Originally Processed With FOIA(s): S

FOIA Number: S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13747
Folder ID Number: 13747-013

Folder Title:
Opportunity Action Plan 2/27/91 [**OA 6855**] [3]

Stack:	Row:	Section:	Shelf:	Position:
G	26	21	2	7

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH
Research Utilization Division

TELECOPIER COVER SHEET

DATE: Feb. 20, 1991

NUMBER OF PAGES (INCLUDING THIS PAGE): 16

TO: Mary Kate Grant FROM: Jim Hamilton

PHONE NUMBER: _____ HUD

FAX NUMBER: 456-6218 708-3896

SUBJECT: _____

THE PHONE NUMBER FOR THIS FAX MACHINE IS (202) 708-4481

Remarks by

Secretary Jack Kemp

U.S. Department of Housing and Urban Development

before the

California Republican Party State Convention

Saturday, March 10, 1990
Santa Clara, California

What a thrill it is to stand before the great men and women from my home State of California. I've been privileged to be back here many times.

I am proud to serve with this President at this revolutionary moment in history. I believe Abraham Lincoln's axiom that we serve our Party best by serving our country first. In 1990, particularly here, we can serve our country best by electing Pete Wilson the next Governor of California.

I have learned that the greatest speeches in history are the shortest speeches. Mr. Lincoln's Gettysburg address was five minutes long. His second inaugural was three and a half minutes long. Washington's second inaugural was eight minutes long. John F. Kennedy's "Ich bin ein Berliner" speech was eleven minutes. William Henry Harrison was sworn in as President of the United States in 1841 on a cold March day. He spoke three and a half hours in 6 above zero weather, caught pneumonia and died.

My speech may not be short enough for greatness; but I'll keep it brief enough for our mutual health.

A few weeks ago a New York Times editorial said, "If a man from Mars came to the earth today and said take us to your leader, we, the New York Times, would have to take him to meet Gorbachev." I want to say that if a man from Mars had come to earth in the 1980s we would have taken him to meet Ronald Reagan and, if he came today in the '90s, we would have to take him to meet President George Bush. And by the way, if Jerry Brown ever

comes back to earth, and wants to be taken to California's leader, we'd have to take him to Sacramento to meet, Governor Pete Wilson!

I believe we're living in the most exciting time in the history of this beloved Nation. It's as if its 1776 all over again, except this time there's one huge difference; today we have television sets and we can watch Thomas Jefferson speak his own words, "We hold these truths to be self evident that all men are created equal, endowed by their creator with certain inalienable rights that among these rights are life, liberty and the pursuit of happiness." And what makes this even more exciting is that you can listen to Jefferson in Chinese, in Russian, in Polish, in Lithuanian, and you can see and hear it in the Ukraine and from Bucharest Square and Sofia Square to Wenceslas Square and downtown Managua Square.

No where in the world are people quoting Marx, Lenin, or Mao Tse-tung, except maybe in Cuba and North Korea. Today, young people are quoting Jefferson and Patrick Henry. They're saying "Give me democracy or give me death." The inalienable rights -- human rights, civil rights, legal rights, and voting rights -- and the boundless opportunities that are ours by virtue of our birthright, are now increasingly recognized as the birthright of men and women all over the globe.

Mr. Lincoln founded our Republican Party on an idea -- the idea that the great promises of the Declaration of Independence belonged to <u>all</u> people for <u>all</u> time, not just for some men at one

time in history; the idea that human freedom is an inalienable God-given right. It was a radical idea in 1776. In Latin, of course, "radical" means going back to the roots. Our Republican Party must be radical in our commitment to the idea that all people have talent, potential, and possibility. We must guarantee that every child of God has the equality of opportunity to be what he or she was meant to be.

Mr. Lincoln said before his first inaugural, "I would rather be assassinated on this spot than give up my beliefs in the Declaration of Independence." That passion, that belief, was our Party's moral foundation -- and at the same time a very practical idea for human progress. Indeed, it made our Party the majority Party.

Up until the 1980s, there had been three great political realignments in our Nation's history.

The first began when Mr. Jefferson's party, the Democratic-Republican Party, defeated the Federalists in 1800. By the way, I like that phrase, "democratic republican," small "d" of course. It means a fundamental belief in people, a belief in markets, a belief in human potential. Our Party must be the party that believes in possibilities, not limits; in people, not elites; in democracy, not bureaucracy.

The second great political realignment was Mr. Lincoln's realignment -- the founding of the Republican Party out of the old Whig Party. Do you know why the Whig Party died? It stood for nothing. It couldn't decide whether it was <u>for</u> slavery or

against slavery. It collapsed. It had no heart, no soul, no moral compass. It stood for nothing - no guiding moral or political principles.

Mr. Lincoln founded our Republican Party on the profound ideas of freedom and emancipation; and within four years our Party became the majority party. I am convinced that the reason he was so successful and the reason that so many listened to him, was that they knew he believed, people knew he cared. You see "people don't care how much you know until they know that you care."

The third great political realignment took place when Mr. Roosevelt led the Democratic Party to majority status in 1932.

And today, I believe we are living in the midst of the fourth great political realignment in America's history. It began in 1980 when Ronald Reagan was elected president, and is based on the idea of peace through strength, restoring economic growth, and entrepreneurial opportunity to our Nation. While Ronald Reagan may not have been Time's Man of the Decade, his accomplishments make Man of the Century!

Today, President George Bush is deepening that realignment, extending it and expanding it. And ladies and gentlemen, we must advance this economic growth and opportunity into every single pocket of poverty and despair in the United States of America, and indeed the whole world.

As the Berlin wall comes down President Bush, has suggested that other walls need to come down, too, -- the walls of

prejudice and the walls of poverty and despair and dependency that keep many poor people from realizing their dreams and aspirations.

And how can we tell the world that democracy is the preferable political, economic and social development tool for them if we can't make it work right here at home, in our own communities, in the urban and rural pockets of poverty, where the incentives are the reverse of everything that needs to be done to create productive human behavior and wealth

As in all great revolutionary times as Dickens writes, it can be both the best of times and the worst of times. Today, it's the best of times in terms of the great national recovery of both our spirit and our economy.

But there's so much more to be done. As de Tocqueville taught us, the greatness of America is not only in her fertile fields and boundless prairies, in her ample harbors and great rivers -- it can't be measured by GNP. The ultimate strength and genius of America is people -- their talents, their ideas, their hopes, their ambitions, and most importantly their goodness.

Some call the 80s the decade of greed. I say it's been a decade of renewal and opportunity. But not for everybody. That's what I want to speak about for just a moment. Because candidly, it's the worst of times for people who are without homes; the worst of times for people who can't afford to buy their first home; the worst of times for people without jobs who are living in despair. It's the worst of times for some in

California, where only 10 percent of the people can afford a medium-priced home.

What can we, as a Party, do about these problems? The first thing we can do about it is realize that problems, after all, are opportunities, and that we can do something positive to combat poverty, despair, and hopelessness. Secondly, our Party must return to our roots -- dug deep by Abraham Lincoln and Thomas Jefferson -- and wage an all-out war on poverty using the tools of democracy, private property, and free-enterprise. And this time we have to win the war on poverty. We can't afford to lose. It helps to know what went wrong and why.

We have learned all too well how to <u>create</u> poverty. First, create a very steeply graduated income tax system, and then rely on inflation to push all working men and women up into higher tax brackets.

Then, if you want to create more poverty, reward welfare and unemployment more than you reward working and being productive.

If you want to create even more poverty, reward the families that break up more than you reward the families that stay together.

If you want to create still more poverty, reward people that stay in public housing and on welfare rather than those who move through welfare, out of public housing, and up the ladder of economic opportunity. Believe or not, when I came to HUD, I found that families who had stayed the longest in public housing were getting awards from the agency. Well, we've cancelled those

awards!

Allowing rewards for illicit capitalism out on the street to be greater than the rewards for the entrepreneur who creates wealth and jobs legally will create more poverty.

And lastly, if you really want to expand poverty, weaken the link between effort and reward.

So what must we do? First of all realize that our Party has been given a second chance by history.

There was a great civil rights revolution in this country in the Fifties and Sixties. It was led by a woman named Rosa Parks on Cleveland Avenue in downtown Montgomery, Alabama in December of 1955. It started a flame that has grown and has inspired people all over this country. It was sparked by Doctor King, who said he dreamed that one day we would judge all children not by the color of their skin but by the content of their character. We weren't there for the first civil rights movement, but we're here now.

So I want to outline the second great civil rights revolution in America. This one is about economic opportunity for all - the dream of owning a home, owning a piece of property, having a chance to get a good education, living in a drug-free neighborhood and community, being able to own a stake in the system. It means each of us having the opportunity to be what God meant us to be.

There are positive and progressive ways to combat poverty. We know intuitively and historically that jobs, home ownership,

housing, education, and freedom of enterprise work. To help eliminate poverty and despair, President Bush has launched a program called HOPE. HOPE stands for Homeownership and Opportunity for People Everywhere. I believe it's the most incentive-oriented, populist, private enterprise approach to fighting poverty ever offered.

The President has rightly called for a lower capital gains tax, not to help the rich, but to help the poor who want to become rich or at least richer. Not to help the people who've established existing wealth, but to help those who want to create new wealth.

And then he proposes to eliminate capital gains tax in the pockets of poverty so that men and women with entrepreneurial skills and ideas can create jobs and new wealth. He believes everyone can contribute to the wealth of our cities and to the great wealth of our country. In short, President Bush wants to greenline the inner cities of America. Greenlining our inner cities will allow venture capital to flow into minority businesses. Frankly, there are not enough minority business men and women in America -- less than 500,000 black-owned businesses in America and not enough hispanic-owned businesses in America. There are 14.1 million small businesses in America, and we want minority businessmen and women to have the same opportunity to realize their dreams that other Americans in the free-enterprise system have.

We must concern ourselves, in this new war on poverty, with

the mother on welfare struggling to make it, who faces the highest marginal income tax in the United States of America, higher, incidentally, than any man or woman in this room. Because when she takes a job at McDonald's or McDonnell Douglas in Southern California, the government both takes away welfare and taxes her income. We should work to eliminate the tax on the first several rungs of the ladder, so that the reward for working is much greater than the reward for not working or being on welfare.

Basically, the Democratic Party sees itself as an agent of redistributing America's wealth. They believe that the only way you can help some is to take it away from others -- that life, or at least the economy, is a giant zero sum game. But ladies and gentlemen, that's not the America Dream. We can't allow an America in which only the fittest survive. Republicans must bring more chairs to the table, and build a bigger table.

The centerpiece of the President's HOPE package is to help not only restore low income housing opportunities in America, but also give more people the chance to own their own home. We must take public housing in America and give residents the opportunity to homestead, to manage, and to control their own destinies. It's a radical idea, but has deep roots in our Party's history.

Mr. Lincoln suggested that we carve out of the wilderness opportunities for people to own a piece of land, to own their property, to own a home, no matter how humble. He said, "every man should have the means and opportunity of benefitting his

condition ... I am in favor of cutting up the wild lands into parcels so that every poor man may have a home." We must now homestead in urban America by giving public housing residents a chance to own their own homes a get a stake our democratic system.

Some have said the only thing to do in public housing is blow it up. But President Bush and I want to build, not tear down. We want children raised in an America that exalts their boundless potential instead of imposing limits. We want people treated as resources, not as a drain on resources. We want children in the inner city to have the same opportunity to realize their dreams as children in the suburbs.

I've been in inner cities ghettoes and barrios of America, and I've see the talent that is there waiting to be tapped. I've seen what happens in public housing communities when human potential is liberated. I've visited Alicia Rodriguez at Estrada Court in East L.A., and Kimi Gray at Kenilworth-Parkside in Washington, D.C. I've talked to Loretta Hall and Bertha Gilkey in St. Louis, with Irene Johnson in Chicago.

And what a thrill it was to be at Garfield High School in East L.A. yesterday and Jaime Escalante. He cares! Boy does he care! There's a huge sign on the wall of his classroom that says "ganas" -- that's Spanish for desire. Escalante teaches that any student with desire, ambition, aim, i.e. "ganas," can succeed. This is the possibility and potential that our Party must celebrate, encourage, and hold out to all Americans, in contrast

to the welfare dependency and despair that liberals offer. We must not treat poverty as a perpetual condition. It is an opportunity to defeat and overcome.

Our Party wants to get the private sector back into the housing market by incentivizing the tax code. The low income housing tax credit needs to be extended and expanded.

Our Party wants first-time homebuyers to be able to use their IRA's as down payments on their homes. The President has asked Congress to allow families to use IRAs without penalty to purchase that first home.

Our Party wants to eliminate the local and federal barriers to affordable housing, whether they are exclusive zoning, development fees, no-growth policies or rent control. Our Party must be the Party that creates housing opportunity zones to remove those barriers and help make housing and homeownership more affordable for every single man and woman in this country.

The Federal Housing Administration is now back in the business of helping low and moderate income people have a chance to own a home. It is helping the first-time home buyers, not building or insuring swimming pools, golf courses, and vacation sites.

Our friends on the left in Congress want day care credit only for those who go out to work, but with all due respect, day care credit and an earned income tax credit should go to all families, to all women -- those who work and those who stay at home and take care of their children. We need a pro-family child

care system in America.

Finally, schools and public housing need to be drug-free. Many influential business men and women have told elementary school students, "If you study, stay in school and get good grades, you can go to college." I believe this country is affluent enough for the public and the private sectors to guarantee a college education to every boy and girl in America who stays in school and gets the grades no matter how low their income level. I know America can do it, and we Republicans must advance equal opportunity of higher education.

All of these proposals are based on a radical idea: our goal of strengthening the link between effort and reward, especially for those in need. The Democratic Party measures compassion in America by how many people need welfare and food stamps and government assistance. Let our Party measure the welfare and the compassion of America by how few people need it because they have moved from public assistance to economic independence.

As President Bush has said, "while we can have our disagreements, the unity of our Party does not require unanimity." We don't have to look alike or say it all the same way; but we must have a common purpose, a common foundation, a common goal of recapturing the American Dream for all people everywhere. Mr. Lincoln laid that foundation. He taught us that we can only be the majority party if we act on behalf of the hopes and dreams and aspirations of every single person.

I believe the greatest target of opportunity for our Party

today is in the inner cities of America among those who might never have voted GOP, but because of President Bush's leadership are looking to us as never before. We must go into pockets of poverty and help unleash that untapped human potential -- that caged eagle of human talent that is just ready to soar. Let us be the party that recognizes the wisdom of the Talmudic philosopher Maimonides, who said that "the noblest charity is to prevent someone from having to take charity."

In ancient Jerusalem there was a Housing Secretary by the name of Nehemiah. He rebuilt the city of Jerusalem, he did not turn his back on it. Our Party today should be builders like Nehemiah. We must rebuild our cities, rebuild families, build better education, build housing and opportunity for those in need. We can rebuild America, but this time with democracy and free-enterprise, not central planning and dependency.

Yes, we will have our critics just as Nehemiah had Sanballat and Tobiah and Geshem who ridiculed him; but he never gave up, he never left the wall, he never quit.

We have such a man in Pete Wilson. We have such a man in President George Bush. And I believe we're building that city on a hill that John Winthrop and, yes, President Reagan talked about. Never has it been more important to this country to fulfill its promise, because the whole world today is looking to us for that type of leadership.

The greatest leadership the world has ever known, is to lead by example -- to do the right thing for the right reason at the

right time in history. That's why the emerging leaders today like Vaclav Havel, Lech Walesa, President Lansbergis, Andre Sakharov, Natan Sharansky, Violetto Chamarro, and the students in Tiananmen Square, are not just quoting America's founding fathers -- they're looking to us for the model on democratic capitalism and freedom.

Right here in California we have a chance to carry on the great legacy of President Ronald Reagan and a great California governor, George Deukmejian. Pete, we wish you Godspeed; you've got a great team and a great cause. I can't think of a better way to help America, and show the world the right way, than to recapture that dream right here in the State of California under your leadership. God bless you. Thank you very, very much.

##

We will not forget those who have not yet shared in American Dreams. We know who they are: the hopeless + friendless homeless ~~forlorn~~ fearful destitute + desperate The unemployed + unemployable The ones who can't read or write a simple sentence They need HOPE, ~~that things~~ can be better, ~~the~~ this can be the ~~is~~ opportunity in America is the envy of the world

Grant/Cawley
February 20, 1991
8 a.m. A:CIVIL-RT

PRESIDENTIAL REMARKS: OPPORTUNITY PACKAGE
FEBRUARY 27, 1991
PLACE? TIME?

((Acknowledgements)) ((local intro))

Looking around the room today, I see so many familiar faces, so many people who have made a difference in the lives of others. And what draws us all together, despite our different interests and backgrounds is one common belief we hold dear: the notion that America is a land of opportunity. For 200 years, America has been the home of democracy and free enterprise, the birthplace of the American Dream, and mankind's last, best hope. For we have the finest in the world -- ~~world's best technology, world's best space program, even "world's best cheesecake"~~ -- but truly, we have built the world's best system of providing opportunity ever.

The opportunities we enjoy today were won by the sweat and blood of leaders throughout American history -- from our Founding Fathers who wrote the Bill of Rights; to Abraham Lincoln who ended slavery; to the women who led the suffrage movement; to the founders of our public schools; to the great men and women of the civil rights movement. ~~President~~ Thomas Jefferson, a philosopher and educator, who dedicated his life to the cause of individual liberty, once said that we don't need to invent new ideas, but rather, to express the American mind.

~~Frontier pioneers~~ + makes SOV. Who will lead us into Next American Century?

not yet fulfill destiny ~~and~~ of opportunity for all people

What ties them together is L + leaders.
belief in dignity, pride, self respect
courage to beat odds. Concept of leadership = true American heros then + now

What is the

American Dream – if it isn't,

means: Own own home. Stake in community
Children better than me/me better than parents
have family – educ.
Life of meaning & / Adventure
Make a difference.

~~Adventure~~

(Control destiny – say in own future)

(1) ☆ (family) → part of something larger than ourselves – create a future better for our children than ourselves

We have heroes today, expressing the American mind. They are making history by empowering people -- propelling us into a new era of equality of opportunity. People like George Waters and Aaron Bocage, in Camden, New Jersey -- founders of EDTEC, the Educational Training and Enterprise Center, to give small business experience to high-school drop-outs. Or Detroit's Reverend Lee Earl, pastor of the 12th Street Baptist Church, who organized neighbors to buy up crack houses, hired unemployed workers for the renovation, and sold the houses to decent, drug-free families. And people like (more examples from education) Or right here in Washington, John Raye and his group, the "Majestic Eagles," known as the "incubator for new entrepreneurs." Theirs is a movement rooted in the American mind. And this movement is not going away. //

Sadly, not every American has a share in the American Dream. There are too many Americans below the poverty line, trapped in welfare. Too many unemployed. Too many functional illiterates. Too many who have been shut out of the economic mainstream.

They are the ones who just need a chance. An opportunity to gain control of their lives. And with it, comes the hope of making a better life for themselves. And the best way to get that hope, that opportunity? It starts with this: education.

No matter what race or creed or color you are, **having a skill gets you a job.** The more **skills** you have, the farther you go. And the more **choices** you have before you, the more **opportunities** lay ahead for you. The Administration's Education

bill puts choice in the hands of students and parents -- so they can pick the best school for themselves. Moderate and upper income Americans already have "choice" -- ~~they can~~ transfer to better schools. But low-income students can't afford it. We've seen ~~that~~ choice and competition improve education -- from Minnesota to East Harlem -- it's time low-income Americans become **consumers** with a **choice** in schools.

We're also proposing education reforms to build flexibility and accountability into our education system. We're encouraging teachers, parents and administrators to work together to meet the needs of all students. Every kid in America should arrive at school ready to learn, and graduate ready to work. //

Research shows that a projected 15 million new jobs will be awaiting America's graduates over the next 20 years. To fill those jobs, American business will look increasingly to growing populations -- blacks and hispanics -- and to people just entering the economic mainstream -- workers with disabilities and mothers who have chosen to work outside the home. Those 15 million jobs will need more and more skilled employees. And the most direct route to employment is straight through education.

Time and time again, I hear from low-income workers already on the job -- who want to expand their horizons by working toward a degree, or want to get certified at a night school, or want to put in extra hours and earn a promotion. But so many don't want to risk it. It's not a question of self-esteem, or ability, or even racism. It's fear. They're afraid to stay late at the

office and walk home alone after dark -- or leave the house with no one around. It's a fact: crime hits low-income Americans disproportionately. They're the ones stuck in the projects, unable to move to the better sections across town -- unable to defend themselves from the drug dealers and murderers right next door. I say it's time to take back the neighborhoods. //

Our crime package targets the people who need protection the most: ~~low-income Americans in urban areas~~ poor people in our inner cities. We mean business. We're going after gangs and drug kingpins. Imposing mandatory sentences for using a firearm in a violent crime. Strengthening protections against sex crimes and child abuse. We

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH
Research Utilization Division

FEB 21 P2:16

TELECOPIER COVER SHEET

DATE: 2/21/91

NUMBER OF PAGES (INCLUDING THIS PAGE): 9

TO: Mary Kate Grant FROM: Tom Humbert

PHONE NUMBER: _____ 708-3896

FAX NUMBER: 456-6218 _____

SUBJECT: _____

_____

_____

_____

_____

_____

_____

THE PHONE NUMBER FOR THIS FAX MACHINE IS (202) 708-4481

Biographies of resident leaders for HUD's 25th Anniversary Celebration

Affordable Housing

Rosa Parrish

Under the leadership of Rosa Parrish, the largest single homeownership project under HUD's demonstration was completed in Nashville, Tennessee. On June 26, 1989, the Metropolitan Development and Housing Agency of Nashville sold three public housing developments to the New Edition Community Apartments Cooperative. At the ceremony marking the transfer of property to the residents, which Secretary Kemp attended, Rosa Parish said, "Today, I'm a homeowner. I can't tell you the joy and pleasure I've had from being in my little home." Secretary Kemp has set a goal of achieving one million new and low-income homeowners by 1992; 275,000 have been achieved to date.

Resident Management and Urban Homesteading

Mildred Hailey

Universally recognized as the matriarch of resident management, Mildred Hailey is president of the Nation's oldest resident management corporation in Boston's Bromley-Heath public housing community. Bromley-Heath had earned the nickname "Concrete Jungle" because of the high incidence of crime and drug-dealing during the early 1970s. Through the effort of Mildred Hailey and others, the resident managers established a volunteer community patrol and, according to police statistics, during the patrol's first-year of operation burglaries dropped 77 percent. Secretary Kemp appointed Mildred Hailey to serve on the National Commission on Severely Distressed Public Housing.

