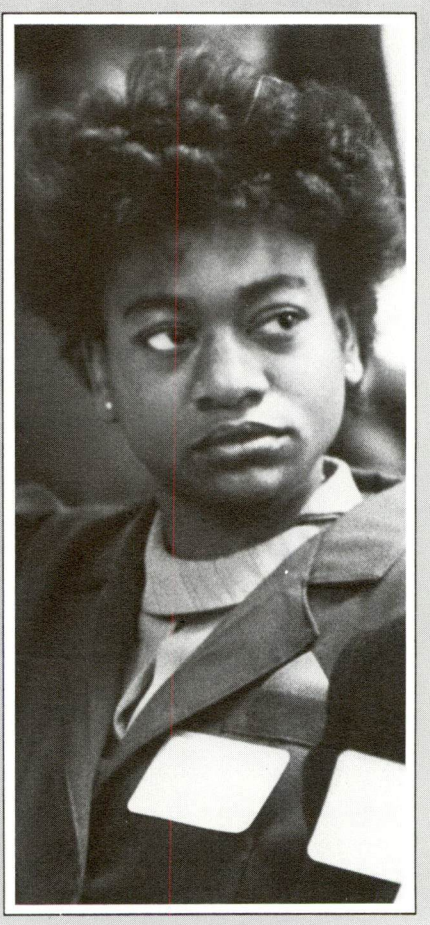
John E. Jacob
President and Chief Executive Officer

Introduction

The National Urban League is a non-profit, community-based service organization dedicated to securing equal opportunity for African Americans and other minorities.

Working in concert with affiliates, the League provides programs of direct service to millions of people each year. Advocacy, research, and special projects supported by partnerships with different groups have a positive impact on the lives of all our constituents. Coalitions are formed with concerned organizations in education, social work, economics, law, business, and other disciplines to improve the life of minorities.

The National Urban League traces its roots back to the establishment of the Committee on Urban Conditions Among Negroes in 1910. It was founded in New York City to help African-American migrants from the rural South find jobs and housing, acquire more education, and adjust to urban life. A year later the Committee merged with The National League for the Protection of Colored Women (founded in 1905) and The Committee for Improving the Industrial Conditions of Negroes (founded in 1906) to form the National League on Urban Conditions Among Negroes . The name was shortened several years later to the National Urban League and the process of chartering affiliates was begun. There are now affiliates in 113 cities, in 34 states, and the District of Columbia providing a variety of programs addressing poverty and racism.

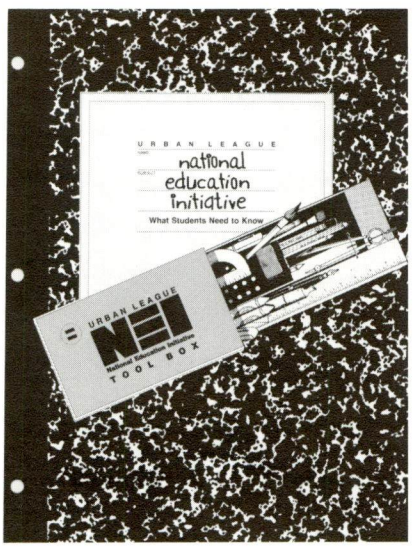


Programs and projects in the National Urban League represent a range of activity that touches almost every aspect of black life and community needs. Much of the Urban League programmatic activity focuses on its historical concerns such as housing, health, education, employment, job training, citizenship education, and social services. In addition, the Urban League in recent years has addressed other problems facing its constituents: teenage pregnancy, single female-headed households, crime in the black community, and underachievement in education. Voter education and political participation have also been emphasized.

Programs and projects are administered by the Office of Programs and Field Services, which also develops and implements technical assistance and service to the League's affiliates. Activities are organized within six cluster areas: Administration of Justice, Education and Career Development, Employment Training and Development, Health and Environmental Services, Housing and Economic Development, and Social Welfare and Family Services. The Whitney M. Young, Jr. Training Center was established to develop a system of management training and to strengthen the skills of the national and affiliate staff and volunteers.

Programs and Field Services

National Education Initiative



Education is a crucial priority of the National Urban League. In 1985, the National Urban League Delegate Assembly resolved to mount a five-year education initiative to improve the educational achievement of black public school students. Students from pre-kindergarten to twelfth grade are the focus of the National Education Initiative, which provides services to students and parents and also advocates improvements in the public education system.

The National Urban League offers affiliates assistance and training to plan, develop, and implement their local programs. In addition, it collaborates with national educational organizations and school superintendents to turn the program's objectives into action. Two task forces provide continuous leadership and support for the effort: an Urban League Chief Executive Task Force and a School Superintendents Task Force.

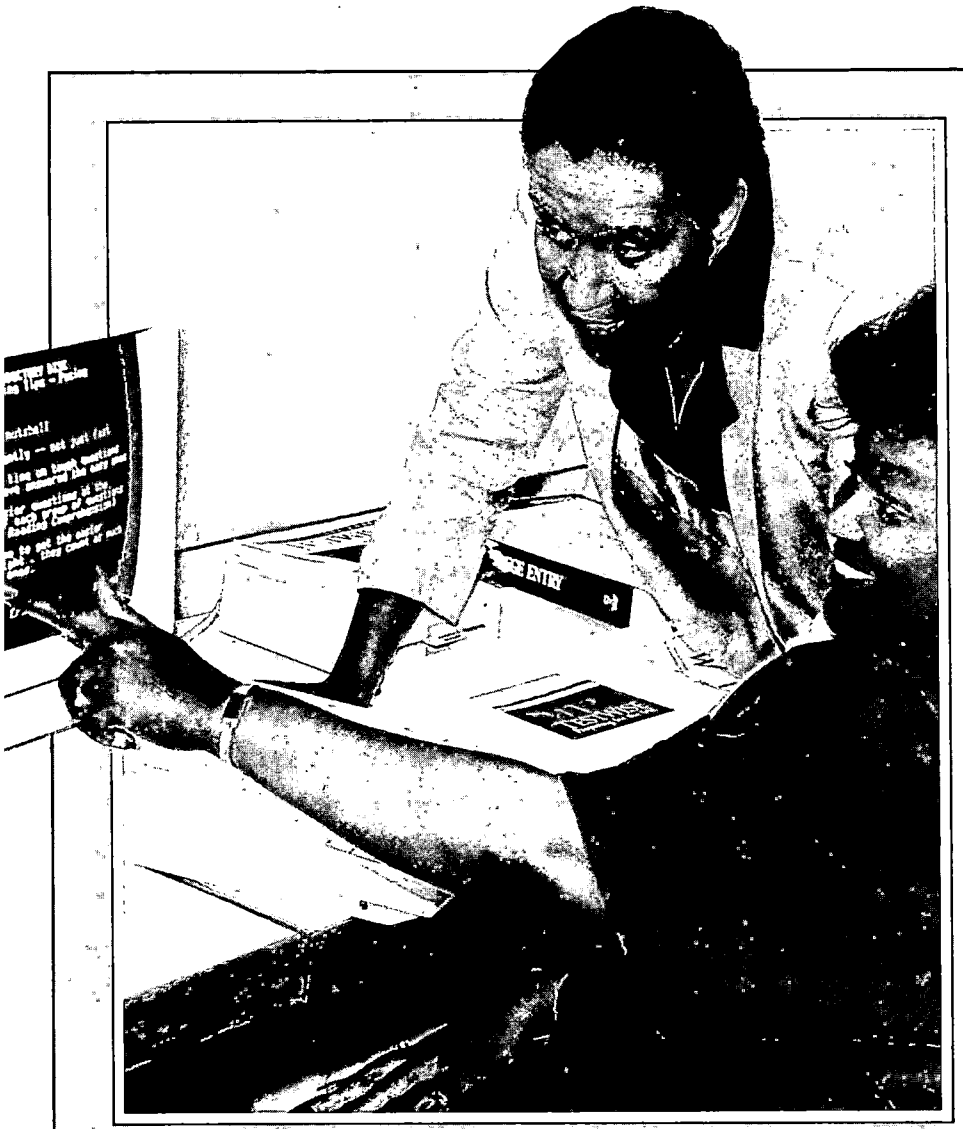
During the past three years, the National Education Initiative has expanded in affiliate participation and community recognition. There has been considerable support from public and private sectors. Today, 109 Urban League affiliates have Education Initiative programs or support activities for the improvement of academic achievement in their local community. Over 60,000 students and parents have benefited by this program. The League's advocacy efforts represent the educational interest of over 2.5 million African-American public school students.

During the past year, the Urban League presented the Education Initiative concept before many national meetings and organizations. These included: the National Conference of State Legislators, the National School Board Association, the National Coalition of Title I, the Academy for Educational Development, the American Educational Research Association, the Council of the Great City Schools, and the National Association for the Advancement of Colored People.

An historic meeting, attended by school superintendents representing over half of the nation's black public school students, was also sponsored by the Initiative. School superintendents from 27 states and the District of Columbia gathered at the Xerox International Center for Training and Management Development. They strengthened and expanded the collaborative efforts begun two years earlier to improve the educational achievement of minority students.

David T. Kearns, Chairman and Chief Executive Officer of the Xerox Corporation, delivered the keynote address. Throughout the three-day conference, participants were informed

A simulated college admission's panel reviews college applications at a workshop at Education Testing Service in Princeton, New Jersey.



Dr. Stephanie Robinson (standing) Director of Education and Career Development of the National Urban League, and Sydney Lancaster, Education Director of the Canton (Ohio) Urban League master new technology to further education goals.

about League collaborative activities with local school systems.

The Education Initiative Superintendents Task Force discussed the following key issues:

- Expanding the collaboration to include the private sector, parents, students, the federal government, and other key players;
- Encouraging the federal government to take greater initiative in meeting the needs of urban schools;
- Promoting the urban educational agenda in major educational organizations;
- Working to increase minority teacher participation in the work force.

The American Association for the Advancement of Science, the world's largest federation of scientific and engineering societies, continues to support our education efforts through technical assistance to affiliates in math and science program development.

The Education Testing Service recently initiated a five-year program venture in support of the Education Initiative. ETS hosted a series of three-day workshops at its conference center in Prince-

WORKING TOGETHER TO MAKE A DIFFERENCE

William A. Schreyer, Chairman and Chief Executive Officer of Merrill Lynch & Co. Inc., and John E. Jacob sign agreements with ScholarshipBuilder students at announcement ceremony.

ton, New Jersey. Over one hundred affiliates participated. Expert practitioners in guidance and counseling made presentations on college admissions, SAT preparation, and financial aid. The aim was to provide information for affiliate development of programs to increase student access to post-secondary education. Plans are being implemented to evaluate activities and document the impact on black student achievement.

Merrill Lynch & Co., Inc. and the National Urban League announced in November the newly established "ScholarshipBuilder" program for inner-city students in the "class of 2000." The program is underwritten by the Merrill Lynch Foundation.

Under the ScholarshipBuilder program, the Merrill Lynch Foundation will make contributions into a special investment account over the next 16 years to pay for the college education or advanced training of the 250 participating students upon their graduation from high school. For each student who graduates from high school, the program will provide the costs of tuition, books, room and board for up to four years of college or vocational training.

The National Urban League and League affiliates in each city worked with school officials to select the schools and students. Urban League affiliates will provide educational counseling, monitor student progress, and work with parents and teachers to encourage continued participation.

The Education Initiative has enjoyed a substantial increase in financial and in-kind support from the public and private sectors. Major support includes an Exxon Corporation grant for parent education programs over a five-year period and a grant from the Readers' Digest Foundation. These grants support the development of model Education Initiative programs for replication throughout the Urban League network. The National Science Foundation awarded the National Urban League a grant of $625,000 to develop a science literacy curriculum for the parents of pre-school children.