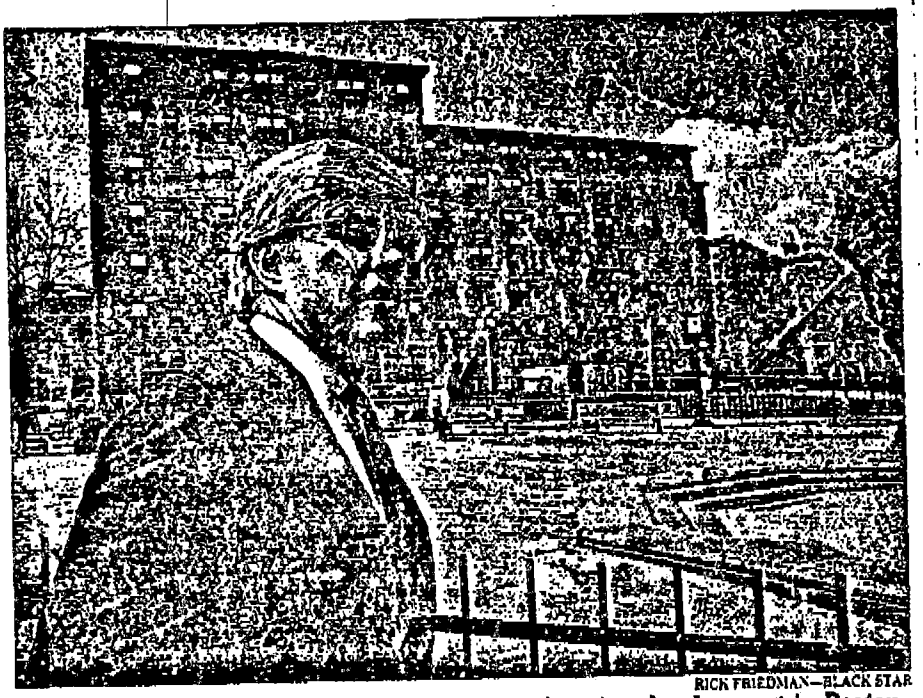
Drug-free public housing

Ramona Younger

The resident council in Alexandria, Virginia's public housing is guided by Ramona Younger, an iron-willed young lady who rallied her fellow residents to rid their community of drugs and move toward resident management. Ramona Younger organized all-night vigils to peacefully combat the drug-dealers who had invaded her community. In January 1990 President Bush and Secretary Kemp joined her in a visit to the site of the vigils, marking the first time a U.S. President has ever visited public housing. The resident council is pursuing dual management with the housing authority, moving eventually toward homeownership.

When Tenants Take Charge

Kemp's housing plan works—but only up to a point



RICK FRIEDMAN—BLACK STAR

Tearing down walls: *At the Bromley-Heath public-housing development in Boston*

As a contender for the Republican presidential nomination last year, Jack Kemp preached Reaganism with a heart. With low taxes and other policies to stimulate private enterprise, he argued, conservatives could achieve portions of the liberal social agenda. As George Bush's secretary of Housing and Urban Development, Kemp now has a chance to see if his caring conservatism will work. His first major initiative, unveiled by Bush earlier this month, is a $4.2 billion package of housing programs held together by an unusual—and some experts say dubious—linchpin: tenant management and eventual ownership of public and low-income housing. Instituted by the Thatcher government in Britain, the ideas have been put into practice here only in isolated cases. But the results suggest that tenant managers can help improve housing projects that officials have written off.

The longest-running success story is in Boston. Bromley-Heath was all but forgotten by the Boston Housing Authority in the late 1960s. Its 37 low-rise buildings, sprawled across the city's crime- and drug-ridden Jamaica Plain section, had 4,000 broken windows, two broken boilers and leaky roofs everywhere. Mildred Hailey, who has lived in the development for 35 years, says organizing a tenant management council wasn't an option, it was an imperative. "Our becoming involved was for survival," says Hailey. It took her three years to convince other residents that they could do a better job running Bromley-Heath than the housing authority. By 1973 they had assumed all operations at the project except the selection of tenants. Today Bromley-Heath still has problems with crime and drug use. But there is also a day-care center, job training, a private security force and free medical care donated by local hospitals.

Other successes follow the Bromley-Heath model: small groups with a will to change both the system and the attitude of their neighbors. In 1983 Irene Johnson and a tenant group at the LeClaire Courts project in southwest Chicago began winning private grants to enroll in management-training classes. Last spring the Chicago Housing Authority (CHA) gave Johnson's group full responsibility for LeClaire's $1.5 million annual budget. But winning over the CHA was only part of the struggle. Most of the 3,500 tenants in LeClaire's dismal brick-and-wood low-rises were cynical about the changeover. "When we told them we were going to get them a new Laundromat, they looked at me and said, 'Get out of my face'," Johnson says. But soon the tenant group had a private funding for a new coin-op laundry and a young tenant trained to repair breakdowns. Johnson's group is also developing a project to send tenants out to the burgeoning suburban job market. "Now instead of 'Get out of my face,' I'm seeing a change in people's faces," Johnson says.

Critics say such accounts are inspiring but misleading. While no one objects to the empowerment of public-housing dwellers, they say tenant management and home ownership are no answers to the severe shortage of low-income housing. Reagan-era cuts, gentrification and soaring demand (an estimated 900,000 families on waiting lists for the 1.4 million occupied units of public housing) have pushed the situation to a crisis. Some housing advocates say Kemp's plan smacks of abandonment. "What it really represents is us throwing up our hands nihilistically and saying to poor people, 'Here, this is unmanageable. *You* take it over'," says Jim Fuerst, professor of social-welfare policy at Loyola University and a former CHA administrator.

Physical decay: Some pockets of success, like the much-touted Kenilworth-Parkside development in Washington, D.C., have benefited from personal attention of officials like Kemp and may be difficult to duplicate on a mass scale. Many public housing projects are simply too far gone—awash in drugs, gangs and physical decay—for tenant managers to do much good. Despite Bromley-Heath's 16-year success, no other Boston housing projects have been converted to resident control (although officials are currently attempting to organize a second development). While Kemp views tenant management as a precursor to private ownership, some say that is an even more distant prospect for a population barely subsisting in tenancy. "This romantic notion of homeownership is a cruel hoax on the poor," says Bob McKay, executive director of the Council of Large Public Housing Authorities. Mildred Hailey says the tenant council at Bromley-Heath hasn't even considered the possibility, nor does she even regard it as a legitimate goal. Her priority: "To get every unit rehabilitated and occupied."

Despite the widespread misgivings, Kemp is pushing ahead. As many as 60 tenant management groups are in training across the country. An ambitious politician who covets a shot at the White House in 1996, Kemp is staking a good chunk of his political future on the concept's success. "It will tear down the walls that come between people and their self-respect," he told reporters. But Kemp may find those walls a little higher and more impenetrable than he once thought.

BILL TURQUE *with* TIM PADGETT *in Chicago*, TODD BARRETT *in Boston and* CLARA BINGHAM *in Washington*

Sun-Sentinel

Sunday, April 15, 1990 $1

SEEDS FOR SUCCESS

Small-business program offers residents big opportunities.

By AVIDO D KHAHAIFA
Staff Writer

Brenda Stuggis minds her own business, and it is profitable.

In the past year, the 31-year-old former bank teller earned enough running her own repair business to move out of public housing and buy her own house in Fort Lauderdale.

"I have to constantly pinch myself," Stuggis said. "I can't believe sometimes how much I've accomplished in a year. I find myself in the last couple of months being able to pay my bills."

Stuggis is a 1988 graduate of the federal Small Business Opportunities Program, which teaches residents of public housing how to start a business and provides grants of $2,500 to $10,000 for them to do so.

Since the Broward program began in 1987, 31 people have completed the training. Seven have received a total of about $26,000 in start-up capital, said Kevin Cregan, deputy director of the Broward County Housing Authority.

Only one of the seven businesses has failed — a night child-care center in Hollywood, Cregan said.

Stuggis is one of four people who established a thriving business after taking the first 16-week workshop in 1987.

Stuggis has an air-conditioning repair license and a contractor's license, which enable her to operate Sombre Appliances Inc., a 24-hour air conditioning and major-appliance repair service from an office west of Fort Lauderdale.

Stuggis recently won a contract to install all of the air conditioning in a 64-unit apartment complex being built in Dania.

Two graduates of the second set of workshops — a 10-week session that ended in June — are to open businesses soon.

One, Verdis Mann, 38, already has begun providing bathroom concession services to nightclubs.

He has an office on Sistrunk Boulevard in Fort Lauderdale and expects to have his restroom concessions and retail toiletries business — Barcozelli Bathroom Boutiques — in full operation by the end of April.

Karen Akinbiyi, 23, the other graduate, is waiting for the licenses she needs to begin operating her Hot Diggity Dog hot dog cart at several locations in Broward County.

Akinbiyi, who lives at Eblinger Apartments in Davie, said that without the financing she received through the program she could not have gone into business.

"I always wanted to start a business, but it's very difficult for the bank or any lending institution to lend you money because they want to see a business history," Akinbiyi said.

The program is operated by the Housing Authority through a coalition of businesses, corporations and non-profit community development groups. The program is one of only four in the country; the others are in Dade County, Cleveland and New Haven, Conn.

In Broward, the first two sessions were paid for through federal, county and non-profit organization grants. The coalition is trying to finance the next sessions through private donations.

Housing authority officials consider the program a success.

In return for the training and money, graduates who establish a business must agree to let the coalition keep track of the business's finances for three years; give half of any of the jobs generated by the business to residents of public housing; and make a donation — no specific amount is stipulated — to the program once the business becomes successful.

"The SBOP is more than just getting

SEE PROGRAM, 10D



SUN-SENTINEL/SUSAN G. STOCKER

Program graduate Verdis Mann works in Fort Lauderdale office, where he is setting up his restroom concessions and retail toiletries business.

FROM PAGE 1D

Start-up program helps residents set up business

people in public housing and giving them money to start a business," Mann said. "We agree to be guided by them hand and foot if you will."

As intended, it has given people who are perfectly capable of operating their own businesses and being financially independent the opportunity to do so.

Stuggis and Akinbiyi had long planned on starting their own businesses.

Stuggis said she always loved to tinker with mechanical things. She already was enrolled in Advanced Technical Academy in Dania and planned to fix appliances part time when she entered the Small Business Opportunity Program.

She established Sombre Appliances Inc. nearly two years ago.

financial strain I would have encountered if I had done it part time," Stuggis said.

Much the same was true for Akinbiyi. She and her husband, Abraham, wanted to open a coin-operated laundry, but that was too expensive.

She settled on the hot dog cart as a quick moneymaker. The program provided Akinbiyi with the money to buy the cart, and she plans to use the hot dog business as a springboard to something bigger.

Just as Stuggis did, Akinbiyi hopes to get out of Eblinger Apartments within a year of starting the business.

And that's the key to the program, officials said.

If it works, people can escape public housing.

"Self-employment doesn't have anything to do with residential location," Stuggis said. "[The program] could make a drastic difference in the direction of people living in the public housing

TALKING POINTS FOR SECRETARY KEMP

AT NICKERSON GARDENS RIBBON-CUTTING CEREMONY

Tuesday, September 4, 1990, 12:00 p.m.

- "I'M DELIGHTED TO JOIN NORA KING, PRESIDENT OF THE NICKERSON GARDENS TENANT COUNCIL ... CLAUDIA MOORE, THE HOUSING AUTHORITY TENANT COMMISSIONER ... MY GOOD FRIEND ASSEMBLYWOMAN MAXINE WATERS ... AND OTHERS IN THIS JOYOUS OCCASION MARKING THE COMMENCEMENT OF TENANT MANAGEMENT TRAINING (THROUGH A HUD TRAINING GRANT ANNOUNCED EARLIER THIS YEAR)."

- "BERTHA GILKEY, WOMAN, I'M PROUD OF THE FACT THAT LIKE SOJOURNER TRUTH, YOU HAVE CARRIED THE WISDOM AND TRUTH OF EMPOWERMENT FROM COCHRAN GARDENS IN ST. LOUIS TO LOS ANGELES, WHERE WE CELEBRATE THE KICK-OFF OF YOUR TRAINING EFFORT AT NICKERSON GARDENS. YOU AND NORA AND CLAUDIA AND MY GOOD FRIEND ALICIA RODRIGUEZ FROM ESTRADA COURTS HAVE LAUNCHED WHAT I BELIEVE WILL BE RECORDED AS "CHAPTER TWO" OF THE CIVIL RIGHTS MOVEMENT, A MOVEMENT FOR JOBS, DIGNITY, AND JUSTICE IN OUR NATION'S BARRIOS AND PUBLIC HOUSING COMMUNITIES."

- "TO CARL COVITZ, THE PHA BOARD CHAIRMAN, AND JOE SHULDINER, THE NEW PHA EXECUTIVE DIRECTOR, LET ME SAY HOW PROUD I AM OF THE PARTNERSHIP YOU HAVE BUILT WITH THE RESIDENTS OF PUBLIC HOUSING THROUGHOUT LOS ANGELES, FROM WATTS TO EAST L.A. THERE IS A NEW RENAISSANCE OCCURRING IN PUBLIC HOUSING

COMMUNITIES ACROSS THIS NATION."

- "LAST YEAR I HAD THE GOOD FORTUNE OF VISITING WITH ALICIA RODRIGUEZ AND THE RESIDENTS OF ESTRADA COURTS IN EAST L.A. IT'S AN HONOR TO BE HERE WITH YOU AGAIN, ALICIA, IN CELEBRATING THE FORMATION OF RESIDENT MANAGEMENT ENTITIES THROUGHOUT L.A. THIS FRIDAY, ESTRADA COURTS, WITH BERTHA GILKEY'S HELP, WILL LAUNCH ITS OWN TRAINING PROGRAM."

- "HUD HAS AWARDED FIVE TENANT MANAGEMENT TRAINING GRANTS TO DATE TO RESIDENT GROUPS IN THE L.A. AREA. THESE FIVE ARE PART OF A GROWING MOVEMENT OF ONE HUNDRED GROUPS IN TRAINING ACROSS THE COUNTRY."

- "CONGRESSMAN GUS HAWKINS, I WAS PROUD TO TEAM UP WITH YOU AND D.C. DELEGATE WALTER FAUNTROY IN 1987, WHEN WE PASSED THE KEMP-FAUNTROY TENANT MANAGEMENT AMENDMENTS THAT MADE THIS GREAT EVENT POSSIBLE. IT'S MY HIGHEST THRILL TO NOW PRESIDE OVER IMPLEMENTATION OF THIS PROGRAM AT HUD, WHERE I HAVE CREATED A NEW OFFICE OF RESIDENT INITIATIVES TO WORK FULL-TIME ON BEHALF OF THIS CAUSE."

- "I HAVE JUST APPOINTED A NEW FULL-TIME RESIDENT INITIATIVE COORDINATOR, RICK CURRY, WHO IS GOING TO HELP YOU ORGANIZE THIS NEW INITIATIVE, BACKED BY THE LEADERSHIP OF MY REGIONAL ADMINISTRATOR BOB DeMONTE AND MY L.A. FIELD OFFICE MANAGER

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH
Research Utilization Division

RECEIVED FEB 21 4 24 PM '91

TELECOPIER COVER SHEET

DATE: 2/21/91

NUMBER OF PAGES (INCLUDING THIS PAGE): 9

TO: Mary Kate Grant FROM: Tom Humbert

PHONE NUMBER: 708-3896

FAX NUMBER: 456-6218

SUBJECT:

THE PHONE NUMBER FOR THIS FAX MACHINE IS (202) 708-4481

COMMUNITIES ACROSS THIS NATION."

- "LAST YEAR I HAD THE GOOD FORTUNE OF VISITING WITH ALICIA RODRIGUEZ AND THE RESIDENTS OF ESTRADA COURTS IN EAST L.A. IT'S AN HONOR TO BE HERE WITH YOU AGAIN, ALICIA, IN CELEBRATING THE FORMATION OF RESIDENT MANAGEMENT ENTITIES THROUGHOUT L.A. THIS FRIDAY, ESTRADA COURTS, WITH BERTHA GILKEY'S HELP, WILL LAUNCH ITS OWN TRAINING PROGRAM."

- "HUD HAS AWARDED FIVE TENANT MANAGEMENT TRAINING GRANTS TO DATE TO RESIDENT GROUPS IN THE L.A. AREA. THESE FIVE ARE PART OF A GROWING MOVEMENT OF ONE HUNDRED GROUPS IN TRAINING ACROSS THE COUNTRY."

- "CONGRESSMAN GUS HAWKINS, I WAS PROUD TO TEAM UP WITH YOU AND D.C. DELEGATE WALTER FAUNTROY IN 1987, WHEN WE PASSED THE KEMP-FAUNTROY TENANT MANAGEMENT AMENDMENTS THAT MADE THIS GREAT EVENT POSSIBLE. IT'S MY HIGHEST THRILL TO NOW PRESIDE OVER IMPLEMENTATION OF THIS PROGRAM AT HUD, WHERE I HAVE CREATED A NEW OFFICE OF RESIDENT INITIATIVES TO WORK FULL-TIME ON BEHALF OF THIS CAUSE."

- "I HAVE JUST APPOINTED A NEW FULL-TIME RESIDENT INITIATIVE COORDINATOR, RICK CURRY, WHO IS GOING TO HELP YOU ORGANIZE THIS NEW INITIATIVE, BACKED BY THE LEADERSHIP OF MY REGIONAL ADMINISTRATOR BOB DeMONTE AND MY L.A. FIELD OFFICE MANAGER

CHARLES MING."

- "IN APRIL OF THIS YEAR, I ANNOUNCED A TARGET OF ESTABLISHING 250 RESIDENT MANAGEMENT ENTITIES BY 1992, AND THE GOAL OF ESTABLISHING ONE MILLION NEW HOMEOWNERS THROUGH URBAN HOMESTEADING AND FHA PROGRAMS."

- "THE PRESIDENT'S HOPE PROGRAM, WHICH HAS BEEN APPROVED IN THE HOUSE AND IN THE SENATE, NOW GOES BEFORE THE HOUSE-SENATE CONFERENCE FOR FINAL ACTION THIS MONTH. I AM ASKING THE SENATE APPROPRIATIONS COMMITTEE TO FULLY FUND THE $2 BILLION URBAN HOMESTEADING AND RESIDENT MANAGEMENT GRANTS PROGRAM IN HOPE."

- "TO MAYOR TOM BRADLEY AND THE DISTINGUISHED MEMBERS OF THE L.A. BOARD OF COMMISSIONERS, I WANT YOU TO KNOW THAT THE HOPE PACKAGE MUST SUCCEED IN THIS CITY AS MUCH AS ANYWHERE ELSE IN AMERICA. I AM CONVINCED THAT LOS ANGELES IS THE GREATEST GROWING "OPPORTUNITY ZONE" FOR HUD'S INITIATIVES. MATCHED WITH ENTERPRISE ZONE LEGISLATION AND COMMUNITY REINVESTMENT INITIATIVES, THIS PROGRAM WILL FINALLY PUT A "GREENLINE" AROUND PUBLIC HOUSING COMMUNITIES ACROSS AMERICA TO ATTRACT NEW INVESTMENT FOR JOB CREATION."

- "TWENTY-FIVE YEARS AFTER THIS COMMUNITY WAS TORN BY CIVIL STRIFE, WATTS IS EXPERIENCING A REBIRTH RIGHT HERE IN PUBLIC

HOUSING."

- "NORA (KING), I WAS PLEASED TO SEE THE TOT LOTS YOU HAVE BUILT ON "SUCCESS AVENUE" ON MY DRIVE INTO THIS SITE TODAY. THIS EFFORT WAS A MODEL VENTURE WHERE HUD CIAP MODERNIZATION FUNDS WERE COMBINED WITH HELP FROM ARCO IN THE PRIVATE SECTOR, AND THE CITY PARKS AND RECREATION DEPARTMENT."

- "LET THIS NEW "SUCCESS AVENUE" ENTERPRISE, ALONG WITH THE COMMENCEMENT OF TENANT MANAGEMENT HERE TODAY, REPRESENT THE CREATION OF A FIELD OF DREAMS FOR THE YOUTH IN THIS AREA, WHERE ONLY A SHORT TIME AGO LAY THE KILLING FIELDS OF RIVAL GANGS."

- "I HAVE NO DOUBT THAT THE REVITALIZATION OF WATTS WILL BEGIN FROM THE MINDS AND HEARTS AND CREATIVE ENTERPRISES OF RESIDENTS, THEMSELVES, WHO HAVE LAUNCHED THIS GREAT MOVEMENT ... FROM WATTS TO EAST LA, TO CHI-TOWN, LIBERTY CITY, AND SCORES OF OTHER COMMUNITIES ACROSS THE U.S."

- "THANK YOU, AND GOD BLESS YOU."

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 17, 1990

REMARKS BY THE PRESIDENT
DURING MEETING WITH
COMMISSION ON CIVIL RIGHTS

The Rose Garden

10:02 A.M. EDT

THE PRESIDENT: Welcome to the Rose Garden and to the White House. Thank you all very much for coming. To the Attorney General and Secretary Cavazos and Secretary Sullivan, thank you for joining us. Director Newman, the same. And to Senators Dole, Hatch, and Garn, Congressman Ham Fish, thank you very much for being with us today. To Chairman Fletcher, an old friend and a man I'm very proud of, welcome, sir. To Commissioners Buckley, Ramirez, Redenbaugh, Wilfredo Gonzalez and the State Advisory Committee Chairpersons, and to the distinguished leaders. I see Ben Hooks here and others of the civil rights community across this great country. It is -- and I mean it -- an honor to have you here today.

I think we've made it a moment that's very hopeful worldwide. In a minute from now, I'll be meeting in this marvelous Oval Office with Chancellor Kohl, talking about the dramatic changes that have taken place in the world. There is a time when the thundering cry for freedom is being heard and answered from Panama, hopefully in Johannesburg, to Warsaw.

And around the world, peoples are warring against tyranny, citizens struggling against state control, economies weary of bureaucratic central planners, all are looking to America as reason for hope -- the bright star by which to chart their course to freedom.

And so it's all the more crucial now that we look carefully to the kind of country we are -- to the state of democracy here in the Land of Liberty. And we're called upon to ensure that this democracy means opportunity for all who call it home.

Few have worked harder to deliver the promise of democracy, to make an enduring dream a living reality, than the men and women assembled here today in this Rose Garden. And particularly, I want to give credit again to these men and women standing behind me.

From its earliest origins, the Commission on Civil Rights has been an independent, bipartisan voice for justice. And the Commissioners, the Directors, the Advisory Committees all share a cultural diversity and an intellectual and moral conviction that are truly America's best. And these men and women have earned our admiration. And today, they deserve our thanks.

Joining a new Chairman -- and as I said, my friend of many years, Art Fletcher -- are two outstanding additions: Carl Anderson and Russell Redenbaugh. I know Bob Dole shares my admiration for Russell, a man of impressive credentials, who knows, as all Americans should know, that physical disability will not be a barrier to service in this administration. That's why I remain firmly committed to the landmark Americans for Disabilities Act to help ensure equal rights and opportunities for these Americans.

And today, I'd like to announce a new member of the Civil Rights Commission, Mr. Charles Pei Wang, President of the China Institute in America, an outstanding new addition.

Over the last few days, I've met to discuss pending civil

MORE

rights legislation with leaders representing America's rich tapestry of cultural, religious, and ethnic diversity. And I got, as I knew I would, a lot of sound advice. Much of which I can accept. (Laughter.) But these leaders, this Commission -- (applause) -- the Congress and this administration, believe me, all share a common conviction for equal opportunity. It's a responsibility that I've tried to take very seriously -- especially now, when our most vital export to the world is democracy.

And we must make sure that we as a nation continue to lead by example. We must see that true affirmative action is not reduced to some empty slogan, and that this principle of striking down all barriers to advancement has real, living meaning to all Americans. We will leave nothing to chance and no stone unturned as we work to advance America's civil rights agenda. (Applause.)

This nation's progress against prejudice, from the '64 Act to the Voting Rights Act, to the Fair Housing and Age Discrimination in Employment Acts, it's all hinged on the principle that no one in this country should be excluded from opportunity. And so, we're committed to enacting new measures like the Hate Crimes Statistics Act, the HOPE initiative of housing, a revitalized enforcement of restrictions against employment bias. This administration seeks equal opportunity and equal protection under the law for all Americans -- goals that I know are shared by Senators Kennedy and Representative Hawkins, and certainly by the four distinguished members of Congress with us here today.

And so we've supported efforts to ensure an individual's ability to challenge discriminatory seniority systems. We've also moved to stiffen the penalties from racial discrimination in setting or applying the terms and conditions of employment. And today, as we work to ensure that America represents democracy's highest expression, I want to begin by offering three principles that must guide any amendments to our civil rights laws. These principles are firmly rooted in the spirit of our current laws. After the extensive discussions that we've had this week, I think they're principles on which all of us, including the leadership on the Hill, can agree. And so I will enthusiastically support legislation that meets these principles.

First, civil rights legislation must operate to obliterate consideration of factors such as race, color, religion, sex, or national origin from employment decisions. (Applause.) So in essence, we seek civil rights legislation that is more effective, not less. The focus of employers in this country must be on providing equal opportunity for all workers, not on developing strategies to avoid litigation. (Applause.)

No one here today would want me to sign a bill whose unintended consequences are quotas. Because quotas are wrong, and they violate the most basic principles of our civil rights tradition and the most basic principles of the promise of democracy. America's minority communities deserve more than symptomatic relief, and we want to eradicate the disease. And that will require systematic solutions, strategies that transcend statistics.

We should empower and ennoble our minority communities. We should seek systematic change that allows every American to excel. During these meetings this week, I invited the civil rights leadership to work with me to craft a bill that moves us towards this goal. After these consultations, I am confident that this can be done. I want to sign a civil rights bill, but I will not sign a quota bill. (Applause.) I think we can work it out. (Applause.)

The second civil rights legislation must reflect fundamental principles of fairness that apply throughout our legal system. Individuals who believe their rights have been violated are entitled to their day in court, and an accused is innocent until proved guilty. In every case involving a civil rights dispute, constitutional protections of due process must be preserved.

And third, federal law should provide an adequate deterrent against harassment in the workplace based on race, sex, religion, or disability, and should ensure a speedy end to such discriminatory practices. Our civil rights laws, however, should not be turned into some lawyer's bonanza, encouraging litigation at the expense of conciliation, mediation, or settlement.

Let me add that Congress, with respect, should live by the same requirements it prescribes for others. (Applause.) In '72, the Civil Rights Act of '64 was justly applied to executive agencies in state, local governments and Congress, however, has not covered. And this -- this is not an assault on Congress, I'm just trying to -- I've got about -- (laughter) -- but seriously, this inconsistency should be remedied to give congressional employees and applicants the full protection of the law to send a strong signal that it's both the Executive Branch and Congress that are in this together. And the Congress should join the Executive Branch in setting an example for these private employers.

Now, we seek strategies that work, putting power where it belongs -- in the hands of the people. That means new ideas, like giving poor parents the power of an alternative choice in where to send the kids to school so that all can have access to the best. It means more tenant control and ownership of public housing. Tax credits for child care to give parents more flexibility and choice. Policies that underwrite prosperity by encouraging capital flow to build more businesses in poor neighborhoods. The door is open wider now than it ever has been. Together, I believe we can open it still wider.

Today, an expanding economy is working in the service of civil rights. And so, let's not set the clock back. Let's look past the differences that divide us, to the shared principles and the better natures that we have within us. To the civil rights leadership assembled here today -- Dorothy, excuse me, I didn't see you earlier -- and so many -- I'm in real trouble if I single them out here. Look, I have offered you my hand and my word that, together, we can and will make America open and equal to all. Now, this administration is committed to action that is truly affirmative, positive action in every sense, to strike down all barriers to advancement of every kind for all people. We will tolerate no barriers, no bias, no inside tracks, no two-tiered system, and no rungless ladders. And I'm willing to take the time to make sure that this is done right, simply because it's worth doing right. Now is the time, really, to extend a hand to all that are struggling, and to devote our energies to a broader agenda of empowerment, that all might join in this new age of freedom.

I am delighted that you all came here. Thank you for bringing honor to this prestigious Rose Garden, and to paying tribute to our Commission here in which I have great confidence, and in which I take great pride.

Thank you all very, very much. (Applause.) Thank you.

END 10:16 A.M. EDT

10 January 1991

MKG

MEMORANDUM FOR MARK LANGE

FROM: JENNIFER GROSSMAN

SUBJECT: CIVIL RIGHTS/EMPOWERMENT

I. ANECDOTES

A. **EGO BROWN** (excerpts from Clint Bolick's Unfinished Business)

"Ego Brown never fancied himself a crusader, and surely he never pictured himself at the forefront of a burgeoning debate over the future direction of civil rights in America. But he is both.

On top of that, he's a darned good shoeshine artist.

Ego Brown had the courage and determination to make a federal case about shoeshining, or more specifically, about the enforcement of an 84-year-old law that prevented him from shining shoes on the streets of the nation's capital. His lawsuit against Mayor Marion Barry and the District of Columbia government was the opening salvo in the battle to make 'economic liberty' the civil rights issue of the 1990s."

"As a youngster, Brown shined shoes for pocket money. But then he noticed it was nearly impossible to find a convenient shoeshine in the District.

Brown quit his government job and started shining shoes at a barber shop near Howard University. Before long, he had perfected his technique and was ready to 'spread the shine.' Clad in his trademark tuxedo, Brown used his flamboyant personality to lure customers to his outdoor stand. His long-range goal was to one day operate stands on street corners throughout the city and beyond."

EGO EMPOWERS OTHERS WHILE EMPOWERING SELF: "Business went so well that Brown soon opened additional stands. ****He staffed them with enterprising homeless individuals, to who Brown provided a second chance at life in the form of a daily shower, a set of clothes, and training in the Ego shoeshine method. 'I used to see these people begging for money, and I'd dig into my pockets to help them,' he told me. 'But one day, I realized I could help them more by giving them an opportunity, a chance to lift themselves by their own bootstraps.'"*****

"But Ego Brown's dream soon disintegrated into a nightmare. The police shut down his stands, citing a 1905 law that forbade shoeshine stands on public streets. That law was

one of many passed during the Jim Crow era to prevent blacks from attaining economic self-sufficiency through their own businesses. Despite the law's sordid origins, and despite the abundance of other vendors on the District's streets selling everything from hot dogs to photo opportunities with cardboard Ronald Reagans, the government chose to enforce the law and thereby destroy Ego Brown's enterprise."

"..no one from the civil rights establishment rose to Brown's defense...An NAACP Legal Defense Fund lawyer dismissed the lawsuit as a relic of the 19th century. An activist lawyer from the Equal Employment Opportunity Commission declared that shining shoes was not a dignified job, that Ego Brown would have more dignity on welfare."

B. **MARK ANTHONY NEVELS**

"..in Kansas City, the parents of Mark Anthony Nevels, a black youngster coming of school age, were preparing to enroll him in kindergarten. Fortunately for the Nevels family, the Weeks Elementary School just across the street had recently been converted to a high-quality 'magnet' school, and there was plenty of space.

Plenty of space, that is, except for blacks.

Under the terms of a court-imposed desegregation order, the new magnet schools in Kansas City were required to conform to a rigid racial quota, allowing admission to three black students for every two whites who chose to attend. If whites elected not to attend, blacks were refused admission."

"In the case of Weeks Elementary School, there was room for 22 kindergarten students. But only four white children enrolled, and thus only six black children could be admitted. As a result, 12 seats were held empty, despite a waiting list of 86 black youngsters including little Mark Anthony Nevels. Mark would be bused past his neighborhood school to an inferior school, solely on account of his skin color."

"The magnet school's racial quota initially was vigorously defended by the establishment's civil rights lawyer representing the plaintiff class in the desegregation case...Eventually, he altered his view...after months of intense criticism from black community groups."

"This..spectacle is especially remarkable considering that the entire desegregation era commenced 35 years ago in Brown v. Board of Education with the Supreme Court striking down a policy that bused black students past their neighborhood schools solely because of skin color. Have we traveled so far only to end up in precisely the place we started?"

C. **ALFRED SANTOS**

"Alfredo Santos is a born-again capitalist...[during a visit to Mexico City] Santos discovered the pesero--small vans carrying passengers along fixed routes for a flat fee. The service was popular efficient, and, by all appearances, profitable."

"Santos, then a taxicab driver, decided to import the idea to Houston, calling the pesero by its American name--'jitney.' Using his taxicab during off-duty hours, Santos inaugurated a jitney route in a poor, predominantly Hispanic neighborhood in which public bus service was inadequate and many people couldn't afford cars. Santos offered his service for a flat fee of one dollar, with pickup and discharge of passengers anywhere along the five-mile route."

"Advertising his service with Spanish-language flyers, Santos quickly developed a booming business, and other off-duty cab drivers soon followed his lead. The jitney was cheaper than a taxicab and much more convenient than a bus, and passengers were delighted to have a transportation option."

"Everyone seemed to benefit. But that didn't deter the city's cab inspectors, who threatened to fine Santos for violation the Houston Anti-Jitney Law of 1924. It seems that in the early 1920s, the streetcar industry mounted a highly successful nationwide campaign to eradicate the jitneys, their main source of competition. Sixty-five years later, the streetcar industry was long-since defunct, but the laws remained. And so Santos had to shut down his thriving business."

"Santos tried unsuccessfully to have the law overturned through the legislative process. When those attempts failed, he turned to the courts, but it remains to be seen whether the judiciary will come to the aid of this man who exemplifies the American entrepreneurial spirit."

D. **DEMOND CRAWFORD**

"Demond Crawford, like many youngsters throughout America, was having trouble in school. His mother, Mary Amaya, was concerned; she decided to have her son tested."

"Mrs. Amaya contacted the local public school district, which sent her a list of available tests, including the I.Q. test. But written across the bottom page were words that shocked Mrs. Amaya: your son may not take the I.Q. test because he is black."

"Outraged, Mrs. Amaya contacted the NAACP for help in challenging this pernicious racial classification. But the

NAACP officials not only refused to help Mrs. Amaya, they told her they were responsible for the adoption of the racial policy."

"The school district offered a solution: since Demond is half black and half Hispanic, Mrs. Amaya could reclassify him from black to Hispanic, and he could take the test. Mrs. Amaya refused. She would not play games with her son's heritage to satisfy some social engineering bureaucrat."

"In her lawsuit against the state, Mrs. Amaya takes no position on whether I.Q. tests are good or bad, or whether or not they discriminate against blacks; nor does she contend that the state has an obligation to provide I.Q. tests to anyone. She argues merely that if the state provides I.Q. tests, it must make them available without regard to race. A fairly modest argument, much like the ones civil rights groups used to make with some frequency."

"The Crawford case illustrates why equality under the law is so important to individual empowerment--and how far we have strayed from that objective."

II. OLDIES BUT GOODIES

A. POLLY WILLIAMS

"..a state assemblywoman from a black district in Milwaukee was school choice's most potent champion in 1990...Fed up with inadequate funding and an entrenched school bureaucracy, state Rep. Annette Polly Williams sponsored a first-of-its-kind voucher plan that sent 400 poor children to private schools with state money."

"..the 53-year-old Williams has sided with Bush in arguing that competition is exactly the jolt needed to improve public schools...'There's a belief among the bureaucrats in the public school system that as long as you're poor, you're not expected to achieve,' said Williams, a Democrat who has represented her district for the past decade."
--Associated Press, December 14, 1990

"Williams proposed a modest school-voucher program, approved by the Wisconsis Legislature, that gave 1,000 poor inner-city students $2,500 vouchers they could use to attend private schools."

B. KIMI GRAY

"Miss Gray, dozens of other Kenil-worth-Parkside residents and advocates of resident-managed complexes stubbornly fought with the D.C. and federal governments for 10 years to get the ownership of the 464-unit Northeast complex

transferred to the tenants. On Friday, they finally succeeded."

"At a ceremony on the apartment grounds, Jack Kemp...and D.C. Mayor Marion Barry signed the papers officially marking the sale of the complex--for $1--to the Kenilworth-Parkside Resident Management Corp."

"The tenants adopted as their motto 'Dreams do come true.'"

"The speakers also frequently noted that as recently as 1981 the sprawling complex...was plagued by drug dealers, violence, a lack of services, and decaying and vandalized buildings....Today the dealers are gone, many of the buildings are renovated, and the resident management corporation plans to sponsor a variety of programs and services, including employment training and counseling, housekeeping training and a small co-op store."
--Washington Times, October 1, 1990.

"Is she a Republican tool? She curses and says the people with the luxury to think so are not forced to live in public housing. 'If I'm being used, then I like it,' she said. 'I'm using them too. We're using each other.'"

"Ms. Gray's place in Republican iconography has upset some who support the concept of tenant management--an idea that arose on the political left. They worry about it is [sic] being used as a ploy to justify ending Government support for new low-income housing. 'A fraud, a snare, a delusion' is what Florence Roisman, a staff attorney with the National Housing Law Project, calls Mr. Kemp's plans."

"Is she unique? 'There's a Kimi Gray in every..public housing development in America,' said Ms. Gray. 'Let's just hope she's not as obese as I am.'"

"Where do her political loyalties reside? She has a stock way of explaining that she is loyal to whoever will further her cause."

"Ms. Gray's improbably path to prominence began with a number of backward steps. She had her first child at the age of 14, and had borne five by the time she was 19. When her marriage fell apart, Ms. Gray and her children turned to welfare. In 1966, at the age of 21, she secured an apartment at Kenilworth, the low-rise complex of 37 buildings that became her life's work."

"The secret to her success, Ms. Gray said, is 'residents being in control of their own destiny.'"

****"And why does Ms. Gray want to own her own home? The question catches her in a rare moment of surprise, as though the answer should be self-evident, and she said:

'I want help on my taxes. I want to leave something to my children. I want to own some brick. That's the American dream, isn't it?'"

--The New York Times, July 13, 1990

III. EXCERPTS

"..calls for sweeping reform to break the logjam that has choked black progress..."

--Charles Murray

"..the transformation from blacks-as-people-like-us to blacks-as-victims."

--ibid.

"..Perhaps inevitably at such a point, when white guilt was at its most acute, some whites not only cried 'mea culpa' for the sins of their race but decided to stop treating blacks as people like everyone else and instead grant them moral exemption."

--ibid.

"Each of these three trends in the evolution of civil rights--toward regulation of private behavior, preferential legislation for groups, and double standards for whites and blacks--was latently poisonous. During the 1970s, the poison began to set...Schemes for aggressive, court-ordered school busing infuriated white parents. Quota-based affirmative action plans for hiring new employees alienated blue-collar workers. White students in the nation's universities watched their black counterparts being admitted with lower test scores and special dispensations. By the 1980s, we had achieved the worst possible world, in which whites were resentful, a self-righteous civil rights rhetoric had lost its moral energy, and blacks themselves, especially low-income blacks, were losing ground."

--Clint Bolick

Thomas Paine: "'We must return to first principles..and think, as if we were the first men that thought.'"

"'Paine also boldly declared that 'We have the power to begin the world over again.' The 'power' Paine referred to, of course, was not the coercive apparatus of the state, but rather the power of the ideas of liberty.'"

--ibid.

"Those who set the agenda enjoy an 'enormous advantage,' argues Nathan Glazer, since they 'are seen as moral, and a

moral advantage in politics, being on the side of right, is worth a good deal.'"
--ibid.

"Abstract invocations of a 'color-blind society' ring hollow unless accompanied by a demonstrated commitment to make good on the promise of civil rights for all Americans."
--ibid.

"One advantage of this empowerment strategy is that it by definition expands opportunities, as opposed to contemporary civil rights policies that merely redistribute rights."
--ibid.

"Once again, Tom Paine's words are instructive: 'Tyranny, like hell, is not easily conquered, yet we have this consolation with us, the harder the conflict, the more glorious the triumph.'"
--ibid.

"That those who would claim the mantle of civil rights would find themselves anywhere other than marching shoulder to shoulder with Ego Brown and Mark Anthony Nevels suggests that the civil rights movement has somewhere taken a wrong turn."

"America has fought at least three wars to defend and preserve that precious consensus (on what civil rights mean). The American Revolution, to establish the civil rights of the colonists; the Civil War, to extend those rights to all Americans; and World War II, to protect those rights against totalitarianism.

This traditional vision of civil rights is grounded in a commitment to individual self-determination, and it recognizes that any attempt to use the state's power to go beyond that point will ultimately detract from the underlying goal of individual sovereignty."

"Civil rights--the rights individuals retain when they leave a state of nature and form civil societies--consist of all the pre-existing natural rights save one: the right to judge one's own actions."

"(Martin Luther) King firmly aligned himself with 'what is best in the American dream" and dedicated himself to the goal of 'bringing our nation back to the great wells of democracy which were dug deep by the founding fathers in their formulation of the Constitution and the Declaration of Independence.' For King, the Declaration established 'that there are certain basic rights that are neither conferred by nor derived from the state,' a characteristic that distinguishes America 'from systems of government which make the state an end within itself.'"

"Traditionally, the civil rights movement sought to restrict the power of government; following the Civil War, the abolitionists used their political power to that end. But the civil rights leadership elite during the 1960s flexed its newfound political muscle in different ways, delivering tangible benefits to its perceived constituency."

"..the 200-year quest for universal rights was reduced to the status of a special interest lobby; its dynamic leadership transformed itself into an establishment seeking to perpetuate its existence and to expand its power."

"As Friedrich Hayek explains, 'From the fact that people are very different it follows that, if we treat them equally, the result must be inequality in their actual position, and that the only way to place them in an equal position would be to treat them differently.' Equal outcomes thus require 'discriminatory coercion,' which violates both equal treatment and individual liberty. Concludes Hayek, 'Equality before the law and material equality are therefore not only different but are in conflict with each other; and we can achieve either the one or the other, but not both at the same time.'"

"..the revised civil rights agenda has shifted from the assertion of absolute rights to a negotiation of entitlements."

"Charles Murray has ably documented that the growth of the welfare state has led to a decline in socio-economic advances for minorities and the poor. Rather, those who successfully entered the economic mainstream traditionally did so either through labor, entrepreneurship, education, or a combination of those."

THE HERITAGE LECTURES

290

Black History Month 1990 At The Heritage Foundation

By Glenn C. Loury
J. Kenneth Blackwell
Robert L. Woodson
Rev. Buster Soaries
Paul L. Pryde

The Heritage Foundation



The Heritage Foundation was established in 1973 as a nonpartisan, tax-exempt policy research institute dedicated to the principles of free competitive enterprise, limited government, individual liberty, and a strong national defense. The Foundation's research and study programs are designed to make the voices of responsible conservatism heard in Washington, D.C., throughout the United States, and in the capitals of the world.

Heritage publishes its research in a variety of formats for the benefit of policy makers, the communications media, the academic, business and financial communities, and the public at large. Over the past five years alone The Heritage Foundation has published some 1,000 books, monographs, and studies, ranging in size from 953-page government blueprint, *Mandate for Leadership III: Policy Strategies for the 1990s,* to more frequent "Critical Issues" monographs and the topical "Backgrounders" and "Issue Bulletins" of a dozen pages. Heritage's other regular publications include the *SDI Report, U.S.S.R. Monitor, Heritage Foundation Federal Budget Reporter, Business/Education Insider, Mexico Watch,* and the quarterlies *Education Update* and *Policy Review.*.

In addition to the printed word, Heritage regularly brings together national and international opinion leaders and policy makers to discuss issues and ideas in a continuing series of seminars, lectures, debates, and briefings.

Heritage is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954, and is recognized as a publicly supported organization described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Individuals, corporations, companies, associations, and foundations are eligible to support the work of The Heritage Foundation through tax-deductible gifts.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002
U.S.A.
202/546-4400

Black History Month 1990
At The Heritage Foundation

INTRODUCTION

The lectures in this series mark The Heritage Foundation's observance of Black History Month 1990. They represent a new vibrancy within the conservative movement to understand better the concerns and perspectives of African Americans and to participate in the public policy debate within the black community. Just as a new generation of conservative leaders seeks new solutions to promote economic liberty and individual empowerment for all Americans, a new generation of black leaders is emerging to challenge the dominance of liberals who claim to speak for all African Americans.

The lectures here do not focus on the victimization of blacks or on the racism of whites. Instead, they explore the historic strengths of the black community, the tradition of entrepreneurship, work ethic, and strong moral values that held the community together even during the height of racism and segregation. The speakers, who are black, glean from black history the essential elements of a contemporary strategy for black political and economic empowerment. They offer new solutions grounded in conservative principles of individual liberty, limited government, and free competitive enterprise. These conservative principles, the speakers demonstrate, have deep roots in the black community.

Harvard Professor of Political Economy Glenn Loury calls on liberals and conservatives alike to renew Martin Luther King's quest for a society in which race is irrelevant. To conservatives, he advises: "Rather than simply incanting the 'personal responsibility' mantra, we must also be engaged in helping these people who so desperately need our help." And Loury chastises liberals who "require blacks to present ourselves to American society as permanent victims, incapable of advance without state-enforced philanthropy...." Loury challenges black Americans to reject "the role of the victim," and instead aggressively compete for opportunity: "There is a great, existential challenge facing black America today – the challenge of taking control of our own futures by exerting the requisite moral leadership, making the sacrifices of time and resources, and building the needed institutions so that black social and economic development may be advanced." As "consummate victims," concludes Loury, blacks will achieve "not the freedom so long sought by our ancestors, but, instead, a continuing serfdom."

Like Loury, J. Kenneth Blackwell, former Deputy Under Secretary for Intergovernmental Relations at the U.S. Department of Housing and Urban Development, admonishes conservatives for their failure to communicate their positive message to the black community. Blackwell advises conservatives to "put our facts out front," and "help build black America." He suggests that conservatives work to understand better the plight of poor blacks: "For every welfare cheat," says Blackwell, "there are dozens who themselves have been cheated by misspent, misconceived, and mal-administered poverty programs. These people deserve our help in devising better alternatives – not the additional burden of being blamed by us for the disincentive effects of programs they didn't create, don't control, and can't get away from."

Robert Woodson, President of the National Center for Neighborhood Enterprise, chronicles the rich history of public policy debate in the black community generated by such leaders as Frederick Douglass, Booker T. Washington, W.E.B. DuBois, and Marcus Garvey. Yet, Woodson says, that tradition of discussion in recent years has been choked off. "From the time of slavery up until the death of Martin Luther King, voices of many persuasions were heard as we sought to shape our destiny as black Americans. Since then there has been little or no substantive debate. We have allowed our dynamic diversity of thought to be muted in a predictable monolith." Woodson concludes that finding solutions to black poverty will require a revival of such diversity and debate within the black community.

The Reverend Buster Soaries describes how traditional moral values of the black community guaranteed the success of the civil rights struggle. He invokes Martin Luther King's plea that people be judged by the "content of their character" to demonstrate that black leaders historically emphasized individual moral character as the fundamental prerequisite to advancing civil rights. "There was a common understanding that we must reserve the right to inspect the personal integrity of the victim before we cry justice, even to the oppressors," says Soaries. Reverend Soaries asserts that to further advance, the black community must return to the tradition of "moral strength" that framed the views of such leaders as Harriet Tubman, Frederick Douglass, and Bishop J.W. Hood.

Paul Pryde's lecture on creating investment in the black community echoes Glenn Loury's message that real progress must come from within the black community. Pryde, a Howard University graduate and author of the 1989 book *Black Entrepreneurship in America*, says innovation within the black community is the key to black advancement. He cites black history to buttress his view, noting that such black leaders as Martin Luther King, Malcolm X., A. Philip Randolph, and Marcus Garvey were innovators who "recognized, essentially, that the African American community has got to use its own resources to solve its problems." These leaders, Pryde continues, "looked to government to create conditions under which African Americans, black Americans, themselves, could solve their problems. We need to return to that sort of innovative spirit."