Scholarship Awards

The League's scholarship programs, in partnership with Duracell, Inc., Kraft, Inc. and GrandMet, continue to provide financial support to minority students.

The National Urban League Scholarhsip and Internship Program is sponsored by Duracell, Inc. and Kraft, Inc.. It is directed to minority students pursuing degrees in engineering and related fields at accredited, four-year institutions. Ten awards were granted to students: five of up to $10,000 and five of up to

$1,000, as well as summer internship opportunities with Duracell/ Kraft Companies.

The GrandMet/National Urban League Essay Contest is in its seventeenth year. Fifteen $1,000 tuition assistance grants are awarded to winners. The theme for this year's essays was "How Can the Community Motivate Minority Students to Complete High School?"

Black Executive Exchange Program (BEEP)

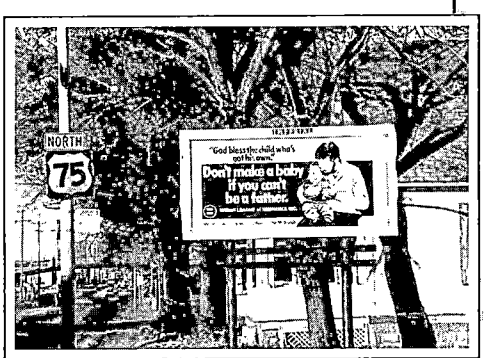
In its nineteenth year of providing complementary instruction, the Black Executive Exchange Program (BEEP) continues to bring middle and upper-level black managers and professionals from the public and private sectors to historically black colleges and universities. BEEP augments textbook education, encourages positive self-concepts, and keeps black colleges abreast of the latest issues affecting the world of work. Over 5,000 volunteers have participated in BEEP activities at black colleges and universities throughout the country. There is no cost to the college for securing BEEP's services. Corporate and government sponsors agree to loan black executives and professionals to participating colleges where they give lectures in credit courses and participate in special seminars for students.

During the academic year 1987-88, 410 executives conducted 57 seminars at 35 colleges. Each year, BEEP sponsors an interdisciplinary seminar which brings together outstanding public officials, black college presidents, and executives of major corporations to strengthen their involvement in the program and their ability to deliver the best service to the students.

This year's annual seminar used the theme, "Building and Enhancing Executive Potential." The seminar attracted more than 400 supporters and program volunteers from corporations, academia, and the federal government. The Hartford Insurance Group has made substantial contributions to the BEEP program.

At the 19th Annual BEEP Seminar in Atlanta, GA. are Renee DuJean, Director of the National Urban League Black Executive Exchange Program, Dr. Jerome Bartow, Chairman, BEEP Executive Advisory Committee; M. Anthony Burns, Chairman of the National Urban League Board of Trustees (shown center), Frank Lomax III, Executive Vice President and Chief Operating Officer of the NUL, and Mildred L. Love, Vice President, Programs and Field Services, NUL.

Michael Cross, Director of the Male Responsibility Program, Detroit Urban League, talks to students at Barbour Middle School.



Billboard magnifies male responsibility message on busy Omaha, Nebraska roadway.

Adolescent Male Responsibility Project

The Adolescent Male Responsibility Project was launched in 1985. Its strategy is to provide local communities with services designed to provide positive role models, to assist black males to reduce teenage pregnancy, and to support those who do become young fathers. More than 50 Urban Leagues operate either specially funded projects or major structured activities on adolescent male responsibility.

With funding from the Carnegie Corporation, the League has established a Male Responsibility Network. This resource center develops, maintains, and disseminates a central roster of cooperating agencies, organizations, and programs.

In March, the National Urban League sponsored the first national invitational conference on adolescent male responsibility in black families. The theme was "Manhood and Fatherhood: Adolescent Male Responsibility in Black Families." The conference was attended by more than 250 top scholars, researchers, and leaders of national organizations. Churches, civic groups, fraternities, youth services programs, Urban League affiliates, and other community organizations explored strategies to help young African-American males.

Perspectives of the dilemma facing young black males were shared at an important meeting in 1988. Leaders of five national black organizations were active participants on the Leadership Dialogue Forum. Joining National Urban League President and Chief Executive Officer John E. Jacob on the panel were: Dr. Dorothy I. Height, President of the National Council of Negro Women, Inc.; M. Carl Holman, President of the National Urban Coalition; Dr. Benjamin L. Hooks, Executive Director of the National Association for the Advancement of Colored People; and Dr. Joseph Lowery, President of the Southern Christian Leadership Conference. Panel moderator was Tony Brown of "Tony Brown's Journal."

Seniors in Community Service (SCSP)

Now operating in its eleventh year, Seniors in Community Service (SCSP) continues to provide part-time employment to low-income adults who are age 55 or older. SCSP participants work in subsidized community service jobs in public and nonprofit organizations. The program is funded by the U.S. Department of Labor and currently operates in 27 cities.

SCSP provides a number of important services to its older clients, including counseling, unsubsidized job development, placement and medical examinations. Last year 92 seniors received college scholarships to participate for one week in an academic, cultural, and social experience. During the 1987-88 program year, SCSP placed 733 participants into unsubsidized jobs, exceeding its contractual goal by over 59 percent. SCSP's current budget of $12.1 million makes it the League's largest federally funded program.

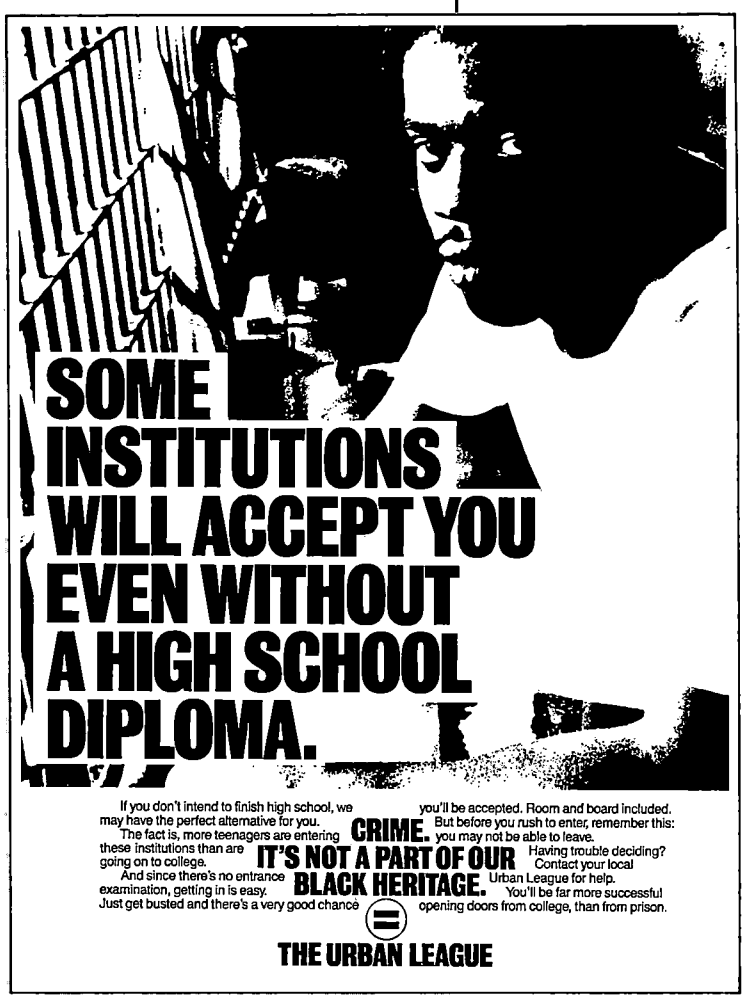
Senior Environmental Employment Program (SEEP)

Funded by the U.S. Environmental Protection Agency, this program provides employment opportunities for senior workers to utilize their administrative and technical skills in regional, state, and local EPA offices. Currently, seniors are working in five EPA offices throughout the country.

Administration of Justice

The National Urban League's position on crime prevention is reflected in our motto: "Crime is Not a Part of Our Black Heritage." For the past two years, staff of the Administration of Justice cluster worked with the National Institute of Justice to evaluate Urban League crime prevention programs.

Program results demonstrate that African-American communities are eager to address the problem of crime. The program has changed community attitudes towards crime and cooperation with the police. The police have indicated positive improvement in their relationship with the communities. The communities involved in the program emphasized family and community responsibility for addressing the problems of crime.



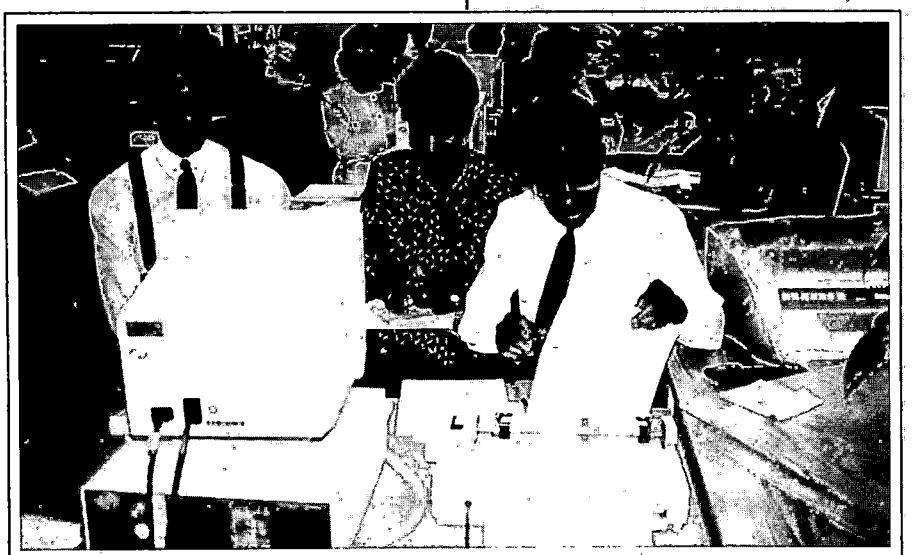
Housing and Economic Development

Housing and economic development continue to be complex and timely issues on the Urban League's agenda. The National Urban League entered into a cooperative agreement with the U.S. Department of Housing and Urban Development to administer the Comprehensive Community Development Block Grant Housing Opportunity Technical Assistance Program (CDBG/HOTAP).

In administering CDBG/HOTAP during the last eighteen months, the National Urban League has worked in nine cities on ways in which the fair housing needs of the community should be addressed through the community development process. The sites for this program are: Westchester County, NY; Riverside, CA; San Diego, CA; Richmond, VA; Harrisburg, PA; Springfield, IL; Alton, IL; Houston, TX; and Miami, FL.

CDBG/HOTAP was the subject at a national invitational conference in Miami, Florida, June 1-2, 1988. The conference theme was "Housing Opportunity and Community Development: Meeting the Challenge."

The Housing and Economic Development Cluster published the inaugural issue of its newsletter, *The Housing and Economic Development Report*. This quarterly report communicates affiliate activities and relevant housing and economic development issues.



Affiliate fiscal personnel concentrate at training session at Tampa Urban League.

Employment and Training

Employment and Training continue to be dominant issues for the National Urban League and its affiliates. Every affiliate provides services in career counseling, job development, and placement. In addition, eighty-five percent of the affiliates receive special project funds from foundations, private industry, and from local and state governments to provide employment and training services. Forty-five percent of the total special project funds received by the affiliates are in this area.

Second to the United Way, the largest single funding source for the provision of constituent services by affiliates is the U.S. Department of Labor's Job Training Partnership Act (JTPA). More than 60 affiliates receive in excess of $30 million in JTPA funds to provide employment and training services to the economically disadvantaged.