Together, the five *Heritage Lectures* in this Black History Month series convey a message of pride in black history, and hope for building on that rich tradition. They offer a blueprint for progress, rooted in the conservative values that have shaped black history and progress. And more, the lectures outline the foundations of a new partnership between African Americans and conservative policy makers. A partnership that is consistent with history and essential for the future.

Mark B. Liedl
Director, New Majority Project

Achieving the "Dream": A Challenge to Liberals and to Conservatives in the Spirit of Martin Luther King, Jr.

by Glenn C. Loury

> Therefore, since we are surrounded by such a great cloud of witnesses, let us throw off everything that hinders, and the sin that so easily entangles, and let us run with perseverance the race marked out for us. (Hebrews 12:1, NIV)

The struggle for freedom and equality is the central theme in the black American historical experience. This struggle, in turn, has played a profound role in shaping the contemporary American social and political conscience. The trauma of slavery, the fratricide of the Civil War, the profound legal ramifications of the Reconstruction amendments, the long dark night of post-Reconstruction retreat from the moral and practical implications of black citizenship, the collective redemption of the Civil Rights Movement – these have worked to make us Americans the people we are. Only the massive westward migration and the still continuing flow of immigrants to our shores rival this history of race relations as factors defining the American character.

Beginning in the mid-1950s and culminating a decade later, the Civil Rights Movement wrought a profound change in American race relations. Its goal was to achieve equal citizenship for blacks; it was believed by many that social and economic equality would follow in the wake of this accomplishment. The civil rights revolution largely succeeded in its effort to eliminate legally enforced second class citizenship for blacks. The legislation and court rulings to which it led effected sweeping changes in the American institutions of education, employment, and electoral politics. So broad was the wake of this social upheaval that the rights of women, homosexuals, the elderly, the handicapped were redefined, in large part, as a consequence of it.

Forcing a Redefinition. This social transformation represents a remarkable, unparalleled experience, graphically illustrating the virtue and vitality of our free institutions. In barely the span of a generation, and with comparatively little violence, a despised and largely disenfranchised minority descendant from chattel slaves used the courts, the legislature, the press, and the rights of petition and assembly of our republic to force a redefinition of their citizenship. One can begin to grasp the magnitude of this accomplishment by comparison with the continuing turmoil which besets those many nations around the world suffering under longstanding conflicts among racial and religious groups.

Glenn C. Loury is Professor of Political Economy at the Kennedy School of Government, Harvard University.

He spoke at The Heritage Foundation on February 12, 1990, as part of a lecture series observing Black History Month.

ISSN 0272-1155. ©1990 by The Heritage Foundation.

Unfulfilled Hope. Yet, despite this success, hope that the Movement would produce true social and economic equality between the races remains unfulfilled. No compendium of social statistics is needed to see the vast disparities in economic advantage which separate the inner-city black poor from the rest of the nation. No profound talents of social observation are required to notice the continuing tension, anger, and fear that shrouds our public discourse on matters concerning race. When in 1963 Martin Luther King, Jr. declared his "dream" – that we Americans should one day become a society where a citizen's race would be an irrelevancy, where black and white children would walk hand-in-hand, where persons would be judged not by the color of their skin but by the content of their character – this seemed to many Americans both a noble and attainable goal. Today, even after having made his birth an occasion for national celebration, his "dream" seems naively utopian – no closer to realization than on that hot August afternoon when those inspiring words were first spoken.

Today black Americans, and the nation, face a crisis different in character though no less severe in degree than that which occasioned the civil rights revolution. It is not a crisis, however, which admits of treatment by use of the strategies that proved so successful in that earlier era. The bottom stratum of the black community has compelling problems which can no longer be blamed solely on white racism, which will not yield to protest marches or court orders, and which force us to confront fundamental failures in lower class black urban society. This crisis is particularly difficult for black leaders and the black middle class. For this profound alienation of the ghetto poor from mainstream American life has continued to grow worse in the years since the triumphs of the civil rights movement, even as the success of that movement has provided the basis for an impressive expansion of economic and political power for the black middle class.

Social Pathologies. There is no way to downplay the social pathologies that afflict the urban underclass, just as it cannot be denied that vast new opportunities have opened for blacks to enter into the mainstream of American life. In big city ghettos, the black youth unemployment rate often exceeds 40 percent. Over one quarter of young black men in the critical ages 20 to 24 years old, according to one recent study, have dropped out of the economy, in the sense that they are not in school, not working, and not actively seeking work. In the inner city, far more than half of all black babies are born out of wedlock. Black girls between the ages of 15 and 19 constitute the most fertile population of that age group in the industrialized world. The families which result are most often not self-supporting. The level of dependency on public assistance for basic economic survival has essentially doubled since 1964; almost one-half of all black children are supported in part by transfers from the state and federal governments. Over half of black children in public primary and secondary schools are concentrated in the nation's twelve largest central city school districts, where the quality of education is poor, and where whites constitute only about a quarter of total enrollment. Only about one black student in seven scores above the 50th percentile on standardized college admissions tests. Blacks, though little more than a tenth of the population, constitute approximately half of the imprisoned felons in the nation. Roughly 40 percent of those murdered in the U.S. are black men killed by other black men. In some big cities black women face a risk of rape which is five time as great as that faced by whites.

These statistics depict an extent of deprivation, a degree of misery, a hopelessness and despair, an alienation which is difficult for most Americans, who do not have direct

experience with this social stratum, to comprehend. They pose an enormous challenge to the leadership of our nation, and to the black leadership. Yet, we seem increasingly unable to conduct a political dialogue out of which might develop a consensus about how to respond to this reality. There are two common, partisan themes which dominate the current debate. One is to blame it all on racism, to declare that this circumstance proves the continued existence of old-type American racial enmity, only in a more subtle, modernized and updated form. This is the view of many civil rights activists. From this perspective the tragedy of the urban underclass is a civil rights problem, curable by civil rights methods. Black youth unemployment represents the refusal of employers to hire competent and industrious young men because of their race. Black welfare dependency is the inescapable consequence of the absence of opportunity. Black academic underperformance reflects racial bias in the provision of public education. Black incarceration rates are the result of the bias of the police and judiciary.

The other theme, characterized by the posture of many on the right in our politics, is to blame it on the failures of "Great Society liberals," to chalk it up to the follies of big government and big spending, to see the problem as the legacy of a tragically misconceived welfare state. A key feature of this view is the apparent absence of any felt need to articulate a "policy" on this new race problem. It is as though those shaping the domestic agenda of this government do not see the explicitly racial character of this problem, as if they do not understand the historical experiences which link, symbolically and sociologically, the current urban underclass to our long, painful legacy of racial trauma. Their response, quite literally, has been to promulgate a de facto doctrine of "benign neglect" on the issue of continuing racial inequality.

Competing Visions. These responses feed on each other. The civil rights leaders, repelled by the Reagan and now Bush Administrations' public vision, see more social spending as the only solution to the problem. They characterize every question raised about the cost effectiveness or appropriateness of a welfare program as evidence of a lack of concern about the black poor; they identify every affirmative action effort, whether it is aimed at attaining skills training for the ghetto poor or securing a fat municipal procurement contract for a black millionaire, as necessary and just recompense in light of our history of racial oppression. Conservatives in and out of government, repelled by the public vision of civil rights advocates and convinced that the programs of the past have failed, when addressing racial issues at all talk in formalistic terms about the principle of "color blind state action." Its civil rights officials absurdly claim that *they* are the true heirs of Martin Luther King's moral legacy, for it is they who remain loyal to his "color blind" ideal – as if King's moral leadership consisted of this and nothing else. Its spokesmen point to the "trickling down" of the benefits of economic growth as the ultimate solution to these problems; it courts the support and responds to the influence of segregationist elements; it remains at this late date without a positive program of action aimed at narrowing the yawning chasm separating the black poor from the rest of the nation.

There is, many would now admit, merit in the conservative criticism of liberal social policy. It is clear that the Great Society approach to the problems of poor blacks has been inadequate. Intellectually honest persons must now concede that it is not nearly as easy to truly help people as the big spenders would suggest. The proper measure of "caring" ought not be the size of budget expenditures on poverty programs, if the result is that the

recipients remain dependent on such programs. Moreover, many Americans have become concerned about the neutrality toward values and behavior which was so characteristic of the Great Society thrust, the aversion to holding persons responsible for those actions which precipitated their own dependence, the feeling that "society" is to blame for all the misfortune in the world. Characterizing the problem of the ghetto poor as due to white racism is one variant of this argument that "society" has caused the problem. It overlooks the extent to which values and behaviors of inner-city black youth are implicated in the difficulty.

Many American, black and white, have also been disgusted with the way in which this dangerous circumstance is exploited for political gain by professional civil rights and poverty advocates. They have watched the minority youth unemployment rate be cited in defense of special admissions programs to elite law schools. They have seen public officials, caught in their illegal indiscretions, use the charge of racism as a cover for their personal failings of character. They have seen themselves pilloried as "racists" by civil rights lobbyists for taking the opposite side of legitimately arguable policy debates.

Ideological Barrier. Yet, none of this excuses (though it may help to explain) the fact that our national government has failed to engage this problem with the seriousness and energy which it requires. It has permitted ideology to stand in the way of the formulation of practical programs which might begin to chip away at this dangerous problem. It has permitted the worthy goals of reducing taxes and limiting growth in the size of government to crowd from the domestic policy agenda the creative reflection which will obviously be needed to formulate a new, non-welfare oriented approach to this problem.

Ironically, each party to this debate has helped to make viable the otherwise problematic posture of the other. The lack of a positive, high priority response from a series of Republican Administrations to what is now a longstanding, continuously worsening social problem has allowed politically marginal and intellectually moribund elements to retain a credibility and force in our political life far beyond that which their accomplishments would otherwise support. Many are reluctant to criticize them because they do not wish to be identified with a Republican Administration's policy on racial matters. Moreover, the shrill, vitriolic, self-serving, and obviously unfair attacks on Administration officials by the civil rights lobby has drained their criticism of much of its legitimacy. The "racist" epithet, like the little boy's cry of "wolf," is a charge so often invoked these days that is has lost its historic moral force.

Political Quagmire. The result of this symbiosis has been to impede the establishment of a political consensus sufficient to support sustained action on the country's most pressing domestic problem. Many whites, chastened by the apparent failures of 1960s-style social engineering but genuinely concerned about the tragedy unfolding in our inner cities, are reluctant to engage this issue. It seems to them a political quagmire in which one is forced to ally oneself with a civil rights establishment no longer able to command broad respect. Many blacks who have begun to have doubts about the effectiveness of liberal social policy are hindered in their articulation of an alternative vision by fear of being too closely linked in the public mind with a policy of indifference to racial concerns.

I can personally attest to the difficulties which this environment has created. I am an acknowledged critic of the civil rights leadership. There are highly partisan policy debates in

which I have gladly joined on the Republican side – on federal enterprise zones, on a youth opportunity wage, on educational vouchers for low-income students, on stimulating ownership among responsible public housing tenants, on requiring work from able-bodied welfare recipients, on dealing sternly with those who violently brutalize their neighbors. I am no enemy of right-to-work laws; I do not despise the institution of private property; I do not trust the capacity of public bureaucracies to substitute for the fruit of private initiative. I am, to my own continuing surprise, philosophically more conservative than the vast majority of my academic peers. And I love, and believe in, this democratic republic.

Needed Commitment. But I am also a black man, a product of Chicago's South Side, a veteran in spirit of the civil rights revolution. I am a partisan on behalf of the inner-city poor. I agonize at the extraordinary waste of human potential which the despair of ghetto America represents. I cannot help but lament, deeply and personally, how little progress we have made in relieving the suffering that goes on there. It is not enough, far from being enough, for me to fault liberals for much that has gone wrong. This is not, for me, a mere contest of ideologies or a competition for electoral votes. And it is because I see this problem as so far from solution, yet so central to my own sense of satisfaction with our public life, that I despair of our governments's lack of commitment to its resolution. I believe that such a commitment, coming from the highest levels of our government, without prejudice with respect to the specific methods to be employed in addressing the issue, but involving a public acknowledgement of the unacceptability of the current state of affairs, is now required. This is not a call for big spending. Nor is it an appeal for a slick public relations campaign to show that George Bush "cares" as much as Jesse Jackson. Rather, it is a plaintive cry for the need to actively engage this problem, for the elevation of concern for racial inequality to a position of priority on our government's domestic affairs agenda.

In some of my speeches and writing on this subject in the past I have placed great weight on the crucial importance to blacks of "self-help." Some may see this current posture as at variance with those arguments. It is not. I have also written critically of blacks' continued reliance on civil rights era protest and legal strategies, and of the propagation of affirmative action throughout our employment and educational institutions. I have urged blacks to move "Beyond Civil Rights." I have spoken of the difference between the "enemy without" – racism – and the "enemy within" the black community – those dysfunctional behaviors of young blacks which perpetuate poverty and dependency. I have spoken of the need for blacks to face squarely the political reality that we now live in the "post-civil rights era"; that claims based on racial justice carry now much less force in American public life than they once did; that it is no longer acceptable to seek benefits for our people in the name of justice, while revealing indifference or hostility to the rights of others. Nothing I have said here should be construed as a retraction of these views. But selling these positions within the black community is made infinitely more difficult when my black critics are able to say: "But your argument plays into the hands of those who are looking for an excuse to abandon the black poor"; and when I am unable credibly to contradict them.

It is for this reason that the deteriorating quality of our public debate about civil rights matters has come to impede the internal realignment of black political strivings which is now so crucial to the interest of the inner-city poor, and the political health of the nation. There is a great, existential challenge facing black America today – the challenge of taking control of our own futures by exerting the requisite moral leadership, making the sacrifices

of time and resources, and building the needed institutions so that black social and economic development may be advanced. No matter how windy the debate becomes among white liberals and conservatives as to what should be done in the public sphere, meeting this self-creating challenge ultimately depends upon black action. It is to make a mockery of the ideal of freedom to hold that, as free men and women, blacks ought nonetheless passively to wait for white Americans, of whatever political persuasion, to come to the rescue. A people who languish in dependency, while the means through which they might work toward their own advancement exist, have surrendered their claim to dignity, and to the respect of their fellow citizens. A truly free people must accept responsibility for their fate, even when it does not lie wholly in their hands.

One Ingredient for Progress. But to say this, which is crucial for blacks to consider at this late date, is not to say that there is not public responsibility. It is obvious that in the areas of education, employment training, enforcement of anti-discrimination laws, and the provision of minimal subsistence to the impoverished, the government must be involved. There are programs – preschool education for one – which cost money, but which seem to pay even greater dividends. It is a tragic error that those of us who make the "self-help" argument in internal dialogue concerning alternative development strategies for black Americans are often construed by the political right as making a public argument for a policy of "benign neglect." Expanded self-reliance is but one ingredient in the recipe for black progress, distinguished by the fact that it is essential for black dignity, which in turn is a precondition for true equality of the races in this country.

It makes sense to call for greater self-reliance at this time because some of what needs to be done cannot in the nature of the case be undertaken by government. Dealing with behavioral problems, with community values, with the attitudes and beliefs of black youngsters about responsibility, work, family, and schooling is not something government is well suited to do. The teaching of "oughts" properly belongs in the hands of private, voluntary associations – churches, families, neighborhood groups. It is also reasonable to ask those blacks who have benefited from the special minority programs – such as the set-asides for black businesses – to contribute to the alleviation of the suffering of poor blacks, for without the visible ghetto poor, such programs would lack the political support needed for their continuation. Yet, and obviously, such internal efforts cannot be a panacea for the problems of the inner-city. This is truly an American problem; we all have a stake in its alleviation; we all have a responsibility to address it forthrightly.

Permanent Victims. Thus, to begin to make progress on this extremely difficult matter will require enhanced private and public commitment. Yet, to the extent that blacks place too much focus on the public responsibility, we place in danger the attainment of true equality for black Americans. By "true equality" I mean more than an approximately equal material provision to members of the groups. Also crucial, I maintain, is an equality of respect and standing in the eyes of one's fellow citizens. Yet much of the current advocacy of blacks' interests seems inconsistent with achieving equal respect for black Americans. Leaders, in the civil rights organizations as well as in the halls of Congress, remain wedded to a conception of the black condition, and a method of appealing to the rest of the polity which undermines the dignity of our people. Theirs is too much the story of discrimination, repression, hopelessness, and frustration; and too little the saga of uplift and the march forward to genuine empowerment whether others cooperate or not. They seek to make

blacks into the conscience of America, even if the price is the loss of our souls. They require blacks to present ourselves to American society as permanent victims, incapable of advance without the state-enforced philanthropy of possibly resentful whites. By evolving past suffering and current deprivations experienced by the ghetto poor, some black leaders seek to feed the guilt, and worse, the pity of the white establishment. But I hold that we blacks ought not to allow ourselves to become ever-ready doomsayers, always alert to exploit black suffering by offering it up to more or less sympathetic whites as a justification for incremental monetary transfers. Such a posture seems to evidence a fundamental lack of confidence in the ability of blacks to make it American, as so many millions of immigrants have done and continue to do. Even if this method were to succeed in gaining the money, it is impossible that true equality of status in American society could lie at the end of such a road.

Much of the current, quite heated, debate over affirmative action reveals a similar lack of confidence in the capabilities of blacks to compete in American society. My concern is with the inconsistency between the broad reliance on quotas by blacks, and the attainment of "true equality." There is a sense in which the demand for quotas, which many see as the only path to equality for blacks, concedes at the outset the impossibility that blacks could ever be truly equal citizens. For, aside from those instances in which hiring goals are ordered by a court subsequent to a finding of illegal discrimination, and with the purpose of providing relief for those discriminated against, the use of differential standards for the hiring of blacks and whites acknowledges the inability of blacks to perform up to the white standard.

Double Standards. So widespread has such practice become that, especially in the elite levels of employment, all blacks must now deal with the perception that without a quota, they would not have their jobs. All blacks, some of our "leaders" seem proud to say, owe their accomplishments to political pressures for diversity. And the effects of such thinking may be seen in our response to almost every instance of racially differential performance. When blacks cannot pass a high school proficiency test as a condition of obtaining a diploma – throw out the test. When black teachers cannot exhibit skills at the same level as whites, the very idea of testing teachers' skills is attacked. If black athletes less frequently achieve the minimal academic standard set for those participating in inter-collegiate sports, then let us promulgate for them a separate, lower standard, even as we accuse of racism those suggesting the need for a standard in the first place. If young black men are arrested more frequently than whites for some criminal offense, then let us decry the probability that police are disproportionately concerned about the crimes which blacks commit. If black suspension rates are higher than whites in a given school district – well, let's investigate that district for racist administrative practice. When black students are unable to gain admission at the same rate as whites to the elite public exam school in Boston, let's ask a federal judge to mandate black excellence.

The inescapable truth of the matter is that no judge can mandate excellence. No selection committee can create distinction in black scholars. No amount of circuitous legal maneuvering can obviate the social reality of inner-city black crime, or of whites' and blacks' fear of that crime. No degree of double standard-setting can make black students competitive or comfortable in the academically exclusive colleges and universities. No amount of political gerrymandering can create genuine sympathy among whites for the

interests and strivings of black people. Yet it is to such double standard- setting, such gerrymandering, such maneuvering that many feel compelled to turn.

Wrongs of the Past. Signs of the intellectual exhaustion, and of the increasing political ineffectiveness of this type of leadership are now evident. Yet we cling to this method because of the way in which the claims of blacks have been most successfully pressed during the civil rights era. These claims have been based, above all else, on the status of blacks as America's historical victims. Maintenance of this claiming status requires constant emphasis on the wrongs of the past and exaggeration of present tribulations. He who leads a group of historical victims, as victims, must never let "them" forget what "they" have done: he must renew the indictment and keep alive the moral asymmetry implicit in the respective positions of victim and victimizer. He is the preeminent architect of what philosopher G.K. Minogue has called "suffering situations." The circumstance of his group as "underdog" becomes his most valuable political asset. Such a posture, especially in the political realm, militates against an emphasis on personal responsibility within the group, and induces those who have been successful to attribute their accomplishments to fortuitous circumstance, and not to their own abilities and character.

It is difficult to overemphasize the self-defeating dynamic at work here. The dictates of political advocacy require that personal inadequacies among blacks be attributed to "the system," and that emphasis by black leaders on self-improvement be denounced as irrelevant, self-serving, dishonest. Individual black men and women simply cannot fail on their own, they must be seen as never having had a chance. But where failure at the personal level is impossible, there can also be no personal successes. For a black to embrace the Horatio Alger myth, to assert as a guide to *personal* action that "there is opportunity in America," becomes a *politically* repugnant act. For each would-be black Horatio Alger indicts as inadequate, or incomplete, the deeply entrenched (and quite useful) notion that individual effort can never overcome the "inheritance of race." Yet where there can be no black Horatio Algers to celebrate, sustaining an ethos of responsibility which might serve to extract minimal effort from the individual in the face of hardship becomes impossible as well.

James Baldwin spoke to this problem with great insight long ago. In his 1949 essay "Everybody's Protest Novel," Baldwin said of the protagonist of Richard Wright's celebrated novel *Native Son*:

> Bigger Thomas stands on a Chicago street corner watching air planes flown by white men racing against the sun and 'Goddamn' he says, the bitterness bubbling up like blood, remembering a million indignities, the terrible, rat-infested house, the humiliation of home-relief, the intense, aimless, ugly bickering, hating it; hatred smolders through these pages like sulfur fire. All of Biggers's life is controlled, defined by his hatred and his fear. And later, his fear drives him to murder and his hatred to rape; he dies, having come, through this violence, and we are told, for the first time, to a kind of life, having for the first time redeemed his manhood.

But Baldwin rejected this "redemption through rebellion" thesis as untrue to life and unworthy of art. "Bigger's tragedy," he concluded,

> is not that he is cold or black or hungry, not even that he is American, black; but that *he has accepted a theology that denies him life, that he admits the possibility of his being sub-human and feels constrained, therefore, to battle for his humanity according to those brutal criteria bequeathed him at his birth.* But our humanity is our burden, our life; we need not battle for it; we need only to do what is infinitely more difficult – that is, accept it. The failure of the protest novel lies in its rejection of life, the human being, the denial of his beauty, dread, power, in its insistence that it is his categorization alone which is real and which cannot be transcended (emphasis added).

Self-Fulfilling Prophecy. While Baldwin's interest was essentially literary, mine is political. In either case, however, our struggle is against the deadening effect which emanates from the belief that, for the black man, "it is his categorization alone which is real and cannot be transcended." The spheres of politics and of culture intersect in this understanding of what the existence of systemic constraint implies for the possibilities of individual personality. For too many blacks, dedication to the cause of reform has been allowed to supplant the demand for individual accountability; race, and the historic crimes associated with it, has become the single lens through which to view social experience; the infinite potential of real human beings has been surrendered on the altar of protest. In this way does the prophecy of failure, evoked by those who take the fact of racism as barring forever blacks' access to the rich possibilities of American life, fulfill itself: "Loyalty to the race" in the struggle to be free of oppression requires the sacrifice of a primary instrument through which genuine freedom might be attained.

Moreover, the fact that there has been in the U.S. such a tenuous commitment to social provision to the indigent, independently of race, reinforces the ideological trap. Blacks think we must cling to victim status because it provides the only secure basis upon which to press for attention from the rest of the polity to the problems of our most disadvantaged fellows. It is important to distinguish here between the socio-economic consequences of the claims which are advanced on the basis of the victim status of blacks (such as the pressure for racially preferential treatment), and their symbolic, ideological role. For even though the results of this claiming often accrue to the advantage of better-off blacks, and in no way constitute a solution to the problems of the poor, the desperate plight of the poorest makes it unthinkable that whites could ever be "let off the hook" by relinquishing the historically based claims – that is, by a broad acceptance within the black community of the notion that individual blacks bear personal responsibility for their fate.

Societal Paradox. The dilemmas of the black underclass pose in stark terms the most pressing, unresolved problem of the social and moral sciences: how to reconcile individual and social responsibility. The problem goes back to Kant. The moral and social paradox of society is this: we are on the one hand determined and constrained by social, cultural, not to mention biological, forces. Yet, on the other hand, if society is to work we must believe and behave as if we do indeed determine our actions. Neither of the pat political formulas for dealing with this paradox is adequate by itself. The mother of a homeless family is not simply a victim of forces acting on her; she is, in part, responsible for her plight and that of

her children. But she is also being acted on by forces – social, economic, cultural, political – larger than herself. She is impacted by an environment; she is not an island; she does not have complete freedom to determine her future. It is callous nonsense to insist that she does, just as it is mindlessness to insist that she can do nothing for herself and her children until "society" reforms. In fact, she is responsible for her condition; but we also must help her – that is our responsibility.

"Responsibility Coin." Now blacks have, in fact, been constrained by a history of racism and limited opportunity. Some of these effects continue to manifest themselves into the current day. Yet, now that greater opportunity exists, taking advantage of it requires that we accept personal responsibility for our own fate, even though the effects of this past remain with us, in part. But emphasis on this personal responsibility of blacks takes the political pressure off of those outside the black community, who also have a responsibility, as citizens of this republic, to be actively engaged in trying to change the structures that constrain all of the poor, including the black poor, in such a way that they can more effectively assume responsibility for themselves and exercise their inherent and morally required capacity to choose. That is, there is an intrinsic link between these two sides of the "responsibility coin" – between acceptance among blacks of personal responsibility for their actions, and acceptance among all Americans of their social responsibilities as citizens. My point to conservatives should be plain. Rather than simply incanting the "personal responsibility" mantra, we must also be engaged in helping these people who so desperately need our help. We are not relieved of our responsibility to do so by the fact that Ted Kennedy and Jesse Jackson are promoting legislation aimed at helping this same population with which we disagree.

My point to blacks should also be plain. What may seem to be an unacceptable political risk is also an absolute moral necessity. This is a dilemma from which I believe blacks can only escape by an act of faith – faith in ourselves, faith in our nation, and ultimately, faith in the God of our forefathers. He has not brought us this far only to abandon us now. As suggested by the citation from the book of Hebrews with which I began, we are indeed "surrounded by a great cloud of witnesses" – the spirits of our forebears who, under much more difficult and hostile conditions, made it possible for us to enjoy the enormous opportunities which we have today. It would be a profound desecration of their memory were we to preach despair to our children when we are in fact so much closer than were our fathers to the cherished goal of full equality. We must believe that our fellow citizens are now truly ready to allow us an equal place in this society. We must believe that we have within ourselves the ability to succeed on a level playing field, if we give it our all. We must be prepared to put the past to rest; to forgive if not forget; to retire the outmoded and inhibiting role of "the victim."

Profound Tragedy. Embrace of the role of "the victim" has unacceptable costs. It is undignified and demeaning. It leads to a situation where the celebration among blacks of individual success and of the personal traits associated with it comes to be seen, quite literally, as a betrayal of the black poor, because such celebration undermines the legitimacy of their most valuable political asset – their supposed helplessness. There is, hidden in this desperate assertion of victim status by blacks to an increasingly skeptical white polity, an unfolding tragedy of profound proportion. Black leaders, confronting their people's need and their own impotency, believe they must continue to portray blacks, as

"the conscience of the nation." Yet the price extracted for playing the role, in incompletely fulfilled lives and unrealized personal potential, amounts to a "loss of our own souls." As consummate victims we lay ourselves at the feet of our fellows, exhibiting *our* lack of achievement as evidence of *their* failure, hoping to wring from their sense of conscience what we must assume, by the very logic of our claiming, lies beyond our individual capacities to attain, all the while bemoaning how limited that sense of conscience seems to be. This way lies not the "freedom" so long sought by our ancestors, but, instead, a continuing serfdom.

♦ ♦ ♦

Strengthening the Social Pillars of the Black Community

By J. Kenneth Blackwell

I want to thank you for the opportunity to speak before The Heritage Foundation during this unique celebration of Black History Month. As many of you may know, I recently resigned my appointment at the U.S. Department of Housing and Urban Development and announced my candidacy for the Congress. Over the weekend, I've been back in the district in Ohio, starting what will be a long – and we hope successful – campaign.

As I turn my thoughts from government to campaigning, the matter of building a bridge between the conservative movement and the black community takes on new importance.

I am conservative. I am black. That makes me a member of two minority groups.

What saddens me is that while conservatives, as a subset of our society, are growing; and blacks, as a subset of our society, are growing; the subset made up of black conservatives isn't growing – at least fast enough!

This forum is a good start toward discovering why that is the case. I believe there are two principal reasons for the failure of conservatism to attract a greater black intellectual following and a greater black popular following.

The first reason has to do with something that people love to talk about here in Washington – appearances. We talk about the appearance of impropriety when it comes to something that might not be unethical, but could be made to seem unethical. We talk about spin when we discuss matters with the media, so that what appears in a television report or newspaper account reflects what we want it to. We talk about perception being reality, in wise voices steeped in the lore of Washington's mysterious rules of power and politics.

Appearances Over Reality. We love appearances. We have embraced and accepted appearances, and transported them to a level of conscious importance on a par with – if not above – reality itself.

Yet though we live and die by appearances in Washington, we seem as conservatives to have a tough time facing up to the way we appear to America's blacks.

There is a line by Ralph Waldo Emerson which I think epitomizes our dilemma. "There is always a certain meanness in the argument of conservatism," Emerson said, "joined with a certain superiority in its fact."

How can we be so right, and still not have any bridge to black America? In a decade in which the conservative ideal of individual liberty, individual opportunity, and individual choice have triumphed over totalitarianism – from Czechoslovakia to Nicaragua – why doesn't its light shine more brightly in America's inner cities?

Let us accept for the moment that Emerson's superiority of fact is on our side.

Perhaps the problem is a "certain meanness," to repeat Emerson's phrase.

J. Kenneth Blackwell is former Deputy Under Secretary for Intergovernmental Relations at the U.S. Department of Housing and Urban Development.

He spoke at The Heritage Foundation on February 27, 1990, as part of a lecture series observing Black History Month.

ISSN 0272-1155. ©1990 by The Heritage Foundation.

Reality – the superiority of facts – might be on conservatism's side, but we will not succeed as conservatives in building bridges to America's blacks until appearances are also on our side.

Unity of a Dream. Let me mention just one example from the early 1980s – conservative opposition to a national holiday in memory of Dr. Martin Luther King. Whether you believe that civil disobedience is ever justified or not, whether you believe that contemporaries should be honored in the same manner as Founding Fathers or Lincoln, whether you believe that too many holidays cost the economy too much in lost productivity isn't the issue.

To blacks and to many Americans of many other colors, Dr. King symbolizes the unity of a dream we all embrace: the dream of equal opportunity, a chance to rise to the limits our initiative will take us.

When Dr. King stood on the steps of the Lincoln Memorial and told a watching world he had a dream, he was giving voice to the idealism that makes America a beacon to the world. What he offered were profoundly conservative values in the deepest meaning of the word.

Yet in a few weeks of misguided conservative opposition to a holiday commemorating the ideals he died for, we pulled down a lot of bridges that might have spanned the gulf between us as conservatives and black America.

Words of Despair. Let us come to the end of the decade. A senator I admire much for his principled conservatism, Barry Goldwater, pens his memoirs. They are, as he put it in his foreword, "straight from the shoulder."

Yet when he comes to a discussion of the future of the Republican Party, in what he calls a major challenge to the party, he minimizes the GOP's opportunities with blacks.

"Blacks," he writes, "seem rockbound to the Democrats." That will only change, he says, as blacks begin to perceive, in his words, "that their disadvantaged place in society was partly caused by the Big Brother syndrome of the Democrats."

These are the words of one of conservatism's 20th-century spiritual fathers. They are words of despair, written in a passive voice.

It is not enough for us as conservatives to sit back and await a black awakening, a disenchantment with the dependency-producing policies of the Democrats.

Yes, that disenchantment might come. Some would say we've already seen its glimmerings in the work of a new generation of black intellectuals like Glenn Loury, Robert Woodson, Thomas Sowell, and others.

But let us not forget that although the Democratic social policies intended to foster black economic and social progress have not worked as planned, they nonetheless represented a positive, active agenda for black America.

That is the difference between Goldwater's resignation when it comes to Republicans and blacks, and the Democrats' tenacity.

We may wait a very long time for disenchantment to result in bridges being built from the black community to conservatism. We will wait far less time if we as conservatives build bridges to the black community.

We suffer some from the sins of our conservative forebears of the 1980s, who first alienated and then wrote off blacks.

That is the past.

Now let us look at what can be accomplished by making appearances and reality work together.

If we really want conservatism to have greater appeal to blacks, then we need a conservative agenda for black progress.

"The Other America." This is the 26th anniversary of Michael Harrington's landmark study, "The Other America." Harrington looked at the economic prosperity of the 1950s and asked how so many were left out. It is a fitting question to ask now as we look back on the 1980s – the longest peacetime economic expansion, with record numbers of jobs created, a non-inflationary economy, a general – but uneven – prosperity.

According to the Census Bureau, in 1987 10 percent of whites lived in poverty – compared to 33 percent of blacks. And that is only one measure of the other America. We could look at infant mortality rates, intact households, incarceration rates for males, the likelihood of suffering violence, the incidence of illnesses like cancer or heart disease that could be treated with early diagnosis, and they will tell us the same thing. The other America – black America and Hispanic America – is hurting.

Black America's political fate has been hitched to the Democratic ship of state, and now black America is sinking. At a time like that, do you wait for the drowning man to swim to you – or do you throw him a lifeline?

At the Department of Housing and Urban Development, Jack Kemp, with whom I am proud to have served, knows that you throw a lifeline.

Economic empowerment is one agenda item for black America. And don't fool yourselves about anyone with a good business plan and a good entrepreneurial spirit being able to find capital.

Seeking A Fair Hearing. One of my favorite success stories from the 1980s comes from Dr. Ernest Bates. He's the founder of one of the country's largest leasing firms for medical diagnostic services. Dr. Bates was typical of many blacks in the 1950s. He worked hard in school and in the Army to become a neurosurgeon. He developed a successful practice in California, earning $500,000 a year by the 1970s.

But he knew that many hospitals couldn't afford to purchase expensive new diagnostic technologies like CAT-Scan machinery, so he invested in a business to lease mobile diagnostics to hospitals.

Like many start-up companies, his firm ran into difficulty. But Dr. Bates says that one of the greatest difficulties he had was getting a fair hearing when he went to the Small Business Administration, to venture capitalists, and to investment bankers on Wall Street. Once they saw he was black, interest in his business plan simply evaporated; until he met Michael Milken, then at Drexel Burnham Lambert, who provided American Diagnostic Services with capital to expand. It's now one of the most successful medical leasing services in America.

If a successful, black neurosurgeon can't get a fair hearing when he looks for support for a business proposition at this point in 20th century America, where is an undereducated, twenty-year-old black male supposed to turn?

Programs That Work. Economic empowerment has to begin in the black community. Strengthening the black middle class is important but broadening the black middle class is more important. And that will only come about as we determinedly seek new ways to lift people from poverty.

It's not enough to say the Democrats' programs have failed. It's incumbent on us to develop programs that will work.

And that requires a little soul-searching on our part. I don't know whether you consider Thomas Hobbes to be a conservative, but his concept of human nature – life as "nasty, brutish, and short," – is, I think, a sordid view of humanity.

Yet too many seem to share that view when it comes to analyzing poverty. We look for the disincentive that keeps the recipients of poverty aid from working, instead of the incentive we could provide to help them work.

The myth of rugged individualism often blinds us to the reality of social support that has always been so vital in our history. Whether we're talking about barn raisings, field clearings, or quilting bees, Americans have banded together to help one another since frontier days.

We have to recognize that a welfare mother struggling to earn her G.E.D. needs a network of support. We have to recognize that there is no stigma in that need.

In much conservative discussion of the welfare class, we seem to want to make villains out of poverty programs' victims. For every welfare cheat, there are dozens who themselves have been cheated by misspent, misconceived, and mal-administered poverty programs. These people deserve our help in devising better alternatives – not the additional burden of being blamed by us for the disincentive effects of programs they didn't create, don't control, and can't get away from.

In short, we as conservatives need to decide we are more interested in lifting people from poverty instead of blaming them for their circumstances.

Capacity-Building. Conservatism has to move away from anecdotes about welfare chiselers and toward alternatives so we can create entrepreneurs. Let's get that "certain meanness" out of our rhetoric, and put our facts up front.

Capacity-building, helping black Americans develop the skills to take advantage of opportunity, is critical. As conservatives, we need to be fiscal realists. We must acknowledge that an agenda for black progress is going to cost money.

In addition to empowerment through capacity building, there are things we can do now to increase economic empowerment and limit dependency. Tenant management in public housing is one such action item for our agenda. So also is expanding the equity stake through home ownership of public housing.

It is time for the second great civil rights movement. Our Constitution guarantees equal rights, but not equal results. If we wish, as conservatives, to build inroads into black America, we can do so by delivering results. By concentrating on business development, business ownership, and home ownership, we can help build black America.

The question for us today is whether we wish to be relevant to black America.

It is a question we must answer soon.

Time is running out on us.

Not because black America will explode, but because we may soon become irrelevant to it.

According to the U.S. Department of Labor, America is on its way to a work force crisis. In a study last year, a commission chartered by Secretary Ann McLaughlin to explore America's preparedness for economic competition in the coming decade confirmed that due to demographic trends we are on the way to a labor shortage and a skill shortage in our work force.

Such a skill and worker shortage will force a response. Business and employers will demand it, and government will provide it. But will it be a conservative, Republican response?

Or will it be another Democratic response?

If we choose the way of Senator Goldwater, with all respect, I submit we'll be waiting for the awakening while the Democrats lay some pontoon bridges and race right past us as we stare across the gulf separating us from black Americans and wonder what happened.

I'd like to conclude with some thoughts provoked by a recent interview with James Fallows. Fallows was President Carter's senior speechwriter. He recently returned from living several years in Asia, including Japan, and was interviewed by Ken Adelman for the *Washingtonian*.

What struck me in Fallows's words were his remarks about the naive uniqueness of the American social vision – the concept that many different peoples from all over the world can come together in one country and build a vigorous, successful society.

Alien Idea. Fallows notes how alien that idea is to most of the world, especially to Asia. He says that racism in many other societies blinds them to the concept that we take for granted, the notion that men are equal, that people of different heritages can not only live together harmoniously, productively, but in fact with greater accumulated energies and vibrancy of spirit than would be conceivable in a homogenous society.

Fallows has returned to America worried about the fragility of this unique vision. And, befitting a speechwriter who worked for a President who delivered the "Malaise" speech, he is worried about our ability to live up to that unique promise that is America.

Ladies and gentlemen, it is no secret that some in Japan believe their racial homogeneity to be a virtue, and our diversity to be a hindrance. Japanese leaders have said, and apologized for, as much.

The fact is the rest of the world does look on the state of black America with bewilderment about what that says about the soul of this great county, which promises so much, but leaves out so many.

Essential Premise. We as conservatives must put at risk our national prestige, our national heritage, and our national competitiveness. With an agenda for black progress, we can not only build bridges that will be to our own political benefit, but we can restore to the world the essential premise of America:

> That free people, with economic freedom and limited government, will always thrive;

That the human spirit breathes with the same yearning no matter what one's skin color;

That ability and talent deserve nurturing wherever they are found, and not just in the privileged classes, whether defined by party label as with Djilas, or social and economic power.

♦ ♦ ♦

Is the Black Community a Casualty of the War on Poverty?

By Robert L. Woodson, Sr.

About four days ago I was the guest of a group of black legislators in Milwaukee. When I got off the plane, a gentleman about my age greeted me. After a ten-minute search for his car, he finally acknowledged that he couldn't find it because he had left his glasses at home. "I guess you could say I'm blind and vain," he confessed.

And that's true with far too many of us who have been engaged in the civil rights movement. We have been blind, but we have also been vain. We must now discard the vanity induced by the nobility of our struggle and find the courage to embrace a new honesty in assessing its legacy. So what I have been trying to do within the black community is to stimulate a return to our rich tradition of debate as to the nature and course of post-civil rights change.

Historically, there were always active currents of debate within the black community. From the time of slavery up until the death of Dr. Martin Luther King, Jr., voices of many persuasions were heard as we sought to shape our destiny as black Americans. Since then there has been little or no substantive debate. We have allowed our dynamic diversity of thought to be muted into a predictable monolith.

A brief historic review of major currents of debate among blacks will provide an appropriate perspective. During the period of slavery, there were "insurrectionists," who believed that we should use violence as a means of achieving our rights. Then there were the "accommodationists," who felt just as strongly that we should try to seek justice and rights within the American context.

In the decades preceding the Civil War, many enslaved blacks thought the road from bondage to dignity led back to their African homeland and became "re-colonizationists," championing a return to meccas of resettlement such as Sierra Leone and Liberia. At the same time, other blacks vigorously protested against the idea of leaving a country being built on the backs of their free labor and cast their lot with the "abolitionists" and others working to dismantle the system of slavery.

Working Within the System. Following Emancipation, the turn-of-the-century years were characterized by vigorous dialogue between pre-eminent black leaders of the day such as Frederick Douglass and Booker T. Washington. While the militant Douglass and the younger, more conservative Washington both promoted economic self-sufficiency for newly-freed blacks, they differed on the extent to which their goals could be achieved within the existing system.

As the century progressed, Washington's gospel of black entrepreneurship and industrial training was challenged by yet another outstanding black thinker, W. E. B. DuBois, who espoused the concept of the "Talented Tenth," an intellectual elite of social scientists and humanists who would create a black technocracy. DuBois thus set forth for generations of

---

Robert L. Woodson, Sr., is President of the National Center for Neighborhood Enterprise, Washington, D.C.

He spoke at The Heritage Foundation on February 6, 1990, as part of a lecture series observing Black History Month.

ISSN 0272-1155. ©1990 by The Heritage Foundation.

black Americans educational achievement as a vehicle for integration and acceptance into the mainstream of American society.

But it was not until the emergence of Marcus Garvey that dialogue within the black community generated a mass movement. Tapping into the disillusionment of urban blacks following the first World War, Harlem-based Garvey glorified the African past as a source of pride and self-respect, and by the mid-'20s, the "Back-to-Africa" rallying cry of his Universal Negro Improvement Association had attracted nearly a million followers.

While there were many black voices of dissent during this period, Garvey succeeded in putting together one of the most effective national grass roots movements in the history of this country – an accomplishment unparalleled even today.

Rich Debates. What clearly emerges from an examination of our past, however cursory, is that there were indeed rich debates within the black community about the course of change. They took many forms and produced varying results. But monumental figures like Douglass, Washington, DuBois and Garvey offer compelling evidence that true leadership is not defined by one's ability to reflect popular opinion, or the consensus of the most vocal majority. Rather, leadership is and should be defined as a willingness to challenge popular opinion and the consensus in order to shape a new future.

In more recent times, Dr. Martin Luther King, Jr. demonstrated repeatedly that he was a man who believed in challenging the traditional wisdom. While Dr. King is best known for his stirring "I Have a Dream" speech, I remember him for his earlier "Letter from Birmingham Jail," an insightful document in which he warned that the greatest stumbling block to black progress was not the white Citizens Council or the Ku Klux Klan, but the white moderate. He said that lukewarm acceptance and understanding from people of goodwill was more difficult to tolerate than outright rejection from those of ill will.

It is no secret that many of those in the (civil rights) leadership of the day were very critical of Dr. King. After all, the impact of his statements and actions could shut off some of their financial support. So they preferred to keep quiet about such things.

Thirty years ago today, four college students in Greensboro, North Carolina, challenged the traditional civil rights approach of seeking legal redress when they went to a segregated lunch counter in Woolworth's and engaged in the first sit-in. This incident subsequently drew the entire movement into the use of civil disobedience as a tactic.

Now Dr. King was not an advocate of civil disobedience in the early years. But the students said to him, "Dr. King, you must either lead, follow, or get out of the way." Like the born leader that he was, he took his place at the front of the pack and directed that phase of the movement as well.

Tension with the Leadership. But there was always tension between Dr. King and the civil rights leadership in Atlanta because they believed we should seek only legal redress for our ills. So when he came to Birmingham and was jailed for his defiance of a state court injunction against further demonstrations, it was the young people who came to him and supported civil disobedience. Not the elders. Not the established religious leaders of the time.

We must not forget that Dr. King also displayed another great hallmark of a leader: his positions on the issues were always morally consistent. While he opposed the violence of the Klan, he also opposed the retaliatory violence of militant elements such as the Black Panther Party. He realized that it was essential that the movement maintain a consistent posture.

When Dr. King took his stand against the war in Vietnam, I remember being on a podium with Roy Wilkins (then head of the NAACP), who soundly castigated Dr. King for bringing the peace movement together with the civil rights movement. But Dr. King prevailed and the entire nation was led.

Permanent Underclass. Since the death of Dr. King, however, there has been no creative tension to spark open and honest debate within the black community. As a consequence, we have seen a trillion dollars expended over the last 25 years on programs to aid those who were left behind by the civil rights movement. And yet we are told that one-third of black America is in danger of becoming a permanent underclass.

Blacks now have political control of eight of the twelve major cities in the United States. But even in those cities, poor blacks are no better off than they were under white control. So if political empowerment, the passage of civil rights laws, and a proliferation of high price-tag poverty programs have not yielded the promised benefits, what should we do? Has the black community, in truth, been a casualty of the war on poverty?

And that is the subject that I would like to address this afternoon. But let's re-phrase the question. How do we achieve victory in a war that we have won? Let me repeat that – how do we achieve victory in a war that we have won?

In order for those of us in the black community to answer this question, we must first understand that it is most important to be self-critical. As Dr. King said, the highest expression of the maturity of any people, or an individual, is the ability to be self-critical.

As a person who went to jail and fought hard in the civil rights movement, I unequivocally affirm my commitment to that movement. But I must also affirm my commitment to the truth: many of those who sacrificed most in the struggle for civil rights did not benefit from the change. More specificially, poor blacks did not benefit substantially from the civil rights movement.

When I recently appeared on a national television panel following the release of the "State of Black America" report by the National Urban League, I called it "a litany of despair about how bad off we are." I was then asked for my perspective on the state of black America. For the blacks on this show, I pointed out, life ain't been too bad. And it has never been too bad for those of us who were prepared to walk through the doors of opportunity when they were opened. Regardless of who is in the White House, our incomes have improved every year for the past twenty years.

Equipped Differently. In order to move in new directions, we must disaggregate this problem and stop attempting to apply a single solution. We are insulted when whites say that all blacks think, look, and act alike. So why should we impose this on ourselves?

Black Americans must recognize that even though all of us might have been caught in the storm of racism and discrimination together, we were equipped differently to address that condition. Some of us had overcoats, boots, and hats on our heads while others were naked. And that's why there cannot be a consistent response from the black community.