At the National Urban League, activities related to basic and occupational skills development as well as employment are cen-

tralized in the Employment and Training Cluster. Nine different projects are in this cluster. Fifteen million dollars were spent during this fiscal year on projects related to employment and training.

Comprehensive Youth Development Program (CYDP)

The Comprehensive Youth Development Program (CYDP) is designed to demonstrate the effectiveness of coordinated services to enhance skills, employment, and personal life. The program provides remedial academic, employment, and social skills. Central to these services is a youth service coordinator who serves as a case manager, an advocate, supporter, and counselor. Participants who successfully complete the program return to school and complete their GED or begin employment. It is funded by the U.S. Department of Labor, Employment and Training Administration, as a special demonstration project.

Job trainees at the Washington Urban League anticipate successful careers after graduation from the Information Processing Training Center.

Community Based Organization Partnership Program (CBOPP)

Since 1974, the Community Based Organization Partnership Program (CBOPP) has continued to be a major source of technical assistance and training to affiliates in employment and training. CBOPP provides onsite general, preventive, and corrective technical assistance to 49 affiliates. It also supports affiliate training to 133 staff persons in program and fiscal management, performance based contracting, program development, counseling, and job development. CBOPP disseminates its newsletters *DEVELOPMENTS* and *CBOPP BULLETINS* which report on important employment and training topics.

Comprehensive Competencies Program (CCP)

The Comprehensive Competencies Program (CCP), a remedial education program designed primarily for use with dropout youth, works with many facets of the community. The curriculum uses computers and other instructional systems to improve the reading, computation, and life survival skills of underachieving youth and adults.

WORKING TOGETHER TO MAKE A DIFFERENCE

At the Urban League of Broward County (FL) Clerical Word Processing Center, Harry Michel, an IBM office systems planner, on a fully paid community service leave from IBM, works with Deborah Godfrey (standing), center supervisor, to assist students like Mary Johnson in training for new careers.

The program began through a grant from the Ford Foundation to implement Learning Centers in five affiliate cities. Eight additional affiliates joined the network and the CCP program now operates in 13 cities. Programs are funded through a variety of national and local public and private ventures. Urban League programs have been especially sucessful in working with young people in the hardest to serve categories.

Information Processing and Training Centers (IPTC) Task Force

The Information Processing Training Centers continue to provide state-of-the-art office skills and operations training for economically disadvantaged young adults in 30 Urban League communities. The centers, which do not charge any fees to participants, are operated with the support of business and government agencies. Urban League affiliates graduated and placed over 1,800 persons in unsubsidized employment last year.

IBM, a major partner of the centers, estimates that the return on investment of Urban League center participants in the form of taxes and reduced social service and unemployment payments is over 400 percent.

Business Careers Summer Internship Program (SIP)

SIP is continuing its partnership with the National Urban League's Commerce and Industry Council. This program provides nationwide corporate summer internships to minority undergraduate students with business-related majors.

In 1988, 315 students were included in the Resume Referral Book which was disseminated to major corporations. The Job Readiness Orientation Seminars, a major activity of the program, were sponsored by Bristol-Myers and Time-Life, Inc. Sixteen corporations participated in the three seminars which assisted students in becoming more aware of available career opportunities, gave insights into corporate interpersonal relationships, and provided job readiness counseling.

Health and Environmental Services

During the past twelve months the Health and Environmental Services Cluster has conducted an array of demonstration projects, technical assistance, and advocacy activities. Teenage pregnancy and AIDS, both national priorities, received concentrated attention in this unit. The National Urban League is nationally recognized as a pivotal organization in addressing these issues.

Affiliate Development of Adolescent Pregnancy/Parenting Programs (ADAPP)

This program provides technical assistance to selected affiliates and others to improve their

quality of service for adolescent pregnancy/parenting programs. Data from an impact evaluation model indicates that affiliate pregnancy/parenting programs are making a difference in the lives of adolescents.

In many of the programs there was a total absence of pregnant youth. In others, pregnancy rates of less than five percent were found. This compares to the national rates of 20 percent. No infant deaths were reported in any of the programs, and there were fewer incidences of low birth weight babies.

The ADAPP impact evaluation experience was recently presented at the Child Welfare League of America Annual Conference. The Charles Stewart Mott Foundation and the General Electric Foundation have provided significant funding for adolescent pregnancy and parenting programs.

AIDS Initiative

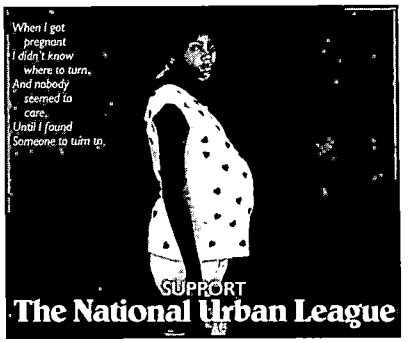
African Americans have had a disproportionately high rate of AIDS. In an attempt to control the spread of AIDS, the National Urban League and its network of local affiliates are developing and implementing The National AIDS Minority Information and Education Project. This project is designed to make each Urban League affiliate a community resource center for AIDS education. During the first year, the program will be implemented in the ten affiliate cities where AIDS is most prevalent among minorities. The Centers for Disease Control is providing over one million dollars to the National Urban League over a five-year period.

Social Welfare and Family Services

Efforts of the Social Welfare and Family Services Cluster are directed towards the strengthening and preservation of African-American families. One of the strategies relates to the prevention of pregnancy among minority adolescents. Through the recently concluded, federally funded "Reducing the Incidence of Pregnancy among Minority Adolescents Project," the National Urban League was able to demonstrate that helping black parents to better communicate with their young and early adolescent children is a viable teenage pregnancy prevention strategy. The "Saying No and Meaning It" curriculum, which was developed by the project and used to train parents and volunteers in improving communications with children, has since been used by a number of organizations.

The prevention of child abuse and neglect through the enhancement of parenting skills and the delivery of home-based supportive services help preserve African-American families. Urban League programs have increased the delivery of coordinated services developed to promote positive parenting and healthy social development of African-American children.

Social Welfare and Family Services in collaboration with the Whitney M. Young, Jr. Training Center received a grant from the Office for Substance Abuse Prevention (U.S. D.H.H.S.) to conduct a drug and alcohol prevention demonstration in eight Urban League affiliate cities. The "Model Community



The Columbus (Ohio) Urban League launched an AIDS information program, including the use of dramatic posters.

Based Prevention Project" is a goal-setting training effort that builds upon existing Urban League youth activities. The project focuses on 12-16 year-old African-American youth encouraging them to say "no" to cigarettes, alcohol, and drugs. The project is based on the premise that youth who are able to establish and implement a goal for self-sufficiency are more likely to avoid drugs.

Whitney M. Young, Jr. Training Center

The Whitney M. Young Jr., Training, Executive Development, and Continuing Education Center provides opportunities for staff and volunteers at both the affiliate and national levels to enhance managerial and interpersonal skills.

Major participants at the third annual Whitney M. Young, Jr. Commemoration Ceremony are (clockwise from left) John E. Jacob, Wendell G. Freeland, Center Director William Haskins, Clarence D. Coleman, Mildred Love, Center Advisory Board Chairman William Hatchett, Cernoria D. Johnson and William M. Ashby.

This year, the National Urban League provided training to the board and staff from 64 affiliates, as well as officers and regional coordinators of the National Council of Urban League Guilds. A total of 116 individuals participated in nine seminars. Training for affiliate boards and volunteers was also conducted during pre-conference activities and at the Regional Assemblies. Approximately 550 people participated in these sessions. Training and technical assistance were provided for 25 affiliate boards, guilds, and staff.

This year, the fiscal training was held in Tampa, Florida at the Hilton Borough Community College. A four-day training seminar in community organization was convened at the University of Pittsburgh and conducted by the Dean and faculty of the School of Social Work. Other seminars addressing "The Role and Responsibility of Board Members" were held for affiliate board chairpersons. For Guild officers and coordinators a seminar was held on "Recruiting, Developing & Managing Volunteers."

On October 16th, the Whitney M. Young, Jr. Training Center held its Annual Commemoration Ceremony in which it paid tribute to outstanding members of the Urban League family. Those honorees included the following:

William M. Ashby,
former Executive Director
Essex and Union County
(New Jersey) Urban Leagues

Clarence D. Coleman,
former Vice President
Field Operations
National Urban League

Wendell G. Freeland, Esq.
former Board Member
Pittsburgh Urban League
and National Urban League

Cernoria D. Johnson,
former Director
Washington Bureau
National Urban League.

The Whitney M. Young, Jr. Memorial Foundation has given support to the Whitney M. Young, Jr. Training Center.

Regional Service Centers

The National Urban League has regional service centers in Atlanta, Chicago, Los Angeles, and New York. These four centers manage requests from affiliates and build efficient service systems. They provide training and orientation, field visit assessments, and technical assistance for the affiliates. Assistance is also given in locating funds for new projects. Programs emphasized by the centers this year were voter education, education, training, AIDS, and teenage pregnancy.

Regional Assemblies

Education initiatives, employment and training, male responsibility, teenage pregnancy, services to youth, and staff development were all focuses of the four Regional Assemblies. Regional Assemblies are held each year to achieve optimum affiliate involvement. These were convened in Grand Rapids, Michigan; Winston-Salem, North Carolina; and Baltimore, Maryland, and Oakland, California. Nearly 800 persons attended the Assemblies.

Regional Volunteer Service

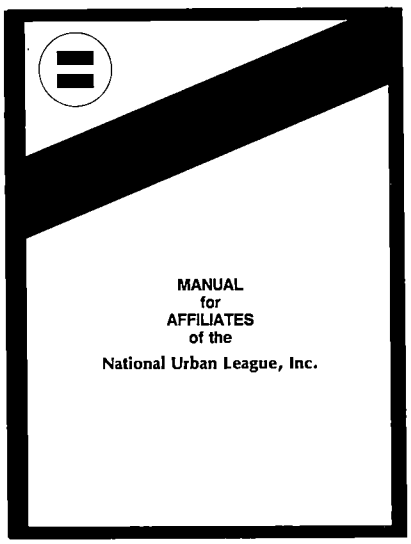
Awards for service to their communities and their respective local Urban Leagues were presented to: Joseph Stewart, Senior Vice President of the Kellogg Company, Battle Creek, MI; Mayme Jackson, Oklahoma City Urban League; Rod Hagenbuch, Tacoma Urban League; and Rashidah Lorraine Hassan, founder of BEBASI (Blacks Educating Blacks About Sexual Issues), Philadelphia, PA.

Service to Affiliates

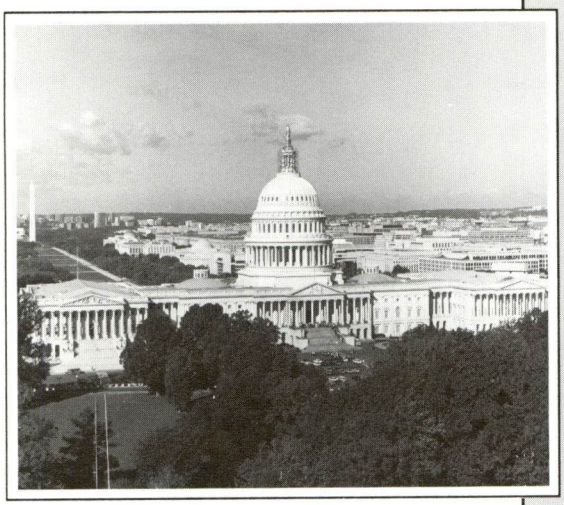
During the last year, the Programs and Field Services Department was engaged in numerous significant activities to support the League's mission. Despite funding cutbacks for this area, program clusters were able to generate 2.5 million dollars to support projects for the Education Initiative, Housing, Adolescent Male Responsibility, Teenage Pregnancy, and the Comprehensive Competencies Programs. The department has developed creative and innovative technical assistance programs and training services.