We must, first of all, understand why the civil rights movement, political empowerment, and the passage of civil rights laws have all failed to address the needs of low income blacks. The answer to that question is critical not only to the future of black America, but to the future of this nation.

If we are to remain competitive as a country, we will have to rely upon a work force drawn up primarily of blacks and Hispanics. According to current demographic trends, the number of whites being born is declining as the number of black and Hispanic people is increasing. With a projected 15 million new jobs in the economy in the next twenty years, corporate America will have to look increasingly to those groups.

But if 800,000 young black and Hispanic kids are dropping out of school each year and another 800,000 are graduating as functional illiterates with poor work skills, America is headed for trouble.

Better in Bangladesh. The shocking fact is that a black man's chances of survival in Harlem are less than they would be if he was a resident of Bangladesh, the poorest country on the face of this earth. More than 10,000 blacks are killing one another each year, more than the total number of blacks killed in the nine years of the Vietnam war. Thousands of blacks and Hispanics are dying each year because of the chances that they take and the choices that they make in lifestyles characterized by violence, disease, poor health habits and other life-threatening behavior.

These issues must be addressed, not only for reasons of compassion, but for our national survival. When you consider that our military forces will also be drawn from among these minority groups, our national security is also strategically involved.

And so we have got to be absolutely self-critical in acknowledging the mistakes we made as a community in the single minded pursuit of civil rights. What we fail to understand is that while the Supreme Court removed social segregation, it left economic Jim Crow laws in place.

Intense Competition. Clint Bolick is one of the few scholars who has gone back and traced the origins of this economic discrimination. In Clint's book, *Changing Course*, he talks about the manpower shortage which existed following the Civil War in 1865. Thus the blacks who were freed from slavery at the time entered the work force. Those who had gained skills as craftsmen began to set up small businesses. And others began to contract their labor to plantation owners. There was intense competition, so for a very brief period, wages began to soar in a free market environment.

But plantation owners, seeking to exercise control, came together informally to form a cartel. As with most cartels, people began to break the rules, so that the competition remained intense. The white plantation owners then asked the state to impose laws limiting the economic activities of blacks. The result was a repressive spate of vagrancy laws, licensing laws, and entry fees. Business licenses could be withdrawn if it was believed that the proprietor was of ill repute. In fact, the state imposed all kinds of restrictions – many of them arbitrary.

Fourteenth Amendment Protections. In 1866, Congress responded by passing the first Civil Rights Act, which granted citizenship to slaves, and stipulated that cases against them were to be tried in federal court. But President Andrew Johnson vetoed it because he said it was unconstitutional for the federal government to impose its will on the states. But in 1868, the 14th Amendment was passed, guaranteeing equal protection and due process and the privilege of immunity, which meant that there were certain rights that the states could not take away from individuals.

However, in 1872, there was a case in Louisiana that is rarely referenced by civil rights advocates. And that is the now infamous *Slaughterhouse* case. In the parishes of Louisiana,

slaughterhouses were consolidated into a monopoly for legitimate health reasons, and many people were driven out of business. As in any monopoly, corruption and high entry fees prevailed. Subsequently, some of the butchers that were forced out of business filed a lawsuit.

"Jim Crow" Laws. The case went to the Supreme Court, which ruled that the states could not restrict the individual's right to participate in economic activities. Thus the slaughterhouse law opened way for the reinstitution of the "Black Codes" that were later called "Jim Crow" laws.

There were four principal features of the Jim Crow laws. First, they limited the ability of black laborers to change employers. Second, they made it unlawful to be unemployed, even for a temporary period of time. Third, they restricted the labor recruiters coming in from the North and other places to recruit blacks. They were arrested on the streets by the police for trying to sign up blacks for jobs that were available in other cities or other regions. So if a black quit his job in order to take a job in another place and went home to pack his bags, he could be arrested as a vagrant. Fourth, they allowed blacks who were in prison for their debts to be turned over to employers to work off their obligation.

As a consequence of *Slaughterhouse*, these laws quickly extended to the social agenda. One result was rampant segregation in public accommodations.

Strength from Adversity. Yet even in the face of these tremendous barriers, between 1889 and 1920, blacks persevered and many prospered. For example, there was segregation in public transportation. So in 24 towns and cities in the South, blacks engaged in the first bus boycott. Later, they set up their own alternative transit systems, which became thriving enterprises owned and operated by blacks. The state responded by imposing arbitrary licensing laws which drove those companies out of business.

But the black community gained strength from this adversity. When whites refused to lend us money, blacks established over 103 banks and savings and loans associations. When whites refused to treat us in hospitals or to train us in medical schools, blacks established 230 hospitals and medical schools around the country.

When a thousand blacks were fired on the docks of Baltimore for striking, they did not march on Washington and demand jobs, peace, and freedom. What they did was establish the Chesapeake Main Dry Dock and Railroad Company and successfully operated their own railroad for 18 years.

There were over 1,021 inns and hotels operated in black communities. As late as 1958, I can remember the Carver and Calvert Hotels in Miami – first-class hotels where blacks could go and enjoy outstanding accommodations.

Entrepreneurial Tradition. So there was indeed a rich tradition of entrepreneurship and business development in the pre-integration black community that has been very carefully documented by a young man named John Sibley Butler at the University of Texas in Austin. And I encourage The Heritage Foundation to invite John Butler here because he has spent five years of his life going back down South and collecting this valuable data.

A focus of his research has been on Durham, North Carolina, known as the "Black Wall Street" in the 1920s. During the Depression, blacks did not suffer in Durham the way they did in other parts of the country because their rich entrepreneurial experience enabled them to establish many self-help organizations, including political groups.

Today, Durham's 50-year-old political organization has as its chairperson a Republican, with the vice chair a Democrat. Why? Because they want both Democrats and Republicans to come to them solely on the issues. Then they will throw their support behind the candidate who brings the most compelling case to the table. Compare this to the kind of trap that blacks have gotten themselves into by voting for Democrats whether the party delivers anything or not. In Durham, such blindness does not exist.

John Butler's research also revealed that there is an intrinsic value in entrepreneurial behavior that transcends gross business receipts. He found that 63 percent of blacks that are third-generation college graduates come from this group of entrepreneurs. He found that even in running a grocery store or a mom-and-pop shop, certain values are communicated to the children so that they tend to go on to college.

Every time I speak to a group of professional blacks and ask how many are third-generation college graduates, they raise their hands. Then I ask how many of their parents owned businesses and the same group raises its hands. Not all blacks come from poverty.

Social Benefits. John Butler himself, who is a third generation Ph.D., comes from a family that owned a lot of land in Louisiana. They had servants at the turn of the century. When John was on a panel down South, he appeared with a white mayor and a white president of the city council, and they were all asked about their backgrounds. The white mayor said that he came from a family of sharecroppers and told his hard luck story. And the white president of the city council said he came from a farm family, and it was tough growing up. And John looked and both of them and said, "Well, Mother wouldn't have let me play with y'all because we were always doing well." The point is that a rich entrepreneurial tradition reaps measurable social benefits.

John Butler has also examined the implications of this emphasis on entrepreneurship and economic development on the plight of blacks today. He went back to Durham and compared the wealth of blacks there with the wealth of blacks in Chicago. He found that 40 thousand blacks in Durham today control more wealth than a million blacks in Chicago. Now this is not because white folks are fairer to blacks in Durham than they are in Chicago. It has more to do with their relative economic standing.

We must understand that the issue today is less a matter of race than economic development. Of course racism continues to be a problem, but it is certainly not the most important issue that we are facing as a people.

Response to Racism. As a child, I remember reading about how Jewish folks responded to signs on Miami Beach which read: "No Jews or dogs allowed." There was no picketing. Jews simply bought the beach. The same is true with the Trainmore Hotel, a large hotel in Atlantic City where we used to go in the summer. They didn't permit Jews and blacks in there either. No picketing. In less than three years, Jews owned the hotel. There is no need to worry about access to accommodations or equal employment opportunity when you own it.

Black America took important first steps toward this level of economic independence with the Eldorado Hotel, one of the largest hotels situated in the middle of Manhattan. In the early 1950s it was owned by the United House of Prayer, a black church. (Even though blacks couldn't go there, they benefited through the revenues generated.)

Similarly, a hosiery manufacturing company in Durham became so prosperous that they hired white sales persons and had wide national distribution. It was a black-owned and

-operated company, yet they had to use white sales personnel because they knew they couldn't send blacks into the white stores. In fact, many of these black-run businesses catered exclusively to whites. But it was purely an economic decision dictated by the times.

Although the Supreme Court struck down social barriers in the 1950s and 1960s, it left in place the restrictive legacy of the old licensing and *Slaughterhouse* laws that continue to this day to deny blacks an opportunity to participate freely in the market economy. So it is important to understand that there were other problems key to our survival that we never addressed in the civil rights movement.

It is essential that we distinguish between segregation, integration and desegregation. As an active participant in the civil rights movement, I fought against segregation. I fought against laws and policies legally limiting my activities, or my access to any place I wanted to live or to work.

Schizophrenic Thinking. But what I fought for was pluralism; I did not fight for integration. And that is where we made a fundamental mistake. By using the terms "integration" and "desegregation" synonymously, we sowed the seeds of a pattern of schizophrenic thinking that continues to exist in the black community today.

At the same time some blacks are saying that whites are conspiring to eliminate blacks genocidally, other groups of blacks are filing lawsuits in the courts demanding that those same whites teach their children. Now there is something wrong and schizophrenic about that. But I say it is more of a class issue than a race issue.

In 1974, Judge W. Arthur Garrity was faced with the question of what he should do about the problems of segregation in the Boston school system, and he did a very informed thing. Judge Garrity went to the black community, whose children were being directly affected, and asked them what they wanted. After community meetings were held, the parents concluded that their priority was quality education, not integration by busing. They wanted their children to learn and to be first-rate citizens. Well, the civil rights lawyers, both black and white, arrogantly advised Judge Garrity to set aside the views, opinions, and desires of those low-income blacks and ordered the schools to bus anyway. Not one of the attorneys, black or white, had his children on the buses. But they insisted that children be bused. And when the stones were thrown, their children were not around.

The children in Boston were bused from Roxbury High to the south Boston area that had a lower number of white graduates going on to college. In some places, the light fixtures were hanging from the wall. One white parent said to a black correspondent for CBS news, "Sure, bring your kids into this school and they will graduate just as dumb as our children." And yet the leadership of the time persisted in pressing the whole issue of busing.

Funding the Poverty Industry. It is the same with the poverty programs. Seventy cents of every dollar spent 25 years ago went directly to poor people. Today, seventy cents of every dollar goes not to poor people, but to those who serve poor people – the poverty industry. Who makes up the poverty industry? They are middle-income blacks and middle-income whites.

And so what you have today is a situation in which there is a group of people who benefit from the existence of an underclass. And as long as there are such perverse incentives for the maintenance of an underclass, you will have one.

The new consensus that we are trying to forge in this country is to bring together people who have compatible interests. The corporate community desperately needs well-trained

people for its businesses in order to be competitive in the future. The black community at the grass roots level desperately needs to engage in enterprise formation because 80 percent of all new jobs in the American economy are generated by the start up of small businesses. What is important is the creation of wealth by people at this level.

Therefore, what we are trying to do is bring about a marriage between the interests of American business and the folks here in those low-income communities who have demonstrated that they can improve the civil environment, throw the drug pushers out, reduce teenage pregnancy, and motivate young people to stay in school. They are doing this without elaborate budgets or programs because they understand that they have to engage young people at the spiritual, ethical, and moral level, and challenge them to be more than they are.

Moral and Spiritual Challenge. But you never hear urban policy analysts talking about the moral and spiritual dimension of social change. As I look around the country, the people who are making a difference in the lives of these young people, who get the needles out of their arms, who get the young women not to have babies – don't do so because they have better programs. They do so because they challenge young people morally and spiritually become what they can, and what God intended them to be.

But too many of our policy analysts look down on these innocent efforts. Both conservatives and liberals tend to do the same thing. And I am here to tell you that there is new movement afoot, a grass roots movement of people who understand fully the moral and spiritual dimension of their condition. And are willing to take responsibility for their own lives.

You can have all the fancy treatment programs in the world, but the only way things are going to change is when you convert the hearts of people. And those who are best able to do that are the people that have a proprietary commitment to doing it, not because they are being paid by some program. Now I am not against programs. I am merely saying programs should come at the end of a process of self-liberation that comes from within one's own moral and spiritual value system.

But it cannot happen when we tell young black kids every day that if they are aggregated in any group which is all black, then that's a pathogenic environment. Again, it is a class issue. We refer to low-income blacks coming together as a segregated circumstance. But when middle-income blacks come together in their all black sororities and fraternities or churches, both the perception and the language change.

Spirit of Candor. You see, we play games with poor people. I never hear anybody refer to the Alphas, the Omegas, and the Deltas or AKAs as segregated institutions. I never hear people referring to black churches as segregated institutions. No, we say they are simply organizations or congregations of black people.

And in this spirit of candor and self-criticism, we must not allow our leadership to lose its moral conscience as well. When a black United States Congressman accosts a young black female Peace Corps volunteer on the back seat of a limousine and then defends his actions in the House of Representatives by charging his accusers of racism, our civil rights legacy is intolerably dishonored. And those who are silent in the face of this offense are guilty by complicity.

We can have but one standard of accountability, and that must transcend race. If we don't want whites to hold us accountable for our actions, then what mechanism do we have inter-

nally to hold ourselves accountable? These are the messages that we need to bring to our people.

And these are some of the solutions that we are pursuing at the National Center for Neighborhood Enterprise by working with grass roots people, by looking at the glass that is half full. We believe in studying inventories of capacity because you learn nothing from studying failure except how to create it.

We are visiting low-income communities all across America to find out what works and why. We are giving people in these communities the capital and the information they need to empower themselves, as well as the moral and spiritual support. And then we can bring them together with those who share that common destiny.

Empowering Those on the Bottom. Our work has political implications, too. I will not permit the Republican Party to extend its influence among blacks by merely reaching out to the same entrenched civil rights leadership that created the problems in the first place. I will not let them get away with that. The worst thing in the world is for the Republicans to reach out to that leadership and give the impression of being more open to blacks, and getting the votes, and then leaving poor blacks and poor whites behind in the wake of their victories. And poor whites are almost worse off than poor blacks because no one advocates for them.

In concluding, let me repeat that the issue today is not race, but class. The insistence on applying race-specific solutions to economic problems has snatched defeat from the jaws of our civil rights victories. We need to come together as a nation and address the problems of poverty by empowering those at the bottom. We must give them the opportunity to excel and participate in the free enterprise system because their destiny and the destiny of this nation depend upon what we do today.

◆ ◆ ◆

The Moral Foundation of the Civil Rights Movement

By The Reverend Buster Soaries

I am so glad to be here in Washington, the city where all the talking takes place. And I am particularly thrilled and honored to be invited to participate in this lecture series of The Heritage Foundation in pursuit of expanding our knowledge of African American history.

I am so glad to be here after Bob Woodson. It takes so much pressure off. It doesn't matter what I say because it has all been said. I am thrilled to be here. It is quite unique to have been given 30 to 45 minutes to explain. It's been my experience to come to these kinds of places and be given about 18 minutes to do what any black preacher needs at least 30 minutes to do. I think that's probably why I went to Princeton Seminary. So I could learn how to preach a good 12 minute sermon. So I can leave my Princeton text behind and bring my Baptist text with me.

But it is commendable, first, that The Heritage Foundation would see a need to reflect, along with us, on the legacy of our people and to attempt to add to traditional wisdom with regard to the meaning and the substance of that tradition. It also is extremely significant that you would be here, for a lecturer without an audience is like a ship without a sail. I am deeply appreciative for your taking time from your lunch hour to come and hear what I have to say.

It was in April of 1968 that I stopped by my grandmother's house on my way home from school. When I walked into her house I saw her sitting at the dining room table. And I saw something I had never seen before. I saw my grandmother sitting at the dining room table and she had tears in her eyes. And I thought to myself, I have never seen my grandmother cry before.

Grandmother's Emotion. My grandmother grew up through the Depression with eight children. She was a domestic worker, she made $100 a week working in rich folks' houses scrubbing floors. Children called her by her first name. But I had never seen my grandmother cry. Her husband, my grandfather, was an alcoholic. She didn't put him out of the house, but she put him out of the bedroom. He slept on the porch. He got drunk every day. I never saw him go to work a day in my life. My mother never saw her father go to work a day in her life. Yet through all of that pain, we had never seen my grandmother cry.

She had lost two children. She had buried two of her sons. And at the funeral I was astounded by the resilience and the strength of my grandmother. I watched her watch them lower her babies into the ground. And through it all I never saw my grandmother cry.

And I looked at her and it was so astounding and so unique. My grandmother who had been strong for all of these years had tears rolling down her cheeks. I approached my grandmother and asked what could have happened that she would be sitting here all by her-

---

The Reverend Buster Soaries is the Executive Assistant Pastor of the Shiloh Baptist Church, Trenton, New Jersey.

He spoke at The Heritage Foundation on February 8, 1990, as part of a lecture series observing Black History Month.

ISSN 0272-1155. ©1990 by The Heritage Foundation.

self in her dining room with tears in her eyes. And she looked back at me, and she said four words, she said "They shot Dr. King."

And I was confused. Here I was seventeen years old, living in New Jersey, going to Grandmother's house to get some sweet potato pie. She was sitting at her dining room table. She had never met Dr. King. She didn't belong to his church. My grandmother wasn't even Baptist. She was a member of the Church of God in Christ, a high Pentecostal, legalistic black denomination. She didn't even know Dr. King.

Accomodationist Thought. My grandmother wasn't involved in the civil rights movement. She wasn't a member of the NAACP. My grandmother would never march, go to jail. My grandmother didn't advocate any kind of protest. My grandmother represented an accomodationist kind of thought: Go to work. Do your job. Stay in your place. My grandmother wasn't a part of that crowd that supported people like King.

And it was confusing to me. How could my grandmother, this woman who would have never voted for a candidate who supported abortion; my grandmother, who didn't allow the TV on Sunday; my grandmother, who was against brazen, brash behavior; who taught against civil disobedience; my grandmother, who would never enter a church without a hat on her head -- how could this quiet, conservative mother be so moved at the death of this rebel-rousing, liberal theologian. It was quite perplexing. Her tears troubled me. As I grew older and began to study the civil rights movement, I came to understand why my grandmother was crying on April 4, 1968. And I came to understand the moral foundations of the civil rights movement.

Those tears took me back to Rosa Parks. You remember Rosa Parks. On December 1, 1955, Rosa Parks was sitting in the middle of the bus, the place where black folks could sit until so many white folks got on the bus that they had to give up their seats. What really happened on December 1, 1955? Well, Rosa Parks decided to sit down. But if we read history, it is clear that much more than that happened.

Parks' Predecessor. Rosa Parks was not the first black woman who decided to sit down. She wasn't the first woman who resisted the order to surrender her seat for a white person. As a matter of fact, in that same year, if you read Taylor Branch's account in *Parting the Waters*, if you read David Garrow's account in *Bearing the Cross*, that same year in March of 1955, there was another woman, Claudette Colvin, who did the same thing.

Claudette was sitting in the same section of the bus in Montgomery, Alabama. It was the same year, March 1955. The bus driver stopped and ordered her to get up for a white man to take her seat. She said, "No." But Claudette Colvin said no in a different way than Rosa Parks said no.

Rosa Parks was a meek and humble and quiet lady like my grandmother. Claudette was a different kind of sister. She was the kind of person, I imagine, who when you said move, she would bow her head and say, "You move me."

Claudette was a tough sister. And as the account goes, Claudette responded with such profanity and vulgarity that it embarrassed the white folks *and* the black folks on the bus. They called the police on Claudette, and they arrested Claudette like they did Rosa Parks. And they called the black leadership in Montgomery. The same black leadership that met later that year and organized the bus boycott.

And when they called the black leadership in Montgomery in March they called A.D. Nixon. And he called the other leaders and they got together to decide what to do. They had

been waiting for an opportunity to bring down the oppressive regime in Montgomery, Alabama. Now they had an example of how bad this situation was:

A young black woman riding on the bus refuses to get up. They arrested her and took her to jail.

Wrong Symbol. The black leadership of Montgomery, Alabama made a decision. They decided to advise sister Claudette to pay her fine. They advised her that because her language and her behavior had been so boisterous and vulgar, she didn't represent the kind of person that the community of Montgomery could use as a symbol.

Claudette Colvin also was pregnant and unmarried. And the black leaders of Montgomery decided that a woman with a vulgar tongue and who was bearing a child out of wedlock, was not the proper symbol around which to organize a movement for justice. And later, the same year, in the same city, on the same bus line, one Rosa Parks had the same problem.

Now when you say "Rosa Parks," no one says "Who was that?" But when you say "Claudette Colvin" nobody knows who she was. What was the difference between Rosa Parks and Claudette Colvin?

Rosa Parks went to work every day. Rosa Parks was the loving wife of brother Parks. Rosa Parks went to church every week. Rosa Parks was the secretary of the NAACP. Rosa Parks represented the kind of moral character around which a community of conscience could gather. Not simply because she had rights, but because she was right. And so I then understood my grandmother's tears. Those tears on April 4, 1968 began for me a quest to know how it was that these people, these sons and daughters of slaves, these people who had been brought from the south to north by their owners and made domestic workers, how it was these people had such a deep abiding faith, and had almost a legalistic commitment to morality, but at the same time in their hearts had a great concern for justice. Through the tears of my grandmother and the symbol of Rosa Parks, God developed a window through which I could see this dual quest among black Americans for moral excellence and social justice. That moral excellence, moral strength, and moral principles have been the foundation of black life in America is irrefutable. Moral strength has always been seen in the black community as divine responsibility. Henry Mitchell, an expert on black preaching, wrote a book called *Soul Theology*. And this book, *Soul Theology*, is not to be confused with liberation theology or black theology.

Theistic World View. Soul theology asserts that African culture created fertile ground among African slaves for Christian beliefs; that the African world view was such that when Africans came to American there was enough in Christianity that coincided with that world view that we readily adopted the Christian faith.

And one of those cultural values was that Africans had a theistic world view. So, to talk about a God beyond what we can see was compatible with African notions of reality. Life beyond death, and the concept of divinity permeated the psyche of African slaves. And that reality, then, suggested that Africans, and then African Americans, had this psyche that God is real and that God has expectations.

And so when we look at the church, the sociological perspective of our religious experience is that because blacks were oppressed and rejected and denied access to the greater society, the black church became, in the words of E. Franklin Frazier, "a kind of sur-

rogate world." And that is true. The black church became the nation within a nation, a culture within a culture.

The black church, to the extent that humans need one, provided a kind of communal eros. That there was a loving community within a hostile world.

Staying in Touch With God. The church also was the connection through which people made contact with God. To suggest that the black church has always been simply a protest meeting, a political party, or a cultural phenomenon is to misread history. And it is a shallow analysis. People were attempting to stay in touch with God. And that contact had political implications: It's hard to believe that you can talk to God, and then assume that you are only three-fifths a human. It's hard to believe that you can speak to the Shaper of the heavens and the earth and believe, then, that you are inferior to other people who have the same access. Thus, African Americans viewed moral strength within the context of a theistic world view. And that world view became personified in the affirmation of the biblical view of humanity. For example, Genesis 1:26 says that God speaking to the Trinity said, "Let us make man in our own image." And black folk believed that. That to the extent that there is a God, each of us, in spite of our color, had a little bit of that God in us. That came from the Bible.

Psalms 8:2 said that God had a pecking order in terms of what he created. And it said that God created people a little lower than angels. Unless anybody has met an angel, every other human is equal.

The biblical view of humanity extended from the Old Testament tradition to the New Testament tradition when Galatians 3:28 said that, "In Christ there is neither Jew nor Greek, male nor female, bond nor free." And so while Europeans were trying to figure out if the Bible was truly the word of God, Africans were affirming themselves on southern plantations saying, "We are somebody because we are God's children."

And the social dimension of that had serious implications because we assumed that since God considered all people equal, we should not be treated otherwise. Our social protests, our slave rebellions, and our desire to be free, therefore, had their roots and their foundations in our understanding of God's will.

Personal Responsibility. But the African American understanding of God's will did not simply have social implications. It also had implications for our own understanding of and commitment to personal responsibility. For God is right when God says, "Moses go down and tell Pharaoh to let my people go." And God is also right when God tells Moses to tell the people, "Y'all let Pharaoh go too." Of course, the challenge for Israel was to get out of Egypt. But then the secondary challenge, which took forty years, was to get Egypt out of them.

The challenge was a political challenge. But it was a political challenge with a spiritual and moral goal. Egypt wasn't automatically bad. Egypt was bad because it violated God's purpose and plan for Israel.

And when black Americans picked up on that paradigm, they understood that, on the one hand, they had the responsibility to rise above the shackles of slavery, that was Egypt. But on the other hand, we needed to expunge the degenerate ways of Egypt from our hearts. That was sin.

And, therefore, the black-church experience became one of strict fundamentalism, strict biblicism, and strict adherence to moral principles based on our understanding that there is

a God, and God has a will which says a part of that will is thou shalt not steal, thou shalt not kill, thou shalt keep the Ten Commandments.

Thus moral strength and moral principles and mandates emerged from our sense of theism and our understanding of God.

Moral strength was also a strategy to achieve personal and social freedom.

Before I left home, as a child, my mother would always insist that I wore the right underwear. I could never figure out my mother's preoccupation with underwear and socks. And though I didn't have the right to question much, I said, "Well, Mother, what is it about this underwear thing? Why is that your concern that my underwear have no holes, my socks have no holes?" And then she would even confuse me more and say, "Well, if you ever have an accident, and they take you to the hospital, when they undress you they won't see any holes in your underwear." And my question of course, was why, if I had an accident, would my mother's concern be what others thought about my underwear.

Deserving Justice. But my mother's concern flowed from a tradition that said what the larger society thinks about you is important. In this way, moral strength and moral character in the history of the black experience have always been understood to be a strategy. Because to the extent that we were morally strong, to the extent that we were not corruptible, to the extent that we were clean on the inside and the outside, to the extent that our credentials were impeccable both educationally, intellectually and spiritually, we could demand justice because we would deserve it.

The whole sense of morality is right at the core of the freedom movement and the civil rights movement. Because to the extent that Rosa Parks was a fine woman, to the extent that she was a credible woman, to the extent that she was a faithful woman, to the extent that she was a hard-working woman, to the extent that she was a civic-minded woman, then and only then, could the discrimination in Montgomery be attacked based upon her incident.

Moral strength was a strategy from the Frederick Douglasses of this world to the Harriet Tubmans of this world, to the Martin Luther Kings of this world. Their message was, "We must defy these rumors where people say we are uncivilized. We must defy these rumors, we must be living testimonies that what folks say about us is wrong." That is the tradition of black America.

This is what our churches preached and taught, even before the revivalist movement. The revivalist movement of the 19th Century gave us some reenforcement from our white brothers. But even before the revival movement churches preached against drunkenness and gambling and prostitution and dancing and swearing and illegitimate births. Black churches stood for that, and when folks strayed, they were embarrassed. They were never glorified for wayward behavior.

Normative Values. If a person was walking down the street drunk and swearing, his whole family would be embarrassed. If a child got pregnant out of wedlock, they would send that child somewhere where folk didn't know her until she came back. The virtues that were preached were industry and thrift and patience, what we might call today the Protestant work ethic. This was normative in our community, preached in our churches from our pulpits in the 18th and 19th centuries.

If you don't believe me, Bishop J.W. Hood, the great AME Zion bishop, gave a speech in 1896 to the general convention of the AME Zion church. Here's what he said, "The race,

our race, has been charged with ignorance, immorality, indifference, and disregard for the marriage vows. We deny the false and slanderous accusations against the virtue of our women, the manhood of our men, and we speak from personal knowledge of the moral and social condition of the people. And we affirm that the ideals of the leaders of our people our as high as the ideal of life of their neighbors. And their practical life is more in harmony with the Ten Commandments, the Golden Rule, the life of the Man of Sorrows and the humble Nazarene than those bearing false witness against their neighbors without any personal knowledge of the charges alleged."

Climate of Expectations. Bishop Hood described black America as having higher moral standards than even those who described us as being uncivilized. Bishop Hood affirmed the priority placed on personal morality. And so Dr. Hood and ministers like him in the 19th century, set the stage for people like Rosa Parks in the 20th century so that there was a climate of expectations. There was a common understanding that we must reserve the right to inspect the personal integrity of the victim before we cry justice, even to the oppressors.

Even Dr. King, at the march on Washington – in those sections that received the least attention – said, "I have a dream that one day my four little children will live in a country where they will not be judged by the color of their skin, *but by the content of their character.*" Which means that even King, in his most famous speech, in one of his most famous lines, held in balance rather than in tension, the need to have a right to just and fair society and the responsibility of moral character.

As I travel around the country speaking to young people, the question that I raise is this. If you don't want to be judged by the color of your skin, what is the content of your character? For some people, when they sell drugs to little children, when they ride by and shoot other people on the street, when they rape women in Central Park, they would be better off judged by the color of their skin because they have no character.

Throughout history, black preachers never used slavery as an excuse to justify negative behavior. You can't find one sermon where a black preacher in the 18th or 19th century said, "Well, I know you folks have been slaves, so drink all you want. I know that it's been tough. It was hard coming over on the slave ship, so make as many babies as you want." You will never find one black leader justifying immoral behavior, anti-social behavior, self-destructive behavior by using slavery as a rationale. And they were on the back steps of slavery. Whereas now, 200 years after slavery, we are now reverting back and using slavery as an excuse for the behavior of some people today.

Principles from the Founding. It's quite interesting that when slavery was still legal, the slaves did not use slavery as an excuse to be non-productive. And so this conservative propensity of the black leadership in the 18th and 19th centuries caused them to adhere to the Bible in a literal way. It caused them to take the Constitution seriously when they heard that all men are created equal and endowed by their Creator with certain inalienable rights. Even at the pitch fever of protest they would invoke those words to justify their claim.

Black leaders did not ever invoke the words of a Russian revolution. They never invoked the words of any other movement other than a movement that was Afro-centric, but based on the principles that had been laid at the founding of this nation.

◆◆◆

Creative Investment in the Black Community

By Paul L. Pryde, Jr.

A few weeks ago the National Urban League (NUL) released its annual lamentation regarding the condition of black America. But unlike some of its past reports, this time the Urban League suggested a way to deal with the problems. The National Urban League called for a domestic Marshall Plan.

As a black man who has been around for a number of years, I can personally attest to the fact that this proposal is more than twenty years old. It was originally introduced by the late Whitney Young, a past president of the League. Now, as I advance in years, I am far from saying that age ought to disqualify anything or any idea from consideration.

Yet it seems to me that if this proposal could not be enacted when American economic power and white guilt about the condition of black America were at their zenith, it does not stand much of a chance of passage today. I do believe, however, that the Urban League is on to something. And that something is the fact that the biggest problem facing African American communities today is the lack of investment. But the problem with the NUL proposal – and I want to address what should be done later on – is that it addresses the wrong type of investment, financed the wrong way.

Examining the NUL Marshall Plan

The Urban League proposal, the domestic Marshall Plan as it is called, would essentially be aimed at financing infrastructure. There is nothing wrong with financing infrastructure. Anybody who has looked at decaying roads, bridges, and highways in this nation's cities would agree that something needs to be done. But rebuilding infrastructure is not the strategy for rebuilding black America.

As any economist can tell you – and they agree on very few things, but this is one of them – the American economy is undergoing a fundamental restructuring as a result of international competition and rapidly changing technology. Economists also agree that in order to meet this competitive challenge, the U.S. economy must have both a high degree of flexibility and a high degree of productivity.

In other words, the U.S. economy has to be able to produce existing goods with increased efficiency and it has to be able to produce new goods to replace the goods that become obsolete, either technologically or economically. In order for the American economy to respond in the necessary fashion, increased investment will be needed – investment not in infrastructure so much, but in human capital. Further, there is a lot of evidence that human capital investment is the most important type of investment a society can make in its economic growth *and* its economic progress.

Paul L. Pryde, Jr., is president of the economic consulting firm, Pryde, Roberts, and Company.

He spoke at The Heritage Foundation on February 14, 1990, as part of a lecture series observing Black History Month.

ISSN 0272-1155. ©1990 by The Heritage Foundation.

Investing in Human Capital

An economist at the Brookings Institution estimates that 75 percent of the nation's growth over the last fifty years can be attributed to investments in human capital. Investment in such human capital as education, training, the GI Bill, and similar types of initiatives.

The Office of Technology Assessment, a respected organization, has reported that U.S. international competitiveness depends on a highly educated labor force consisting of people who are going to be able to change jobs seven or eight times in a lifetime. The sort of society that most economists agree the United States needs to be is one that is highly productive, which means a lot of people producing more goods more efficiently; and highly flexible, which means a lot of people being able to invent and create new goods and produce new ways of producing those goods.

Economic investment, therefore, should focus on workers who can produce those goods – workers and managers – and their education and training. But investing in inventors and entrepreneurs also is essential. These are people who are going to develop new economic arrangements and new products and services.

Igniting Entrepreneurship

As a matter or fact, throughout the economic literature there is a general consensus that entrepreneurship is the engine of economic progress. And as described in a recent book that Shelly Green and I authored, *Black Entrepreneurship in America*, it is clear that a community's economic well-being is heavily dependent on its level of business participation.

If you look at the data, groups with high levels of business participation have high levels of income. Groups with low levels of participation have low levels of income. It is true throughout this country – indeed, the world.

Entrepreneurship, therefore, is essentially the engine that *drives* economic progress. And it is a very important form of human capital investment. When you invest in a young company you are investing in the creative capacity of the founders and the entrepreneurs. The people that are founding that company are going to produce a new product, a new service, or a new way of producing old products and services.

Now, one could conclude that the thing to do, then, is just change the Urban League proposal a little bit and target it to people rather than real estate. However, that would actually be wrong. The problem is that we have reached the point of diminishing returns with government-managed programs. There are certain types of investments that just are not appropriate for government. For example, studies show that entrepreneurs get most of their money, not from government loan programs, but from their friends, family members, and business associates. Governments do not make good risk-takers. And if you think about it, those of you who understand public service, it follows that upholding the public trust and taking risks are often incompatible.

Returning briefly to the Urban League proposal. One of the things that it lacks is the spirit of innovativeness that has characterized the ideas upon which the economic progress of the African American community is based. If you look back, the leadership of the African American community, those who have been most important in our progress, have been the innovators. They have been the Thurgood Marshalls, the Martin Luther Kings, the Malcolm Xs, the A. Philip Randolphs, the Marcus Garveys.

These have been people who have recognized that, essentially, the African American community has got to use its own resources to solve its problems. They didn't eschew government help, but looked to government to create conditions under which African Americans, black Americans, themselves, could solve their problems. We need to return to that sort of innovative spirit.

An Appropriate Role for Government

I have had the fortunate – some would say unfortunate – experience of having helped design some government loan programs. Invariably, with these programs, a couple of things happen. If you make a loan to somebody and the loan goes bad, you are accused of making a loan that wasted taxpayers money. The critics will claim that anybody should have known better than to make such a bad deal.

On the other hand, if you make a loan to somebody and the fellow makes a lot of money, or the company makes a lot of money, then you are accused of making a loan that a commercial banker should have made. The critics will accuse you of enriching somebody at the expense of other people who certainly could have used the taxpayers' money more productively.

Thus, the prudent thing for any public servant to do with a government-financed program is to do very little at all. Don't make anybody rich, don't lose too much money, and certainly don't make any money. That is not a formula for economic progress. Rather, the sort of investment needed must be made by private individuals who have a stake in the success of the companies that they finance.

There are other types of investments that also are not appropriate for government. The decision to invest time, which is key to the development of children in our society – with respect, for example, to spending time on their schoolwork – is a decision that government can't make for individual families or individuals themselves. Likewise, the decision to invest in college education is a private decision; it, too, can't be made by government. So, not only is government becoming less and less capable of making important investment decisions, there are certain decisions they ought to stay out of as a matter of general public consensus and basic common sense.

Now, it seems to me, if the necessary investment – perhaps as much as $50 billion – is not going to be financed by government, it has to be financed in another way. I have identified what I believe are three obvious elements of such an investment plan.

Of course, these strategies are not usually considered investment opportunities. The first is Social Security reform. Surprising idea, novel notion, but I will explain why I think that it is important. The second is tax and regulatory incentives to increase savings. And the third

is privatization. Those are the three elements that hold the possibility of injecting into the black community the sort of investment that is really needed.

Reforming Social Security

Let me talk a little bit about Social Security. I am surprised to see that it has become an issue. But it is a very important issue for African Americans because, according to the National Center for Policy Analysis, Social Security is an absolute disaster for blacks. The reason is that black Americans, generally being low-income, pay a higher percentage of their income in Social Security taxes than most Americans. And because we die at earlier ages we receive less in Social Security benefits than other people.

So, if you want to be really negative about it you can say that Social Security is a transfer from low-income blacks to high-income whites. Now, there is another problem with Social Security, as everybody has pointed out recently. Surpluses in Social Security are invested in government bonds, which transfer the burden of financing a lot of government programs from higher-income people to lower-income people. Not a very good idea. And it is an idea that a lot of people think is inequitable.

Representative John Porter of Illinois and others have come up with what I think is a novel and good idea for privatizing Social Security. Over time, they would create worker-owned retirement accounts that could be invested in the private economy rather than, as is now the case, in government bonds.

For blacks, there are immediate benefits to the Porter-type plan. One is that instead of being taxpayers and using Social Security payments only to fund the current benefits of current retirees, workers become asset holders. So, immediately you would have an increase in the wealth of the black community. Presumably, within certain reason, these funds could be invested in obligations and assets that are important to the black community. For example, it could be invested in deposits, insured deposits at black banks or other banks, and invested in the black community. They could be invested, for example, in SBA guaranteed obligations, which are federally guaranteed obligations issued by small companies, and other sorts of investments that would create additional income and additional jobs in the black community.

In addition to Social Security reform, there need to be incentives for people to invest their savings in a certain way. One of my beliefs is that black Americans who have money behave just like white Americans who have money. That is, they will invest in things that they would not otherwise invest in only if you give them the incentives to do so. Now, that might not be smart. It might not be morally right. It may not be the way we would like it to be. But I am absolutely certain that that's the way it is.

Creating Tax and Regulatory Incentives

Therefore, in addition to Social Security reform, we need tax and regulatory incentives for people who want to invest in the African American communities. Incentives are needed for African Americans and others who also want to invest in those communities, to hold their savings in certain forms. For example, incentives to invest in the stock of companies that create jobs in poor communities would be a useful strategy.

There is a tendency, as I mentioned earlier, for African Americans to want government to finance most of our development. But it is also a fact that currently there are pension funds with around $30 billion in assets, most of whose beneficiaries are black. I happened to talk to a fellow who managed one of those pension funds and I asked him, "You have got about a $2.4 billion pension plan, 70 percent of whose beneficiaries are black. How much of that money goes into the black community in the form of investment?" "None," he replied. "Why?" He never thought of it. Well, I find that appalling.

I recognize that there are laws that say that you cannot put the retirement income of people at risk by putting them in risky assets. But it seems to me that if you take one percent or two percent of the assets of those pension funds and were to lose it all, the impact on the overall rate of return on the pension fund would be absolutely negligible. It would not make a bit of difference. So, we need to create incentives for pension funds and other sources of wealth that are owned by the black community, but managed by others, to be invested in ways that are productive of economic activity in those communities. Put a little bit differently, it seems strange to me that a community that is begging for investments, and so badly needs investment, is a net exporter of its capital. But because of the rules of the game – the way things are currently structured – we need tax and regulatory incentives to encourage us to use our own wealth to create more wealth.

Privatizing Public Services

Finally, the third element of my investment proposal is privatization. Now we all know large parts of the public sector are inefficient. Services are not nearly as efficient as they ought to be and they cost a lot more than they should. We also know that blacks are heavily represented among the management of public services. So, I think we ought to introduce competition, private competition in the management of public services.

For example, in the area of education, teachers ought to be able to form little cooperative organizations to manage schools under contract with local government agencies. This approach has been tried in certain places with some pretty stunning results. And to those who would say, "Well, that's sort of risky." I would say, "Well, better to risk the possibility of success than to continue along a path you know will fail."

Another area in which we ought to be thinking more creatively is privatization of prisons. One of the largest sources of human capital – underutilized human capital – in this country is in our prisons. The largest percentage of the prison population is made up of blacks who are warehoused. At the same time, we have an American society that is not competitive in foreign markets because labor cost is too high. Why shouldn't we be training and investing in the development of prison labor to produce products that are no longer produced in the United States and whose production, by prisoners, would not at all jeopardize existing jobs.

Once again, investment of this type can solve a couple of problems. It certainly can help contribute to a reduction of the foreign payments deficits. And it would certainly reduce the net cost of prisoners by creating an enormous investment in people who need it very badly.

Now, John Jacobs, current president of the Urban League, when he proposed that we have a domestic Marshall Plan, spoke of a figure of $50 billion. I have no idea whether

that's a legitimate number or not. I do know one thing, however. A $50 billion plan – a plan with a $50 billion number – would not produce a net investment of $50 billion in the black community. It would likely have to be intermediated through endless politicians and government agencies. So we might see $5 billion or $10 billion ending up in assets in the black community itself.

I recently had an opportunity to read an article by Peter Drucker, who pointed out that one reason for the Japanese miracle after World War II was that the Japanese government, in the late forties, instituted a plan under which low-income people, average citizens, could invest in a tax benefited savings plan.

These savings plans did not pay high interest, but they provided good tax benefits. Thus they became very popular. And because of the low interest rates they could be re-loaned to Japanese industry at very low rates of interest. This access to cheap credit, according to Drucker, helped to create the Japanese miracle.

What I have outlined here is a plan under which Social Security and other public services would be privatized, where people could invest their accounts and direct them like you direct an IRA. This effort could result in a source of cheap credit for the development of the black community. At the very least, if it's good enough for the Japanese, it's good enough for me.

♦♦♦

Industry output and employment: a slower trend for the nineties

Of the 18 million new jobs expected by 2000, the service-producing sector will dominate, with about half added to retail trade, health services, and business services

2/25/91 - Ron Kutcher, Assoc. Commissioner for Empl. Projections, Bureau of Labor Statistics

He says they do projections every other year, so this figure is the most recent + accurate.

Valerie A. Personick

The U.S. economy is projected to add another 18 million jobs by the year 2000, an average of 1.5 million per year from 1988. This rate of growth is slower than in the past, when annual job gains averaged 2.3 million over a comparable 12-year period. Slower growth is directly tied to the expectation of less labor force expansion over the next decade.

The 18 million new jobs are expected to be added primarily in the service-producing sector. In contrast, manufacturing employment is projected to shrink slightly, from 19.4 million in 1988 to 19.1 million at the turn of the century. Among the service-sector leaders, retail trade is expected to add 3.8 million jobs; private health services, 3.0 million; and business services, 2.7 million. Government employment, especially in public schools and in State and local safety and general government functions, is also projected to add about 1.6 million new jobs. Despite these gains, the rate of growth for all these divisions from 1988 to 2000 is much slower than that between 1976 and 1988.

Total job growth averaged 2.3 percent a year from 1976 to 1988, but is only expected to average 1.2 percent annually through 2000. Job growth parallels the projected growth in the labor force. Details are in the article by Howard N Fullerton on pp. 3–12, but in broad terms, a slowdown in labor force growth projected for the nineties is a continuation of a trend that started in the late 1970's, as the baby-boom generation became fully absorbed into the labor force. Coupled with the smaller numbers of new, young workers during the next decade is the expectation of a slowdown in the rate of increase of female labor force participation.

Assumptions about the overall level of economic activity, which are also key factors underlying the industry output and employment projections, are in the article by Norman C. Saunders on pp. 13–24. Economic growth, as measured by real gross national product, is projected to average 2.3 percent a year between 1988 and 2000, and the unemployment rate is projected to be 5.5 percent. Strong gains are especially projected for exports, leading to strength in the manufacturing sector.

Three alternative scenarios were projected for 2000: a base, or moderate case; a low-growth alternative; and a high-growth alternative. The data discussed in this article pertain mainly to the moderate case scenario, with a section at the end describing the low and high projections.

Employment in major industries

Total employment is projected to rise from 118 million in 1988 to 136 million by the turn of the century. (See table 1.) Most of these jobs, 122

Valerie A. Personick is an economist in the Office of Employment Projections, Bureau of Labor Statistics.

telephone loan risk, and in effect turn control of the program over to the borrowers.

I also note that in enacting amendments to the law governing the Rural Telephone Bank Board, the Congress provided that the members of the Board would exercise management authority "within the limitations prescribed by law." Consistent with my obligation to construe statutory provisions to avoid raising constitutional questions, I construe this savings provision to embody the recognition that those Board members not appointed in conformity with the Constitution cannot exercise the authority vested by the Constitution in officers of the United States.

I further note that a number of other provisions of the bill could be construed to vest governmental authority in private parties. These provisions appear to raise constitutional concerns, and I am accordingly directing the Secretary of Agriculture to consult the Attorney General to consider whether curative legislation or other action is needed to ensure that these authorities are exercised as the Constitution requires.

In spite of these drawbacks, on balance I have before me a farm bill that will enhance the competitiveness of our farmers and the health of our citizens. My gratitude goes to those who have worked so tirelessly to produce this legislation: concerned citizens, Members of Congress, and my own Administration. I look forward to continued prosperity in the agricultural economy and good health and nutrition for our citizens.

This is not a perfect farm bill either from my perspective or from that of many Members of Congress. But the vision of all who worked on this legislation is the same: prosperity for our agricultural sector and the nutritional well-being of our people. The bill before me is faithful to our shared vision.

George Bush

The White House,
Nov. 28, 1990.

Note: *S. 2830, approved November 28, was assigned Public Law No. 101-624.*

Remarks on Signing the Cranston-Gonzalez National Affordable Housing Act

November 28, 1990

Well, thank you all very much for being here today. And of course, it's great to be with our enthusiastic and effective Secretary of HUD [Housing and Urban Development], Jack Kemp, who deserves great credit for what we're about to do here. And of course, I want to salute the Members of Congress—they've been so helpful and instrumental in this—who are with us today. I see Kit Bond, and Al D'Amato was to be—they're sitting there. And I want to thank, particularly, the chairmen of the Banking Committee, Senator Riegle and Congressman Henry B. Gonzalez, for their work on this. I'm told that their counterparts, Jake Garn and Chalmers Wylie, are not with us today, the ranking Republicans on the committee; but I also want to thank them for their remarkable efforts.

I understand that some mayors are in town. Quite a few mayors and other local elected officials are with us, and I want to welcome them to the White House. I'm told that Kimi Gray is here, over here. And, Kimi, you're kind of a symbol of hope for the aspirations of a lot of people, and I'm just delighted you're here with us today.