The Revised Manual for Affiliates of the National Urban League, Inc., was distributed at the annual conference. The source book is for planning and implementing Urban League programs. The manual is primarily designed for orientation and training purposes. It defines the organization and describes management practices, programs, and fiscal policies which govern the affiliates.

The Urban League Directory of Programs and Projects was published to provide a reference to the programs and projects that operate at the national headquarters and throughout the network of 113 affiliates. The directory identifies and locates the National Urban League's efforts that serve millions of people a year.



Washington Operations



Located in the nation's capital, Washington Operations is the principal government relations, policy analysis, and research arm of the National Urban League. A staff of public policy experts and social scientists pursue their mission to substantiate, support, and advocate the interests of the Urban League Movement. Washington Operations develops and maintains close contact with members of Congress, federal executive departments, and regulatory agencies. It responds to requests to prepare and present testimony before legislative, executive, and regulatory bodies on issues that affect the Urban Legaue's constituency. It produces and disseminates papers and publications on important social policy issues, initiatives, and proposals. Policy-related information, assessments, and technical assistance to the affiliates are also prepared by Washington Operations.

The following issues were of high priority in 1988: civil rights restoration, fair housing amendments, welfare reform, and raising the minimum wage.

Both the national advocacy network and the Urban League Movement played a major role in an intense effort over the Civil Rights Restoration Act. Victory came when Congress moved "with all deliberate speed" on March 22, 1988, to override the President's veto, thus sending a message that Congress will uphold its long-standing commitment to civil rights.

Upon invitation, Washington Operations also prepared testimonies and statements for several Congressional hearings. The National Urban League was requested by Senator Daniel P. Moynihan to submit a statement to the Senate Judiciary Committee on the nomination of Judge Robert Bork to the U.S. Supreme Court. The League also testified before the Senate Finance Committee on the Family Security (S. 1511). The House Subcommittee on Labor Standards invited the League to testify on the Fair Labor Standards Act of 1938 to raise the minimum wage. The Policy Unit worked extensively on briefing papers on welfare reform, civil rights restoration, fair housing amendment, and minimum wage. These were prepared and distributed to all Urban League affiliates.

Washington Operations also worked with members of Congress on the 1989 Federal Budget cuts proposed by President Reagan. As a result of those efforts, the National Urban League was able to achieve some restoration for many low income programs and maintain some of the programs originally targeted for elimination.

Efforts were carried out with members of Congress on the reauthorizing of Chapter I of the Education Consolidation and Improvement Act and the Housing and Community Development Act of 1988. The latter included the Neighborhood Development program, which provides funds to neighborhood organizations to create jobs and assist small minority businesses.

Fair housing legislation was a major civil rights issue for the National Urban League and required full attention to help ensure passage of this timely bill (H.R. 1158). A legislative alert went out to all Urban League affiliates asking them to contact their respective members indi-

vidually in support for passage of the bill. The staff consulted with key members of the House and Senate and requested passage of the bill with no weakening amendments. The Senate passed the House bill in August with an overwhelming vote of 94-3, and President Reagan signed the bill into law on September 13, 1988.

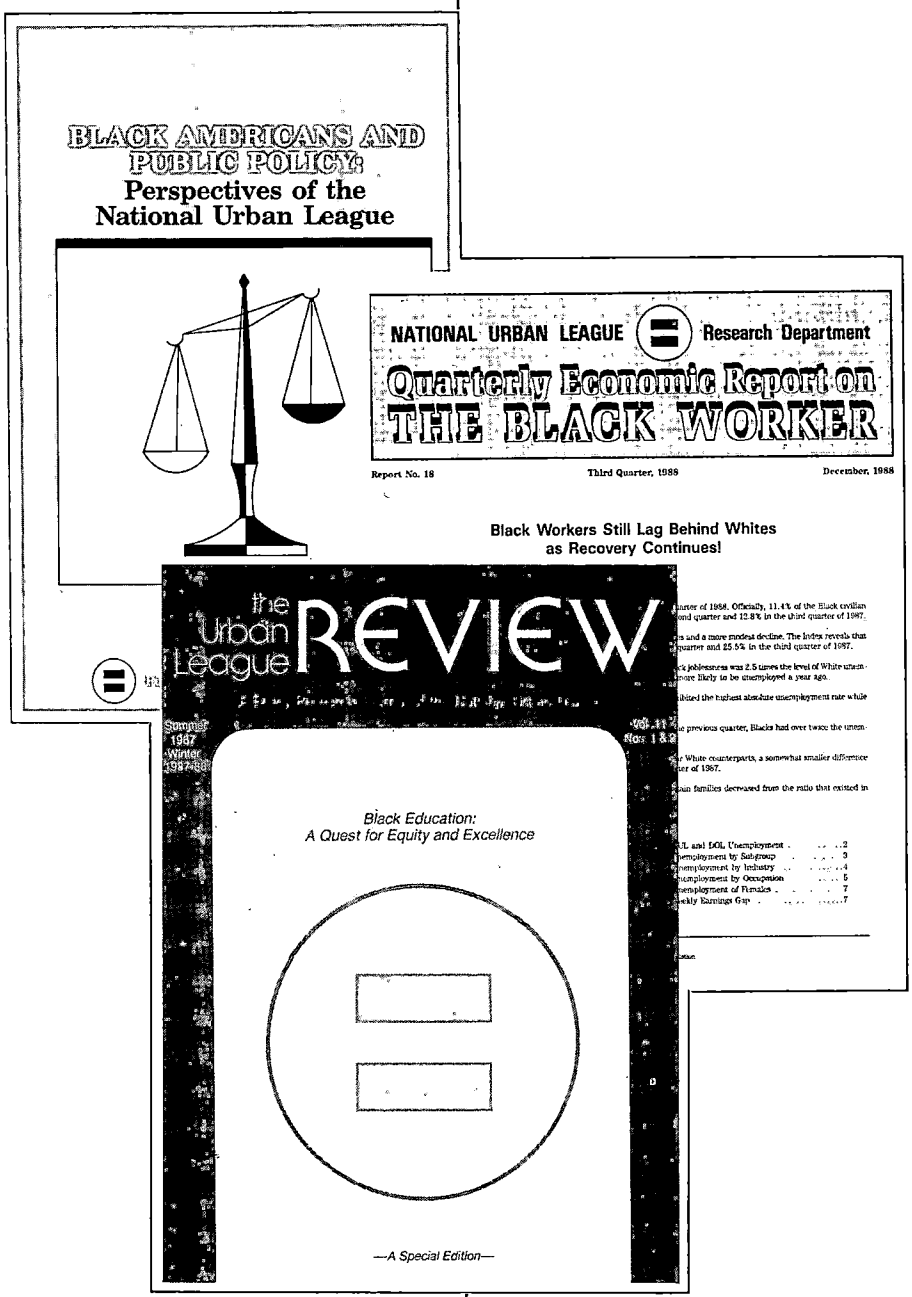
The National Urban League continued its involvement with energy and environmental policies. The League has spoken out on specific issues relating to its constituents' concern for energy.

The National Urban League Research Department published a number of landmark books and monographs. Of particular note was a special education edition of its policy research journal *The Urban League Review.* The issue has been named the "Best single Issue of a Professional Journal" by the Professional and Scholarly Publishing Division of the Association of American Publishers.

The department released *Black Americans and Public Policy: Perspectives of the National Urban League* as part of the League's broader effort to influence the policy redirections necessary to improve the conditions for Black America. It examines civil rights and social justice, employment and training, education, welfare reform, and black economic development.

The report *Black Employment in the Private Sector: A Twenty-Year Assessment* analyzes companies that are required to report personnel information to the Equal Employment Opportunity Commission. According to the report, the occupational distribution of blacks in 1985 was distinctly inferior to that of whites. Whites were still three times as likely to occupy positions as officials, managers, and professionals, while blacks were twice as likely to be employed as laborers and service workers.

Also published were *On the Move: Implementation of the Urban League Education Initiative* and *The Quarterly Economic Report on The Black Worker.*



CORPORATE INVOLVEMENT

National Urban League Inaugurated Nationwide Computer Network

The National Urban League and the Digital Equipment Corporation announced the completion of a nationwide computer network. With this technology, the National Urban League became the first organization of its kind to have such a state-of-the-art national computer network. Digital made this possible by donating $1.5 million worth of sophisticated computer hardware and software.

John L. Sims, Vice President, Strategic Resources, Digital Equipment Corporation, joins John E. Jacob to announce the partnership agreement between Digital and the League in which Digital has donated $1.5 million worth of sophisticated hardware and software to the National Urban League.

The computer network links up the League's national headquarters in New York with its Washington Operations office and the Regional Service Centers in Atlanta, Chicago, Los Angeles, and New York. The next phase of the system will bring the League's 113 affiliates on-line. The computer system has laid the foundation for increasing the League's effectiveness in research, marketing, training, fundraising, and program development. Through this partnership, Urban League personnel across the country are being trained in sophisticated computer technology.

Computerization of the League with Digital equipment will be completed in three phases. The first phase dealt with enhancing the existing computer system at the League's New York headquarters. The second phase included the installation of a Digital MicroVAX system in each of the League's four regional service centers. The last phase includes placing a Digital MicroVAX 3600 system in New York, networking it with the VAX 11/750 system, and bringing the 113 affiliates on-line.

Equal Opportunity Day Dinner

The National Urban League's 32nd Annual Equal Opportunity Day Dinner took place on November 15 in the Grand Ballroom of the Hilton Hotel in New York City. The dinner, the League's major fundraising event, honored Roberto C. Goizueta, Chairman and Chief Executive Officer of The Coca-Cola Company and John H. Johnson, Publisher, Chairman and Chief Executive Officer of Johnson Publishing Company, Inc. Goizueta was honored for his individual support of the National Urban League as well as for Coca-Cola's role as a major contributor to the League's Permanent Development Fund. Johnson, a former member of the National Urban League Board of Trustees, has a long history of involvement with the organization.

The Equal Opportunity Day Dinner is held each year on or near the actual date of the Gettysburg Address delivered by President Abraham Lincoln. The dinner provides an opportunity for the League to honor citizens who not only are "dedicated to the proposition that all men are created equal" but also have devoted their lives toward making equal opportunity a reality.

Hamish Maxwell, Chairman and Chief Executive Officer of Philip Morris Companies, was chairman of the dinner.

M. Anthony Burns, Chairman of the National Urban League Board of Trustees (left) and John E. Jacob present Equal Opportunity Day awards to (left to right) John H. Johnson, Publisher, Chairman and Chief Executive Officer of Johnson Publishing Company, Inc. and Roberto C. Goizueta, Chairman and Chief Executive Officer of The Coca-Cola Company.

Joe Louis Barrow, Jr.

Joe Louis Youth Fund

The memory of the late heavyweight boxing champion Joe Louis is the inspiration for the newly established National Urban League Joe Louis Youth Fund. The youth fund has been set up to support programs for youngsters such as prevention of crime, teen pregnancy, and school dropouts.

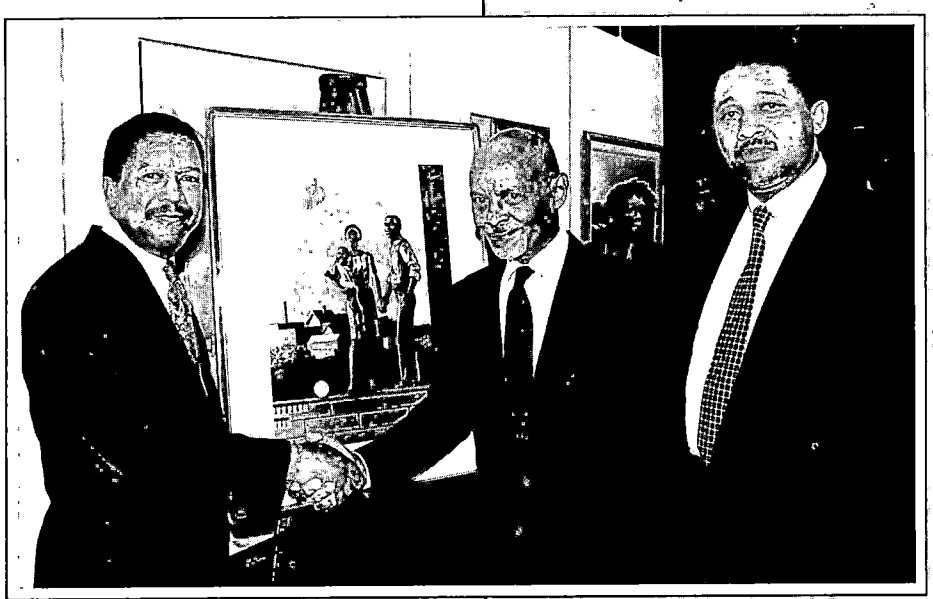
Known popularly as the "Brown Bomber," Joe Louis is memorialized in the book *Joe Louis: 50 Years An American Hero,* the definitive biography written by his son Joe Louis Barrow, Jr. and Barbara Munder. Proceeds from the sale of the book will support the Urban League Youth Fund. The commemorative edition of the book was premiered during the National Urban Conference in Detroit, Louis' hometown.

Party at the Plaza

This year's gala "Party at the Plaza," an annual fund-raiser chaired by Mrs. Sherry Bronfman, an National Urban League Trustee, attracted over 600 attendees.

Beaux Arts Ball

Under the leadership of founder and president, Mollie Moon, the National Urban League Guild, continuing a tradition of service that began in 1942, contributed greatly to the volunteer support of the National Urban League. The Guild's annual Beaux Arts Ball proved once again that working for a good cause can be fun as well as profitable for the League.



John E. Jacob congratulates renowned black artist Hughie Lee-Smith during the presentation of lithographs of his painting to the League by Carl Horton, Senior Product Manager for Seagram's Gin.

Great Artists Series

In support of the National Urban League, The House of Seagram hosted the second annual reception and exhibition celebrating Black History Month. The event honored the League and its supporters for their vital contributions to the black community and featured the unveiling of a new work by the renowned black artist Hughie Lee-Smith entitled "The Promise." The company presented 100 signed, limited edition lithographs of "The Promise" for National Urban League fund-raising efforts.

Urban League Affiliates Worked to Increase Voter Participation

Urban League affiliates around the country conducted aggressive 90-Day Countdown Campaign drives with activities such as door-to-door canvassing, church registration drives, candidate forums, and cooperative coalitions to increase black voter turnout. At the same time the National Urban League issued a call to major organizations to mobilize their resources to increase voter turnout by ten percent in the November election.

Responding to the League's invitation to get out the vote were: the National Newspaper Publishers Association, the National Alliance of Black School Educators, the National Association of Colored Women's Clubs, the National Funeral Directors and Morticians Association, the National Black Nurses Association, and the A. Philip Randolph Institute.

The 90-Day Countdown Campaign was a national and community effort. Other national organizations were encouraged to enlist the support of their membership to accomplish the campaign goal of a 10 percent increase in African American turnout in local, state, and national elections.

United Way

The Urban League/United Way Task Force was formed to review the relationship between the Urban League and the United Way from a national perspective. The Task Force published a document, "The United Way's Second Century Initiative and the Urban League Movement: Implications for the Partnership and Challenges for the Future." The report made recommendations for concerted action by the National Urban League and its affiliates.

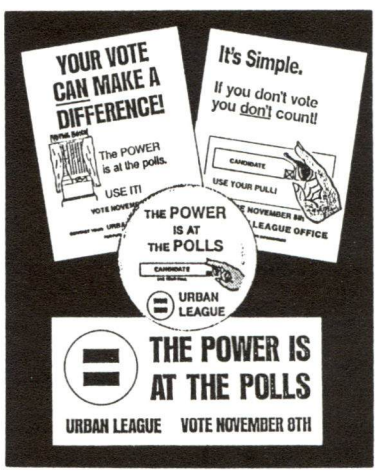
Urban League Sunday

Affiliates of the National Urban League, local churches, and other community institutions participated in the second annual observance of Urban League Sunday on February 14. The theme of the day was: "We Can Make A World of Difference—Toward Community Empowerment." Urban League Sunday is observed on the second Sunday in February and is primarily designed to focus on the community and especially the Black Church.

Community Outreach

To keep the message of the National Urban League before its varied publics, a steady flow of timely and meaningful materials was generated. These included press releases, brochures, Black History Month kits, and *The Urban League News.* Ninety-two radio stations carried John E. Jacob's daily message to the public. His "To Be Equal" columns and speeches of national importance were read by millions of Americans in over 300 publications.

COMMUNITY INVOLVEMENT



1988 National Urban League Conference

Sixteen thousand people attended the July 31–August 3, 1988 National Urban League Conference in Detroit. Conferees attended forums and plenary sessions structured around the general conference theme, "Working Together to Make a Difference: Rights, Responsibilities, Results."

Setting the tone for the conference during his keynote address, John E. Jacob proposed a goal that by the year 2000, there should be parity between black and white Americans in educational achievement, employment, income, life expectancy, infant mortality, and other key indicators of individual and family well-being.

During the National Urban League's Delegate Assembly the following seven members were elected to the Board of Trustees:

Reginald K. Brack, Jr.
President and Chief Executive Officer
Time, Inc.;
(New York, NY)

Charles M. Collins
Principal
Western Development Group, Inc.;
(Redwood, CA)

Jewel K. Garrison
Associate Professor
Department of Social Work
Wright State University
(Dayton, OH);

Henry F. Henderson, Jr.
President and Chief Executive Officer
H.F. Henderson Industries (West Caldwell, NJ);

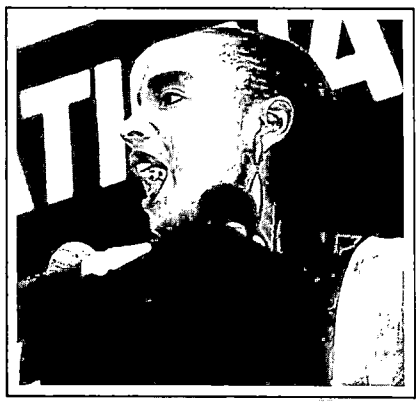
Ms. Eleanor V. Horne
Secretary of the Corporation
Executive Assistant to the President
Educational Testing Service
(Princeton, NJ);

John G. Medlin, Jr.
Chairman, President and Chief Executive Officer
First Wachovia Corporation,
(Winston-Salem, NC);

Calvin Tyler
Senior Vice President and Group Manager for Personnel
United Parcel Service of America, Inc., (Greenwich, CT)

Rosa Parks is honored by (from left) Wayman Smith III, General Conference Chairman; Dr. Bernard C. Watson, National Urban League Senior Vice Chairman; Reverend Jesse L. Jackson; M. Anthony Burns; and John E. Jacob.

Susan L. Taylor, Editor-in-Chief of *Essence* magazine, addressed over 1,000 National Urban League conference participants at the annual Council of Urban League Guilds Luncheon. Ms. Taylor spoke of the need to rekindle vitality in the black family. The *Essence* editor cited the difficult roles that women play in the community and suggested that more attention be drawn to those activities that rekindle and strengthen family ties.



Susan L. Taylor

Dr. John G. Keane, U.S. Census Bureau director, addressed the Federal Resources Luncheon. Dr. Keane called upon the League to continue its traditional active role in helping to ensure the best count of the black population in the 1990 census.

Detroit Mayor Coleman Young (left) and Michael Dukakis greet conferees.

A major research paper titled *Black Employment in the Private Sector: A Twenty-Year Assessment* was issued at the conference by the National Urban League Research Department at a Monday press conference.

The morning plenary session on August 1, presented "Black Managers at the Top: The Corporate Challenge." The changing workforce and strategies to ensure a more open and equitable corporate hierarchy were addressed. The moderator was Charles E. Taylor, Ph.D., General Manager, Marine Transportation, BP America. The panelists included: Karen P. Gibbs, Assistant Vice President, Futures and Options Division, Senior Financial Futures Analyst, Dean Witter Reynolds Inc.; A. Barry Rand, Group Vice President, President, U.S. Marketing Group, Xerox Corporation; and Roy S. Roberts, Vice President, Personnel Administration & Development, General Motors Corporation.

Both presidential candidates were invited to address the conference. Democratic presidential candidate Michael Dukakis accepted the invitation and

WORKING TOGETHER TO MAKE A DIFFERENCE

Vernon E. Jordan, Jr.

addressed the Monday evening plenary session.

The morning plenary session on August 2, featured Admiral James D. Watkins, Chairman, Presidential Commission on the Human Immunodeficiency Virus Epidemic (HIV). Admiral Watkins spoke about the devastating effect the AIDS epidemic is having on many urban and minority communities. He warned that 1.5 million Americans are infected with the virus.

The publisher of *Black Enterprise*, Earl G. Graves, at the afternoon plenary session discussed the buying habits of blacks. He suggested that blacks should vote with every dollar they spend—buying power is a most effective weapon. Buying power as a political tool was also discussed at a press conference following the speech. John E. Jacob and Mr. Graves expressed deep concern over Japanese advertising and other practices that are racially derogatory to blacks.

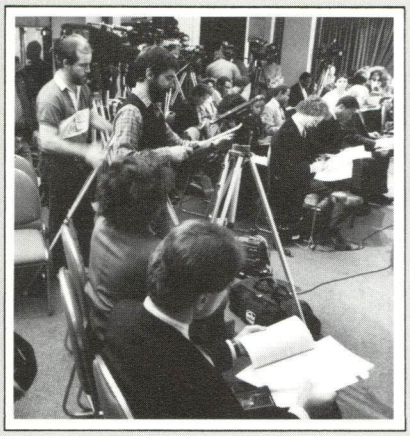
Jesse Jackson spoke to more than 4,000 conferees at the August 3, morning plenary session. The Conference Dinner speaker was Vernon E. Jordan, Jr., former National Urban League President and partner with the law firm of Akin, Gump, Strauss, Hauer & Feld of Washington, D.C.

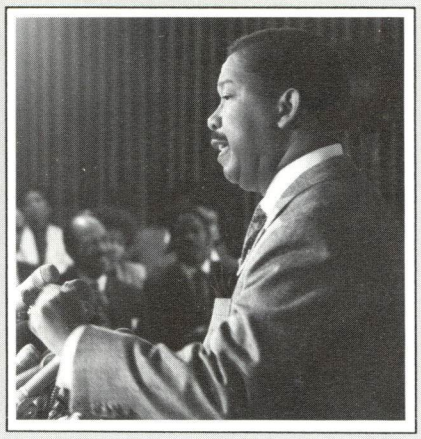
John L. Sims and Wayman F. Smith III received the annual Donald H. McGannon Award for 1988. This award is given to volunteers in the corporate sector who made outstanding contributions to the National Urban League and who have demonstrated strong commitment to the achievement of equal opportunity in American society. Mr. Sims is Vice President, Strategic Resources, of the Digital Equipment Corporation. Mr. Smith, the 1988 conference general chairperson, is Vice President, Corporate Affairs, of Anheuser-Busch Companies, Inc.

William J. Haskins, who has been a National Urban League employee for 31 years, received the Ann Tanneyhill Award for distinguished employee service. He is the Director of the Whitney M. Young, Jr., Training, Executive Development and Continuing Education Center.

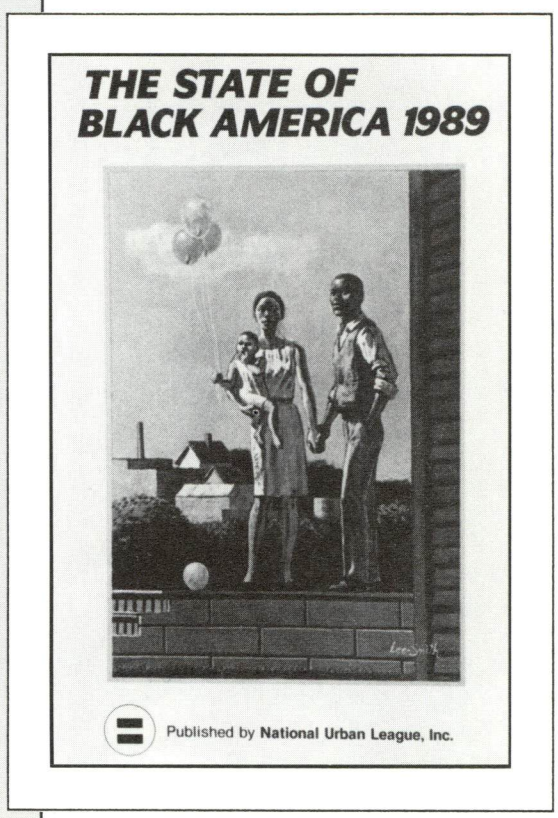
Conferees attended a concert by The Count Basie Orchestra in Detroit's Ford Auditorium. Popular singer Lou Rawls was the featured entertainer following the conference dinner.

Congressman John Conyers (center); (Clockwise from left) Dr. John G. Keane, Director, U.S. Census Bureau; N. Charles Anderson, President, Detroit Urban League; Sharon Bernard Miller, Esq., Chairperson, Detroit Urban League, and Congressman Jack Kemp.





The State of Black America



The State of Black America, acclaimed as a compendium of contemporary black scholarship, is considered the foremost reference on the status of African Americans. Published annually, the book contains papers addressing the disparities in American society and gives insights into the solutions for achieving justice and equality. This authoritative text is used by influential government and corporate leaders, colleges and universities, and social service agencies.

The National Urban League released *The State of Black America 1989* four days after the Inauguration of President George Bush. John E. Jacob, President and Chief Executive Officer of the National Urban League, called on President Bush to adopt the theme of black-white parity by the year 2000 as a goal for his administration.

The 1989 editon of *The State of Black America* features an overview by Mr. Jacob and nine papers prepared by national authorities in the fields of economics, education, fair housing, drugs, families, children, and religion. The volume also presents a chronology of news articles published during the year, the compilation includes race relations, education/desegration, the federal budget, civil rights, affirmative action, and politics.

The fourteenth annual edition of *The State of Black America* contains the following articles:

"Black America 1988: An Overview" by John E. Jacob;

"To Make Wrong Right: The Necessary and Proper Aspirations of Fair Housing" by Dr. John O. Calmore, J.D., Associate Professor, Loyola Law School;

"Black Children in America" by Marian Wright Edelman, Esq., President, Children's Defense Fund;

"On Parity and Political Empowerment" by Dr. Charles V. Hamilton, Wallace S. Sayre, Professor of Government, Columbia University;

"Critical Issues for Black Families by the Year 2000" by Dr. Robert B. Hill, Research Consultant;

"Knowing the Black Church: What It Is and Why" by Dr. C. Eric Lincoln, Professor of Reli-

State of Black America Forums

gion and Culture, Duke University;

"Black Higher Education: Crisis and Promise" by Dr. Reginald Wilson, Senior Scholar, American Council on Education;

"Valuing Diversity: The Myth and the Challenge" by Dr. Price M. Cobbs, President, Pacific Management Systems;

"Drugs in the African-American Community: A Clear and Present Danger" by Dr. Wade W. Nobles, Executive Director, The Institute for the Advanced Study of Black Family Life and Culture, Inc., Professor of Black Studies, San Francisco State University, and Dr. Lawford L. Goddard, Associate Director of Education and Training, Institute for the Advanced Study of Black Family Life and Culture, Inc.;

"The Economic Status of Black Americans" by Dr. David Swinton, Dean, School of Business, Jackson State University.

Dr. Bruce R. Hare, Associate Professor of Sociology, State University of New York at Stony Brook, and author of "Black Youth at Risk" in The State of Black America 1988 *makes presentation during a "State of Black America" Forum on the Carnegie-Mellon University Campus. The forum was sponsored by the Urban League of Pittsburgh along with the School of Urban and Public Affairs (Carnegie-Mellon University) and the School of Social Work and The Graduate School of Public and International Affairs (University of Pittsburgh).*

The National Urban League inaugurated State of Black America forums before a capacity crowd at New York's Schomburg Center for Research in Black Culture in February, 1988. Other forums were held in Columbus, OH, Pittsburgh, PA, Colorado Springs, CO, and the State University of New York at Stony Brook. A special grant donated by National Urban League trustee Lois Zenkel supported the forums. All forums were sponsored by Urban League affiliates in collaboration with local academic institutions. The forums featured a panel of experts who authored papers in The State of Black America.

Funding

Since its founding in 1910, the National Urban League has faced the challenge of adequate funding. The decade of the 1980s has seen significant changes in those communities where the Urban League traditionally seeks support. Such phenomena as corporate mergers and acquisitions have had a profound impact, reducing the level of financial support.

The National Urban League has responded to this challenge with a strategy that fuses its advocacy, program, and research activities with those related to fundraising and public relations. This strategy enables the League to generate needed revenue, act as an advocate for the voiceless, create programs for those in need, and conduct research on topics of national importance.

Along with this comprehensive outreach program, the League has reduced staff size and improved efficiency through the use of new technology. It has reorganized staff to focus on the development of new resources. This process has been facilitated by a grant from Ryder System, Inc. to improve the management of the resource development process.

We remain dedicated to the creation of a perpetual endowment for the National Urban League to guarantee our economic stability. To this end, we continue to seek support for our Fund for a New Era—a Permanent Development Fund. The League received more than $14.3 million in pledges and gifts to the Fund, and it presently generates $1 million per year in operating revenue.

The National Urban League is facing its challenges, developing pragmatic solutions, and continuing to serve the nation in its areas of greatest need. During the past year, the National Urban League received major grants for operating support from the following donors.

National Urban League Major Unrestricted Corporate Grants

$60,000 and above

American Express Company
The Equitable Financial Companies
Exxon Corporation
General Motors Corporation
International Business Machines Corporation
Mobil Corporation
Philip Morris Companies
RJR Nabisco, Inc.
USX Corporation
Xerox Corporation

$50,000 - $59,999

Anheuser-Busch, Inc.
American Telephone and Telegraph Company
Chrysler Corporation
The Coca-Cola Company
E.I. DuPont de Nemours
The Ford Motor Company
Hoechst Celanese Corporation
Metropolitan Life Insurance Company
Procter & Gamble Company
Ryder System, Inc.
Joseph E. Seagram and Sons
United Parcel Service of America, Inc.
Westinghouse Electric Corporation

WORKING TOGETHER TO MAKE A DIFFERENCE

$40,000 - $49,999

Allied-Signal, Inc.
J.C. Penney Company, Inc.
Shell Oil Company Foundation
Johnson & Johnson

$30,000 - $39,999

The Allstate Insurance Company
Avon Products, Inc.
Brown and Williamson Tobacco Corporation
General Foods Corporation
Sears, Roebuck and Company
Time Incorporated
Winn-Dixie Stores, Inc.

$20,000 - $29,999

The Alcoa Foundation
Atlantic Richfield Company
Bankers Trust Company
The Bristol-Myers Company
The Chase Manhattan Bank
Citibank
Eastman Kodak Company
GTE Corporation
Goodyear Tire & Rubber Company
Kellogg Company
Knight Foundation
Rockwell International
Texaco, Inc.

$10,000 - $19,999

BP America, Inc.
CBS, Inc.
CPC International, Inc.
Campbell Soup Company
Caterpillar, Inc.
The Continental Corporation
Adolph Coors Company
Cummins Engine Foundation
Dow Jones & Company, Inc.
The Firestone Tire & Rubber Company
Gulf & Western Industries, Inc.
Hewlett-Packard Company
K Mart Corporation
Lever Brothers Company
McDonald's Corporation
Merck & Company, Inc.
The New York Times Company Foundation, Inc.
Primerica Corporation
The Prudential Insurance Company of America
Sterling Drug, Inc.
Sun Company, Inc.
Union Pacific Corporation
UNISYS Corporation
Warner-Lambert Company
Wm. Wrigley Jr. Company

National Urban League Major Foundation and Other Unrestricted Grants

The Henry Ford II Fund	$50,000
The National Urban League Guild	40,000
The Milken Family Foundation	10,000
The Henry and Lucy Moses Fund	10,000
The Wasserman Foundation	10,000
The M.L. Annenberg Foundation	5,000
Mary W. Harriman Foundation	5,000
The Samuel H. Kress Foundation	5,000
The William S. Paley Charitable Trust	5,000
Sidney Stern Memorial Trust	5,000

National Urban League
Special Project Grants

U.S. Department of Labor Seniors in Community Service Program	$12,124,722
U.S. Department of Labor Community Based Organization Partnership Program (CBOPP)	1,180,000
U.S. Environmental Protection Agency Senior Environmental Employment Program-Region V	598,720
U.S. Environmental Protection Agency Risk Reduction Engineering Laboratory	586,793
U.S. Department of Housing and Urban Development Comprehensive CDBG Housing Technical Assistance Program	350,000
U.S. Environmental Protection Agency Senior Environmental Employment Program-Region II	343,278
U.S. Department of Labor Partnership Enhancement Project /Comprehensive Youth Development Program	324,668
Carnegie Corporation Adolescent Male Responsibility Program	205,000 *
Centers for Disease Control National AIDS Minority Information and Education Program	186,130 *
National Science Foundation National Urban League PreSchool Science Collaborative	179,616 *
United Schools of America, Inc. Model Community-Based Prevention Program	150,000
Exxon Corporation Education Initiative Parent Involvement Program	125,000 *
U.S. Environmental Protection Agency Toxic Waste and Environmental Research	121,876

WORKING TOGETHER TO MAKE A DIFFERENCE

U.S. Environmental Protection Agency Health Effects Research Laboratory	114,200
Charles Stewart Mott Foundation Affiliate Development of Adolescent Pregnancy/parenting Programs	65,000 *
Henry Luce Foundation Economic Research Project	64,474 *
American Red Cross American Red Cross AIDS Collaborative	56,585
Reader's Digest Foundation Education Initiative	50,000 *
General Electric Foundation Impact Evaluation of Adolescent Pregnancy Programs	50,000
J.M. Foundation Entrepreneurship Education Program for Inner-City Youth	37,000
New York State Division of Human Rights New York State Housing Lending Tests	34,336
Lilly Endowment, Inc. Institutional Renewal (National Youth Focus)	30,000
Whitney M. Young, Jr. Foundation Whitney M. Young, Jr. Training and Continuing Education Series	25,000
General Motors (Special Education Project)	10,000 *
Helena Rubinstein Foundation Male Responsibility Campaign Teenage Pregnancy Resource Center	5,000 * 5,000
Merrill Lynch & Company Foundation ScholarshipBuilder Program	5,000

*Multi-year funding.

National Urban League
Permanent Development Fund Campaign
Major Contributors

	Amount Pledged (To Date)	*Amount Received* (To Date)
The Ford Foundation	$ 4,500,000	$ 4,500,000
The Rockefeller Foundation	1,000,000	1,000,000
John D. and Catherine T. MacArthur Foundation*	1,000,000	600,000
The Coca-Cola Company	1,000,000	600,000
IBM Corporation	1,000,000	800,000
Philip Morris Companies, Inc.	1,000,000	600,000
United Parcel Service Foundation	1,000,000	750,000
Xerox Corporation	1,000,000	800,000
AT&T	700,000	420,000
CBS, Inc.	500,000	500,000
J. C. Penney Company	350,000	280,000
Kraft, Inc.	300,000	300,000
William Penn Foundation	300,000	300,000
Eastman Kodak	150,000	90,000
Hoechst Celanese Corporation	100,000	60,000
Mr. and Mrs. Robert C. Larson	100,000	100,000
Procter & Gamble Fund	100,000	50,000
Ryder System, Inc.	100,000	80,000
Goldman Sachs & Co.	50,000	40,000
Dow Jones & Company	30,000	30,000
Dr. Daniel A. Collins	13,500	13,500
Cummins Engine Foundation	10,000	10,000
Estate of Constance G. and Julius A. Thomas	10,000	10,000

*An additional $400,000 has been received from the John D. and Catherine T. MacArthur Foundation and placed in a special account on which the National Urban League will draw $200,000 a year until 1990.

WORKING TOGETHER TO MAKE A DIFFERENCE

The National Urban League also received legacies and bequests last year from the estates of Elizabeth French Babbott, Roland Gibson, Ruth B. Jaynes, Sinclair Lewis, George V. McCoo, Jessie Mitchell, Martha F. Radetsky, William N. Rairigh, Paul F. Smith, and Ralph H. Works.

Contributions to the National Urban League are vital to its efforts to provide opportunity and assistance. The League expends its resources prudently to obtain the maximum benefit for its constituents; however, the demand for its services continues to grow, making public support even more important. Contributions are tax deductible under Section 501(c) (3) of the Internal Revenue Code and should be addressed to:

National Urban League, Inc.
Office of Development
500 East 62nd Street
New York, New York 10021

Certified Public Accountants
Lucas, Tucker & Co.
26 BROADWAY, SUITE 524, NEW YORK, NEW YORK 10004

Accountants' Report

To the Board of Trustees
National Urban League, Inc.

We have examined the balance sheets of the National Urban League, Inc., at June 30, 1988 and 1987 and the related statements of public support, revenue and expenses, changes in fund balances/(deficits), cash flows and functional expenses for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the National Urban League, Inc., at June 30, 1988 and 1987 and the results of its operations, changes in fund balances/(deficits), cash flows and functional expenses for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

October 24, 1988
New York, New York

Lucas, Tucker & Co.

NATIONAL URBAN LEAGUE, INC.
BALANCE SHEETS
JUNE 30, 1988 AND 1987

ASSETS	1988	1987
CURRENT FUNDS		
Unrestricted		
Cash	$ 29,151	$ 43,515
Investments (Note 2)	278,257	654,204
Pledges receivables	96,000	169,500
Loans and other receivables	109,893	79,531
Affiliate dues receivable (less allowance for uncollected accounts of $200,000 in 1988 and 1987)	1,006,569	998,058
Due from endowment funds (see contra)	283,988	321,341
Prepaid expenses and deposits	227,606	447,258
TOTAL	$ 2,031,464	$ 2,713,407
Restricted		
Cash	$ 409,125	$ 601,472
Grant and contract revenue receivable	203,595	95,518
Interest and other receivables	5,464	3,123
Due from unrestricted funds (see contra)	557,495	339,306
TOTAL	$ 1,175,679	$ 1,039,419
PERMANENT PROPERTY FUND		
Cash	$ 528	$ 42,886
Escrow—cash	46,087	
Due from restricted funds (see contra)	1,894	1,894
Due from unrestricted funds (see contra)	526,543	391,624
Land and building (at cost—less accumulated depreciation) (Note 4)	2,215,016	2,239,072
Furniture and fixtures (at cost—less accumulated depreciation) (Schedule 4) (Note 4)	622,967	317,769
TOTAL	$ 3,413,035	$ 2,993,245
ENDOWMENT FUNDS		
Cash	$ 5,871	$ 27,559
Investments (Note 2)	11,627,482	10,570,530
Interest receivable	182,885	133,056
TOTAL	$11,816,238	$10,731,145

NATIONAL URBAN LEAGUE, INC.
BALANCE SHEETS
JUNE 30, 1988 AND 1987

LIABILITIES, UNEXPENDED REVENUE AND FUND BALANCES/(DEFICITS)	1988	1987
CURRENT FUNDS		
Unrestricted		
Accounts payable and accrued expenses	$ 700,236	$ 591,030
Accrued vacation benefits	336,417	318,422
Loans payable (Note 3)	2,200,000	1,500,000
Due to restricted funds (see contra)	557,495	339,306
Due to permanent property fund (see contra)	526,543	391,624
Escrow funds	116,160	188,282
Deferred revenue	612,660	413,144
Total Liabilities and Deferred Revenue	$ 5,049,511	$ 3,741,808
Fund balances/(deficit):		
Specially appropriated funds (Exhibit C)	117,784	621,049
Unappropriated current funds (Exhibit C)	(3,135,831)	(1,649,450)
Total Fund Balances/(Deficit)	(3,018,047)	(1,028,401)
TOTAL	$ 2,031,464	$ 2,713,407
Restricted		
Accounts payable and accrued expenses	$ 135,268	$ 98,985
Accrued vacation benefits	76,697	81,142
Due to permanent property fund (see contra)	1,894	1,894
Unexpended grant and contract revenue (Exhibit C)	961,820	857,398
TOTAL	$ 1,175,679	$ 1,039,419
PERMANENT PROPERTY FUND		
Accounts payable and accrued expenses	$ 99,059	$ 24,975
Mortgage payable (Note 5)	187,433	283,966
Total liabilites	286,492	308,941
Fund balance (Exhibit C)	3,126,543	2,684,304
TOTAL	$ 3,413,035	$ 2,993,245
ENDOWMENT FUNDS		
Accounts payable	$ 13,491	$ 11,545
Due to unrestricted funds (see contra)	283,988	321,341
Deferred revenue	400,000	600,000
Fund balance (Exhibit C)	11,118,759	9,798,259
TOTAL	11,816,238	10,731,145

See notes to financial statements.

NATIONAL URBAN LEAGUE, INC.
STATEMENT OF PUBLIC SUPPORT, REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 1988
(WITH COMPARATIVE TOTALS FOR 1987)

Public Support and Revenue	Current Funds Unrestricted	Current Funds Restricted	Permanent Property Fund	Endowment Funds	1988 Combined Total	1987 Combined Total
Public support:						
Contributions	$ 2,810,666	$ 1,053,252	$ —	$ 1,320,500	$ 5,184,418	$ 6,883,317
Legacies and bequests	284,645	—	—	—	284,645	133,145
Special events (less related expenses of $599,974 in 1988 and $247,882 in 1987) (Note 6)	206,909	—	—	—	206,909	383,869
Allocated by federated fund raising agencies	17,509	—	—	—	17,509	8,681
Grants and contracts from government agencies	—	12,417,314	—	—	12,417,314	11,615,719
Direct mail campaign	340,290	—	—	—	340,290	383,109
In-kind contributions	—	2,143,706	261,012	—	2,404,718	1,922,475
Total Public Support	3,660,019	15,614,272	261,012	1,320,500	20,855,803	21,330,315
Revenue:						
Annual conference (net of related expenses)	67,699	—	—	—	67,699	66,631
Affiliate dues	1,182,445	—	—	—	1,182,445	1,054,219
Interest, dividends and gains (losses) on sales of securities	831,878	—	—	49,431	881,309	779,557
Sale of publications to the public	75,328	—	—	—	75,328	53,245
Rental income/(expense) (net of occupancy cost)	—	—	—	—	—	(4,804)
Miscellaneous	6,658	38,187	—	—	44,845	97,956
Total Revenue	2,164,008	38,187	—	49,431	2,251,626	2,046,804
Total Public Support and Revenue	5,824,027	15,652,459	261,012	1,369,931	23,107,429	23,377,119
Expenses:						
Programs and other services to the public	3,294,267	15,632,564	19,444	—	18,946,275	17,763,404
Supporting services	4,150,626	—	83,582	49,431	4,283,639	3,827,096
Total Expenses	7,444,893	15,632,564	103,026	49,431	23,229,914	21,590,500
Excess (Deficiency) of Public Support and Revenue Over Expenses Before Extraordinary Item	(1,620,866)	19,895	157,986	1,320,500	(122,485)	1,786,619
Extraordinary Item—Gain on Sale of Interest in Building (Note 7)	—	—	—	—	—	1,179,536
Excess (Deficiency) of Public Support and Revenue Over Expenses	$(1,620,866)	$ 19,895	$ 157,986	$ 1,320,500	$ (122,485)	$ 2,966,155
Fund Balances, June 30, 1987	(1,028,401)	857,398	2,684,304	9,798,259		
Transfers	(368,780)	84,527	284,253	—		
Fund Balances, June 30, 1988	($3,018,047)	$ 961,820	$3,126,543	$11,118,759		

See notes to financial statements.

NATIONAL URBAN LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED JUNE 30, 1988
(WITH COMPARATIVE TOTALS FOR 198

	Programs and Other Services to the Pub				
	Programs	Training	Research	Public Education	Fi Ser
Salaries	$ 1,962,683	$121,933	$ 130,871	$ 480,146	$55
Employee benefits	154,604	8,728	14,103	39,685	4
Payroll taxes	180,710	10,167	13,836	38,272	5
Total Employee Compensation	2,297,997	140,828	158,810	558,103	65
Subcontract payments	10,287,961	236	—	—	
Subcontract in-kind expenses	2,116,802	—	—	—	
Professional and contract services	96,871	555	1,264	27,271	2
Equipment expenses	52,150	7,195	2,175	7,185	1
Supplies	35,430	2,121	974	8,991	
Telephone and telegraph	98,152	7,252	2,466	26,298	3
Occupancy	227,028	18,467	45,349	77,919	11
Postage and shipping	22,836	1,563	1,125	20,959	
Printing and artwork	13,372	1,811	4,256	69,634	
Travel, conferences and conventions	404,858	30,145	5,182	59,774	9
Subscriptions	7,528	49	294	7,926	
Membership dues	325	—	43	2,143	
Awards and grants	—	—	—	—	
Indirect cost	322,440	—	—	—	
Interest expense	822	—	—	—	
Miscellaneous	27,441	—	4,345	5,637	
Provision for Uncollectable	13,076	—	—	—	
Direct Mail Campaign Expenses	—	—	—	—	
Total Expenses Before Depreciation	16,025,089	210,222	226,283	871,840	95
Depreciation expense—net of depreciation charges recovered from projects	4,072	1,717	1,090	7,156	
Total Expenses	$16,029,161	$211,939	$ 227,373	$ 878,996	$96

See notes to financial statement

		Supporting Services				
vernmental Affairs	Total	Management and General Administrative	Fund Raising	Total	1988 Combined Totals	1987 Combined Totals
375,828	$ 3,626,276	$1,548,134	$314,724	$1,862,858	$ 5,489,134	$ 4,786,206
35,324	295,698	172,258	30,171	202,429	498,127	430,027
37,334	335,356	131,924	28,227	160,151	495,507	475,740
448,486	4,257,330	1,852,316	373,122	2,225,438	6,482,768	5,691,973
—	10,288,197	—	—	—	10,288,197	9,678,807
—	2,116,802	—	—	—	2,116,802	1,893,602
420	152,945	235,914	3,531	239,445	392,390	650,367
6,754	91,099	195,019	10,554	205,573	296,672	342,996
2,973	56,168	63,274	5,468	68,742	124,910	133,463
7,658	177,274	55,770	13,238	69,008	246,282	243,472
140,813	628,551	279,373	57,672	337,045	965,596	889,045
3,227	54,247	39,447	17,192	56,639	110,886	91,742
8,564	97,844	16,757	11,237	27,994	125,838	142,099
14,192	604,184	188,867	26,488	215,355	819,539	665,291
912	17,286	6,709	5,946	12,655	29,941	25,878
132	3,202	10,935	748	11,683	14,885	13,895
—	—	142,409	146	142,555	142,555	157,935
—	322,440	—	—	—	322,440	357,464
—	822	179,055	13,588	192,643	193,465	145,349
1,153	45,364	18,408	—	18,408	63,772	37,432
—	13,076	12,221	—	12,221	25,297	—
—	—	—	364,653	364,653	364,653	332,241
635,284	18,926,831	3,296,474	903,583	4,200,057	23,126,888	21,493,051
3,451	19,444	77,091	6,491	83,582	103,026	97,449
638,735	$18,946,275	$3,373,565	$910,074	$4,283,639	$23,229,914	$21,590,500

NATIONAL URBAN LEAGUE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1988
(WITH COMPARATIVE TOTALS FOR 1987)

	Current Funds		Permanent Property Fund	Endowment Funds	1988 Combined Total	1987 Combined Total
	Unrestricted	Restricted				
Cash Flow From Operating Activities						
Net Income (Loss)	($1,620,866)	$ 19,895	$157,986	$1,320,500	($122,485)	$2,966,155
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and Amortization (including recovered charges)	—	—	121,499	—	121,499	117,950
Adjustments to beginning Fund Balances	—	—	—	—	—	(22,018)
Decrease (increase) receivables and prepaid expenses	254,279	(110,418)	—	(49,829)	94,032	(303,708)
Decrease (increase) in accounts and accrued expenses payable	127,201	31,838	74,084	1,946	235,069	(221,724)
Decrease (increase) in escrow funds	(72,122)	—	—	—	(72,122)	44,147
Increase (decrease) in deferred revenue	199,516	—	—	(200,000)	(484)	468,599
Net Cash Provided/(Used) by Operations	(1,111,992)	(58,685)	353,569	1,072,617	255,509	3,049,401
Cash Flow From Investment Activities						
(Increase) decrease in Investments	375,947	—	—	(1,056,952)	(681,005)	(3,466,804)
Addition to property and equipment	—	—	(402,641)	—	(402,641)	474,767
Interfund advances and transfers	(38,700)	38,700	—	—	—	—
Appropriations to restricted funds	(330,080)	45,827	284,253	—	—	—
Interfund borrowings	390,461	(218,189)	(134,919)	(37,353)	—	—
Net Cash Provided/(Used) for Investing Activities	397,628	(133,662)	(253,307)	(1,094,305)	(1,083,646)	(2,992,037)
Cash Flow From Financing Activities						
Increase (decrease) in notes payable to banks	700,000	—	—	—	700,000	(300,000)
Increase (decrease) in mortgage payable	—	—	(96,533)	—	(96,533)	(88,934)
Net Cash Provided/(Used) for Financing Activities	700,000	—	(96,533)	—	603,467	(388,934)
Increase (decrease) in Cash Balance	(14,364)	(192,347)	3,729	(21,688)	(224,670)	(331,570)
Cash Balance, Beginning of Year	43,515	601,472	42,886	27,559	715,432	1,047,002
Cash Balance, End of Year	$ 29,151	$409,125	$ 46,615	$ 5,871	$ 490,762	$ 715,432

See notes to financial statements.

NATIONAL URBAN LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1988

1. Summary of significant accounting policies

The accompanying financial statements have been prepared in accordance with the accounting and reporting requirements of the American Institute of Certified Public Accountants in its industry audit guide **Audits of Voluntary Health and Welfare Organizations.**

Basis of accounting

Assets, liabilities, revenue and expenses are presented on the accrual basis of accounting, whereby they are recognized and recorded when earned or incurred.

Capitalization and depreciation

The National Urban League (The League) follows the practice of capitalizing all expenditures for land, building, furniture and equipment in excess of $100 except for expenditures paid for by government grants; the fair market value of donated fixed assets is similarly capitalized.

Depreciation of fixed assets is provided for on the straight-line method of accounting based upon the cost and the estimated useful life of the assets.

Investments

Investments are stated at cost, amortized cost or fair market value at the date contributed.

Public support and revenue

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Grants and contracts received from government agencies are restricted to the conduct of specific programs. The disposition of any excess of restricted revenue over related expenses is subject to the direction of the donor, or the terms of the grant and contract. Accordingly, any excess of revenue over expenses are reflected on the balance sheets as unexpended grant and contract revenue.

Donated materials, equipment and services are reflected as in-kind contributions. Donated materials and equipment are recorded at their fair market value and donated services are valued at rates which the League would use to hire paid staff if volunteers were not available.

2. Investments

At June 30, 1988 and 1987, investments consist primarily of certificates of deposits, common stocks and bonds. Quoted market value and unrealized appreciation/(depreciation) at June 30, 1988 and 1987 are summarized as follows:

	June 30, 1988		June 30, 1987	
	Quoted Market Value	Unrealized Depreciation	Quoted Market Value	Unrealized Depreciation
Current funds unrestricted	$ 278,257	–	$ 653,640	($ 564)
Endowment funds	$11,354,522	($272,960)	$10,387,090	($183,440)

3. Loans payable

The League has line of credit arrangements with the Bank of New York and Freedom National Bank providing for short-term borrowings of up to $2,500,000, with interest based upon the prime rate. The line of credit arrangements are collateralized by investment securities of The League with a face value of about $3,000,000.

The outstanding loans at June 30, 1988 and 1987 consist of the following:

	June 30, 1988	June 30, 1987
Current Funds–Unrestricted		
Bank of New York–due on demand	$1,900,000	$1,200,000
Freedom National Bank–due on demand	300,000	300,000
Total	$2,200,000	$1,500,000

4. Land and building, furniture, fixtures and equipment

All fixed assets–land, building, furniture, fixtures and equipment are stated at cost less accumulated depreciation. The property occupied by the National Urban League, Inc. (500 East 62nd Street, New York City) is jointly owned by The League and the United Negro College Fund, Inc., with an undivided 54 percent and 46 percent interest, respectively. Land and building as shown in the financial statements represent The League's 54 percent interest in the total cost. The property is presently encumbered by a mortgage loan as described in Note 5.

NATIONAL URBAN LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1988

Depreciation expense is based upon the cost of the assets using the straight-line method of depreciation over the estimated useful lives of the assets. Provisions for depreciation expense for the years ended June 30, 1988 and 1987 are as follows:

	1988	1987
Total provision for depreciation	$121,499	$117,950
Less depreciation recovered from projects	18,473	20,501
Net depreciation charges	$103,026	$97,449

5. Mortgage payable

The National Urban League, Inc., and the United Negro College Fund, Inc., are jointly indebted on a mortgage loan that is secured by the land and building located at 500 East 62nd Street in New York City (see Note 4). The League has assumed two-thirds (2/3) of the liability. The mortgage loan is being repaid by monthly installments of $14,562 with interest at 8¼ percent per annum for 180 months through August 1, 1989. The total indebtedness amounted to $281,150 and $425,949 at June 30, 1988 and 1987, respectively, of which The League's two-thirds (2/3) share of the liability was $187,433 at June 30, 1988 and $283,966 at June 30, 1987.

6. Special Events

Revenue from special events consists of the following:

	June 30 1988			June 30 1987
	Revenue	Expenses	Net Revenue (Expense)	Net Revenue
The Equal Opportunity Day Dinner	$285,949	$ 82,268	$203,681	$201,733
The Night of the Stars	247,979	432,280	(184,301)	–
The National Urban League Benefit (The Gala Affair)	263,176	85,426	177,750	173,168
Other Special Events	9,779	–	9,779	8,968
Totals	$806,883	$599,974	$206,909	$383,869

7. Gain on sale of Interest in Building

In February 1987, The League sold 12⅔% interest in the building located at 500 East 62nd Street in New York to the United Negro College Fund, Inc., for $1,707,460. The gain on the sale which amounted to $1,179,536 is shown as an extraordinary item in the accompanying statement of public support, revenue and expenses.

8. Occupancy costs

Mortgage interest is accounted for and is included as a part of the occupancy costs. Mortgage interest amounted to $19,967 and $27,566 for fiscal years 1988 and 1987, respectively.

9. Pension plan

NUL has a contributory defined benefit retirement income plan covering substantially all of its employees. The plan complies with the requirements of the Employees' Retirement Income Security Act (ERISA). Pension expense, which is funded by periodic payments to the pension fund trustee, includes current costs and amortization of past service liabilities over a period of thirty years. A comparison of accumulated plan benefits and net assets at December 31, 1987 and December 31, 1985, the dates of the most recent valuation reports, is presented below:

	December 31, 1987	December 31, 1985
Actuarial present value of accumulated plan benefits:		
Vested:		
Participants and beneficiaries currently receiving benefits	$ –	$ –
Participants not yet receiving benefits	2,812,516	2,269,711
Total vested	2,812,516	2,269,711
Non-vested benefits	80,184	137,215
Additional liability due to plan amendment	–	497,297
Total actuarial present value of accumulated benefits	$2,892,700	$2,904,223
Net assets available for benefits	$5,422,938	$5,351,732
Weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits	7.0%	6.5%

NATIONAL URBAN LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1988

For 1987, The League changed its actuarial consultant, consequently certain actuarial factors were changed which resulted in a net loss of approximately $287,000. This loss will be amortized over a 30 year period as an increase to the normal cost.

10. Fund for a New Era

In November, 1984, the National Urban League, Inc., received a grant of $4,500,000 from the Ford Foundation (The Foundation). Pursuant to and under the terms and conditions of the grant agreement, the grant is maintained in a separate Fund account (known as the Fund for a New Era), which functions as an endowment fund and invested according to guidelines and policies determined by the Investment Committee of the Board of Trustees. For a period of five years starting November 16, 1984, the principal of the Fund may not be expended. The League may expend for its operating expenses the net appreciation, realized and unrealized, in the fair market value of the assets of the Fund over the historical dollar value of the Fund (defined as the dollar value of the Ford Foundation grant of $4,500,000 plus subsequent contributions). During the five year period, The League is to match the $4,500,000 grant on a one-to-one basis with gifts and contributions of cash and marketable securities. The matched portion of the grant will vest in The League. If any part of the grant remains unmatched at the end of the five year period, the grant term may be extended or the unmatched portion returned at the option of The Foundation. No further restrictions on the use of the funds shall apply after the expiration of the grant term should the entire grant be matched.

As of June 30, 1988. The League has received $6,870,000 in matching cash contributions and $2,896,000 in pledges to be received over the remaining term of the grant. During the current year, interest earned on the investments of the fund amounted to $827,100, of which $777,769 has been included in the unrestricted income in the accompanying Statement of Public Support, Revenue and Expenses.

11. Contingent liabilities

The expenses reflected in the accompanying financial statements relating to government funded programs (restricted funds) are subject to audit by the respective governmental agencies (funding sources). In the opinion of management, any possible disallowances by the related governmental agencies will not have a material effect on the financial statements.

A copy of the latest financial report is filed with the Department of State and may be obtained upon request by writing to:

New York State Department of State
Office of Charities Registration
162 Washington Avenue
Albany, New York 12231
or
National Urban League, Inc.
500 East 62nd Street
New York, New York 10021

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