Now, let me start with a story, a bit of history—1862, the middle of the Civil War. And on May 20th of that year, Abraham Lincoln sat down with pen in hand and signed into law the Homestead Act of 1862. And that bill gave 160 acres to any family who wanted to make a go of it in the wilderness and reach for the American dream.

It is one of the most successful endeavors in American history, causing the great land rush to the Wild West and forming the vision for a new homesteading program in urban America today. Because Abraham Lincoln's Homestead Act empowered people, it freed people from the burden of poverty. It freed them to control their own destinies, to create their own opportunities, and to live the vision of the American dream. Likewise today, creating the opportunity for low-income Americans to become property owners is a key to fighting poverty and offering real hope to thousands.

I've said before that a cornerstone of our effort to reduce the heavy hand of government is this idea of empowering people, not bureaucracies, and giving people—working people, poor people, everyone—control over their own lives and access to property and jobs so that all Americans can have a life of dignity, responsibility, and economic opportunity. Secretary Kemp has long been a champion of this idea, and that's why I have appointed him as Chairman of the Domestic Policy Council's Economic Empowerment Task Force.

The status quo of centralized bureaucracy is not working for the people—the ones who need affordable housing; the ones who want to choose the best schools for their kids or child care for their younger children; the ones who want to pull themselves out of dependency and into a life of self-sufficiency in a safe, clean, and drug-free community. It's the people who have the best answers for themselves and their families, not the Government.

And that's exactly what the National Affordable Housing Act that about to sign here does in several ways: It puts power in the hands of people. First, it authorizes a major administration initiative: Homeownership and Opportunity for People Everywhere, the HOPE Initiative. HOPE will provide new opportunities for low-income families to buy their own homes—urban homesteaders, if you will—and helps the residents of public housing to buy their own units. Tenant management, control and, ultimately, ownership of public housing is an idea whose time has come. And let me just tell you why.

When the people who live in public housing are in charge, the results are remarkable: more people pay their rent, maintenance improves, operating costs decline, and crime rates plummet. Employment goes up, more kids stay in school, and neighborhoods spring back to life. And the reason? Because each resident simply now has a stake in society—an equity stake—a chance to make a go of it, to live the American dream for themselves.

We want public housing to become a springboard for independence, not a bottomless pit for dependency. HUD used to be asked to give awards for public housing residents who stayed in public housing the longest, and we stopped doing that. Jack made a significant change there. And now—and even more so with this bill—we're offering incentives to public housing tenants who move out and move up into the productive economic mainstream. These are the people who will help us meet our goal of 1 million new homeowners by 1992.

But there's more. This bill contains Home Investment Partnerships, a new block grant to provide incentives to States, localities, and nonprofit organizations to provide people who currently rent with vouchers, tenant-based assistance, and rehabilitation of existing housing, because affordable housing is in everybody's interest. And in addition to housing assistance for migrant farm workers, the elderly, and the disabled, this legislation also creates the Shelter Plus Care Program to assist homeless persons who are mentally ill, who have a drug abuse problem or other problems, to give them the support they need to keep them from returning to a desolate life on the streets.

Finally, it reforms certain programs in the FHA, in the Federal Housing Administration, to make them more financially sound. The National Affordable Housing Act gives people the best kind of government assistance: It provides opportunity, and it encourages responsibility without the shackles of dependency. And that is really the American dream, for no matter where people live or how much money they have, all people yearn to control their own lives. Abraham Lincoln knew this, and his vision lives on today as the foundation for our efforts to empower all Americans.

And so, it is with that in mind—the undying ideal of hope and opportunity for all—that I am pleased to sign this bill into law.

And once again, I want to thank each and every Member of Congress who has worked hard on this legislation, particularly the two chairmen that are with us today. And of course, again, my respects for his leadership to Jack Kemp, the Secretary of HUD. Thank you all for joining us today.

And now, if I can lift it up, I'll sign it. [*Laughter*]

Note: *The President spoke at 2:05 p.m. in the East Room at the White House. In his*

remarks, he referred to Senators Christopher S. Bond and Alfonse M. D'Amato, and Kimi O. Gray, chairperson of the National Association of Resident Management Corps. and chairperson of the Kenilworth-Parkside Resident Management Corp. S. 566, approved November 28, was assigned Public Law No. 101-625.

Statement on Signing the Cranston-Gonzalez National Affordable Housing Act

November 28, 1990

It is with great pleasure that I today sign S. 566, the "Cranston-Gonzalez National Affordable Housing Act." In addition to extending and reforming existing housing programs, this Act creates and expands innovative new programs proposed by this Administration. These new programs will advance opportunities for homeownership and economic self-sufficiency in our Nation's most distressed communities. This Act is an exciting bipartisan initiative to break down the walls separating low-income people from the American dream of opportunity and homeownership.

I want to note the contributions of several people to the enactment of this landmark legislation, starting with Secretary of Housing and Urban Development Jack Kemp. Secretary Kemp has brought a unique vision to his job and a commitment to empowerment as a tool to encourage individual dignity and initiative and reward productive work effort.

Many Members of Congress also made significant contributions to the bipartisan effort to produce a housing bill. A few deserve special recognition. Senators Alan Cranston and Al D'Amato have devoted the last several years to the passage of a comprehensive housing bill, and we would not be here today without their efforts. Likewise, I want to recognize the efforts of Congressmen Henry Gonzalez and Chalmers Wylie, whose spirit of cooperation throughout the legislative process helped bring us to this point.

S. 566 contains the Homeownership and Opportunity for People Everywhere—HOPE—initiatives that my Administration submitted to the Congress earlier this year. HOPE represents a dramatic and fundamental restructuring of housing policy. It recognizes that the poor and low-income tenants—not public housing authorities and developers—are our clients. HOPE will do what traditional programs have not done: empower low-income families to achieve self-sufficiency and to have a stake in their communities by promoting resident management as well as other forms of homeownership.

The cornerstone of HOPE is a program to provide grants to enable low-income families and tenants to become homeowners. HOPE homeownership grants can be used for planning activities, including the development of resident management corporations. They can also be used for rehabilitation and post-sale subsidies to help ensure the success of homeownership. HOPE grants are eligible to be used in public housing and vacant, foreclosed, and distressed single-family and multifamily properties.

The legislation also includes my Administration's Operation Bootstrap—or Family Self-Sufficiency—proposal. In the past, public housing was seen as a long-term residence for low-income people. My Administration believes that Federal housing subsidies should serve as transitional tools to help low-income families achieve self-sufficiency, move up and into the private housing market, and join the economic mainstream. The Family Self-Sufficiency Program will ensure that all new housing voucher and certificate assistance is coordinated with employment counseling, job training, child care, transportation, and other services to encourage upward mobility.

S. 566 also authorizes our HOPE for Elderly Independence proposal to combine vouchers and certificates with supportive services to assist the frail elderly. In addition, it authorizes Shelter Plus Care, which couples housing assistance and other services to homeless persons with disabilities and their families.

This Act also reflects the efforts of the Administration and the Congress to enact needed reforms to the Federal Housing Administration's (FHA) single-family mortgage insurance program. These reforms will ensure that FHA is actuarially safe and financially sound. The Act's provisions meet the four principal objectives of my Administration's original FHA reform proposals: the achievement of adequate minimum capital standards by the earliest possible date; insurance premiums that reflect the risk of default; minimum equity contributions by borrowers to protect them and the insurance fund from default risk; and maintaining the emphasis of FHA on low- and moderate-income homebuyers. With these reforms, we will be ensuring the availability of FHA for future generations of families seeking to achieve homeownership.

I am pleased that this Act contains a solution to the preservation and prepayment question that reflects the Administration's basic principles. These include protecting project residents from becoming homeless as a result of a mortgage prepayment; emphasizing alternative prepayment strategies that provide opportunities for homeownership; and honoring the contracts between project owners and the Federal Government.

One important preservation strategy is to provide project owners with economic incentives to maintain their properties for low-income use. I am concerned, however, that the incentives in S. 566 are more generous than are necessary, providing excessive benefits over the long term that will be paid by all taxpayers. Nonetheless, I recognize that this preservation proposal is a compromise and that it represents a good-faith effort by the Congress to meet the Administration's concern that limited Federal funds be provided to those who need assistance.

This legislation provides a new block grant, HOME Investment Partnerships, to promote partnerships among the Federal Government, States, localities, nonprofit organizations, and private industry. These partnerships will seek to utilize effectively all available resources and a wide variety of approaches to meet housing needs.

My Administration has been concerned that the HOME program not become a vehicle for the production of new, federally subsidized rental housing at the expense of other, more efficient and better targeted subsidies, such as rental assistance to poor tenants.

I believe this legislation addresses our concerns, because it provides for a wide variety of uses for HOME funds, including tenant-based assistance. It also imposes higher State and local matching requirements for new construction than for tenant-based assistance or minor rehabilitation. In addition, it requires that 90 percent of HOME funds be targeted to families with incomes at 60 percent or below the area median income.

Unfortunately, this Act also sets aside up to 15 percent of total HOME funds in FY 1992 to be used solely for a rental housing production program. I do not believe that the earmarking of funds for new construction is consistent with the goal of providing States and localities with maximum flexibility to meet their specific affordable housing needs.

I am further concerned that this legislation, in several instances, would relax long-standing provisions of current law that provide a preference for housing assistance for those families who are most in need. Although the Federal Government currently serves about 4.3 million low-income families, there are about 4 million additional families, most of them very low income, whose housing needs have not been met. We should not divert assistance from those who need it most.

Several additional provisions warrant careful construction to avoid constitutional concerns. For example, section 302(b)(7) of the Act calls on the President to appoint one member of the Board of Directors of the National Homeownership Trust to represent consumer interests. In light of the President's power under article II, section 2 of the Constitution, I sign this bill with the understanding that the individual appointed by the President to serve on the Board represents the United States as an officer of the United States. The requirement that this individual represent consumer interests does not constrain the President's constitutional authority to appoint officers of the United States, subject only to the advice and consent of the Senate.

Section 943(e)(3)(A) provides that the National Commission on Manufactured Hous-

ing "may secure directly from any department or agency of the United States such data and information as the Commission may require." I sign the bill with the understanding that this provision does not limit the constitutional ability of the President to withhold information, the disclosure of which might significantly impair the conduct of foreign relations, the national security, or the deliberative processes of the executive branch or the performance of its constitutional duties.

Finally, it is the Federal Government's responsibility to ensure that the benefits of Federal programs are offered to individuals in a way consistent with the equal protection guarantee of the Constitution. In that regard, I am concerned about section 958(a) of the Act, which provides a preference to native Hawaiians for housing assistance programs for housing located in the Hawaiian homelands; section 958(d)(1), which defines "native Hawaiian" in a race-based fashion; and section 911, which would exempt this preference from the provisions of the Housing and Community Development Act of 1974 relating to nondiscrimination on the basis of race. This race-based classification cannot be derived from the constitutional authority granted to the Congress and the executive branch to benefit native Americans as members of tribes. I direct the Attorney General and the Secretary of Housing and Urban Development to prepare remedial legislation for submission to the Congress during its next session, so that this Act, and similar provisions in other Acts, can be brought into compliance with the Constitution's requirements.

I am pleased that, in crafting this legislation, the Congress also has modified a number of the rural housing programs administered by the Department of Agriculture's Farmers Home Administration. As a result, these programs will be more responsive to the needs of low-income residents of small towns and rural areas. A significant change is a new program of guaranteed loans for homeownership by low- and moderate-income residents in rural areas. This housing reform will provide assistance to these individuals and families more effectively and efficiently.

In conclusion, this legislation represents true bipartisanship; considerable give-and-take, and good-faith negotiation between the Congress and the Administration. It reforms and reauthorizes existing programs to provide for community development, to operate and modernize public housing, and to assist in meeting the needs of low-income families, the elderly, and the handicapped. In addition, through HOPE, it provides the potential for the redirection of housing policy back toward the poor.

The signing of the "Cranston-Gonzalez National Affordable Housing Act" presents us with an opportunity to renew our commitment to the goals we all share: decent, safe, and affordable housing for all Americans.

George Bush

The White House,
November 28, 1990.

Note: S. 566, approved November 28, was assigned Public Law No. 101–625.

Statement on Signing the Fishery Conservation Amendments of 1990

November 28, 1990

I am today signing H.R. 2061, the "Fishery Conservation Amendments of 1990," notwithstanding reservations I have concerning some of its provisions.

H.R. 2061 authorizes appropriations for and amends the Magnuson Fishery Conservation and Management Act, which provides the primary authority for the conservation and management of fishery resources within the 200-mile Exclusive Economic Zone (EEZ) off our coasts. Many of the amendments made by H.R. 2061 will enable us to better conserve and manage our precious fishery resources.

However, numerous provisions of the Act could be construed to encroach upon the President's authority under the Constitution to conduct foreign relations, including the unfettered conduct of negotiations with foreign nations. Further, one provision directs that fishery management plans prepared or approved by the Secretary of Commerce contain "regulations implementing recommendations by international organizations

in which the United States participates." If this provision were construed to require the Secretary to implement the recommendations of international organizations in which the United States participates, it would unconstitutionally subject the executive branch to the control of international bodies that are not politically accountable to the American people. Finally, two provisions purport to direct the Secretary to make legislative recommendations to the Congress. Under Article II, Section 3 of the Constitution, the President possesses the exclusive authority to determine which legislative measures he and his subordinates will recommend.

To avoid constitutional questions that might otherwise arise, I will construe all these provisions to be advisory, not mandatory.

I am concerned that several of the Act's provisions regarding highly migratory species not be construed to create a gap in the authority of the United States to manage those species. Current law defines "highly migratory species" to mean only species of tuna and excludes such species from the exclusive fishery management authority asserted by the United States in our EEZ. H.R. 2061 would eliminate this exclusion effective January 1, 1992. Thus, effective as of that date, the United States will assert management authority over tuna in its EEZ. As a matter of international law, effective immediately the United States will recognize similar assertions by coastal nations regarding their exclusive economic zones.

The Act also expands the definition of "highly migratory species" to include marlin, ocean sharks, sailfishes, and swordfish—non-tuna species for which management authority is presently asserted and exercised. Consequently, H.R. 2061 could be interpreted to expand the exclusion and thus withdraw the authority to manage these species until the exclusion is eliminated in 1992. It is my understanding that the Congress intended the management of these species to continue.

Accordingly, for purposes of the tuna exclusion that remains in effect until 1992, I will not construe the revised definition to take effect. For all other purposes, the revised definition takes effect immediately. Thus, the authority of the United States to manage the species added to the definition will continue, and the responsibility for managing those species will transfer immediately from specified fishery management councils to the Secretary.

Finally, the Act contains a provision that departs from procedures currently governing challenges to regulatory action taken under the Magnuson Fishery Conservation and Management Act. The provision severely threatens the ability of the Attorney General to provide reasoned and responsible representation to the Secretary of Commerce in response to administrative challenges to the Secretary's rule-making authority under the Act. It also imposes unnecessarily burdensome filing requirements on the Secretary. The Attorney General and the Secretary will propose corrective legislation next year to cure these procedural difficulties.

George Bush

The White House,
November 28, 1990.

Note: H.R. 2061, approved November 28, was assigned Public Law No. 101–627.

Statement on Signing the Bill Authorizing the Conveyance of Land by the Rumsey Indian Rancheria

November 28, 1990

Today I have signed H.R. 3703, an Act "To authorize the Rumsey Indian Rancheria to convey a certain parcel of land." H.R. 3703 contains numerous provisions that will promote the economic and social welfare of native Americans. Those provisions that provide for the prevention, identification, treatment, and investigation of child abuse and neglect on Indian reservations are meritorious. I must, however, take note of two issues that raise serious concerns.

First, sections 405, 504, and 507 purport to require the Secretary of the Interior and the Secretary of Health and Human Services to submit various reports to the Congress containing legislative recommendations. The Constitution grants to the Presi-

The Heritage Foundation Backgrounder

No. 773 | The Heritage Foundation 214 Massachusetts Avenue N.E. Washington, D.C. 20002 (202) 546-4400

June 7, 1990

FULFILLING AMERICA'S PROMISE: A CIVIL RIGHTS STRATEGY FOR THE 1990S

INTRODUCTION

The U.S. Congress currently is considering legislation that its proponents claim will help to create equal opportunities for blacks and other minorities and reduce the racism that persists in America. Far from that, however, the proposed Civil Rights Act of 1990 will preserve and expand America's apartheid-like system of racial hiring quotas and do nothing to promote the economic opportunities for what is becoming a permanent under class of minority Americans. Ironically, the plight of these poor is used to justify the new civil rights law, yet the remedies proposed do not address their condition. Instead, the racial quotas encouraged by the Act at best may benefit only educated and upper income minorities.

Despite the civil rights gains of the last 25 years, one-third of the nation's black population remains in poverty and one-fourth of all Hispanic Americans live in poverty. What is needed is a civil rights bill that advances the opportunities of these and other poor Americans.

Outdated Thinking. The Civil Rights Act of 1990 represents an outdated view of how minority Americans can gain equality of opportunity. Sponsored by Senator Edward Kennedy of Massachusetts and Representative Augustus Hawkins of California, both Democrats, the bill offers 1960s-type solutions to a problem that requires a progressive new strategy for the 1990s. To be sure, many of the civil rights strategies employed in the 1950s and 1960s made crucial strides toward equal opportunity for minority Americans. That civil rights movement and the landmark statutes it achieved broke down barriers and won widespread support among Americans. But many of the veterans of those early battles still are locked into the thinking of that era. They focus on racial quotas, preferences, and statistical-base racial balancing mechanisms as

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

a weapon for advancing minorities, rather than on crafting strategies to give minorities the basic tools needed to take advantage of the opportunities hard won by Martin Luther King and other leaders of the original civil rights movement.

Fortunately, however, a new generation of minority Americans is beginning to question the relevance today of those old remedies. These Americans are proposing new solutions to propel civil rights beyond the old formula and into a new era of expanded opportunity and true equality of opportunity. The debate in Congress challenges conservatives and liberals alike to fashion a civil rights agenda that goes far beyond the outmoded approach of Kennedy/Hawkins.

Ending a Paternalistic View. What is needed are not racial quotas and set-asides, but an empowerment strategy that will unleash the capacity of individuals who have been excluded from the mainstream. This will require lawmakers to view differently those whom they wish to help. For too long government in practice has treated low-income Americans as people who do not have the capacity to make choices to better themselves. This paternalistic view has had a devastating effect on minority communities because it has encouraged entire racial groups to believe that they cannot succeed without discrimination in their favor and continuous aid from government. That has spawned a generation dependent on government, with low self-esteem and little hope for effecting change in their lives. With it has come broken families, soaring crime and school dropout rates, and shattered community institutions that once played a vital role in holding minority communities together.

The liberal civil rights agenda now being advanced in Congress perpetuates the myth that the poor and all minorities are somehow handicapped and must be given special preferences and handouts to succeed. This approach necessarily embraces racial quotas and the massive social welfare programs that have failed to create opportunities for the economically disadvantaged.

Unfilled Capacity. The conservative vision of progress, however, rests on a very different premise: that low-income and minority Americans actually have enormous unfilled capacity for achievement. By removing regulatory barriers to economic opportunity and creating an environment in which these individuals are empowered to take charge of their lives, conservatives believe that capacity for achievement will be realized.

This conservative view of progress suggests a two-pronged civil rights strategy. The first prong is vigorous enforcement of civil rights laws. Discrimination remains an all-too familiar fact of life for many Americans. Government must prosecute cases of discrimination against individuals to the full extent of the law. Title VII of the 1964 Civil Rights Act, moreover, should be strengthened to include a remedy of damages against those who willfully discriminate. Building on this enforcement strategy, the conservative civil rights strategy would call for aggressive court and legislative action to challenge modern-day Jim Crow laws that stifle minority business development. Examples include the 1931 Davis Bacon Act, which freezes out minority firms from government construction contracts, and onerous occupational licensing laws for profes-

sions ranging from cosmetology to child care. These barriers to economic opportunity, seemingly neutral in their impact on the races, actually disproportionately harm minority entrepreneurs trying to use the opportunities promised by the civil rights statutes. These remaining legal barriers, moreover, pose the greatest hurdles to the poor – the very people who have been left behind by today's civil rights movement.

Attacking Quotas. This enforcement strategy also would attack racial quotas that act as a ceiling to housing and educational opportunities for minorities. Strict adherence to racial and ethnic composition ratios in public schools, for example, has capped the number of minority students who can attend magnet schools, even when those schools are operating far below capacity. These and similar racial quotas that limit the number of Asian Americans admitted to universities should be challenged by all who genuinely believe in civil rights.

The second prong of the conservative civil rights agenda is individual empowerment to control one's own life. In many respects this is the essence of civil rights and the key to true independence. As Robert Kennedy stated in 1966, "reliance on government is dependence – and what the people of our ghettos need is not greater dependence, but full independence."[1] Conservatives thus want to fulfill the promise of the civil rights movement by pursuing a legislative strategy designed to remove government-imposed barriers that stifle economic opportunities for the poor. Such barriers prevent the poor from making such fundamental decisions as where they will live and who will educate and care for their children.

The conservative empowerment strategy calls for enterprise zones in low-income minority communities to reduce tax and regulatory impediments now frustrating the entrepreneurial spirit of those communities. It calls for a rejection of the public education double standard that condemns poor, primarily minority students to second-rate schools, by injecting competition into the American education system. Parental choice and education vouchers for low-income families are needed to empower parents as consumers with the ability to make choices in a market that now is open only to those who are not poor. This strategy also means vesting community groups with the power and responsibility to deliver services currently managed by bureaucrats. Public housing tenants, for example, should be allowed to manage and eventually to own their own housing units, building on the successes of such efforts in Boston, St. Louis, and Washington D.C. Empowerment also means that government must make good on its fundamental responsibility of protecting its law-abiding citizens from crime, creating an environment in which they can prosper. Thus innovative ideas like a police ROTC for students from low-income communities can be an important element of the conservative civil rights strategy.

---

1 Quoted from "Empowerment: A Vision for the 1990s," Task Force on Empowerment, House Republican Research Committee, U.S. House of Representatives.

George Bush has a tremendous opportunity to forge a new civil rights agenda that fulfills the equal opportunities promised by the original civil rights movement. He should start by vetoing the Kennedy/Hawkins bill and the destructive racial quotas that it promotes. The President already has made a solid step in this direction, promising in a May 17, 1990, speech to veto any civil rights bill "whose unintended consequences are quotas." Next, he should propose new policy initiatives that express his vision of civil rights, rooted in empowerment and a firm commitment to prosecute actual discrimination. In what may prove to be a historic speech on civil rights, Bush on May 17 first articulated the critical connection between civil rights and empowerment, proclaiming that any changes in civil rights law must embrace "a broader agenda of empowerment." As John F. Kennedy did in 1961, Bush should issue an executive order that puts forth his vision of an empowerment civil rights agenda. This executive order should instruct the federal government to implement Bush's civil rights strategy of removing racial and economic barriers to individual independence.

THE STATE OF CIVIL RIGHTS

Since its origins in the American revolutionary era, the quest for civil rights always has meant securing for individuals the power to control their own destinies. The past quarter-century has witnessed both major triumphs and serious setbacks in this quest. The civil rights laws of the 1960s opened the doors of opportunity to millions of previously excluded Americans in such crucial areas as employment, education, voting, and public accommodations.

Indeed, *Washington Post* columnist Courtland Milloy, who is black, has written that "black Americans are probably America's greatest success story. Enslaved a little more than a hundred years ago, there are now 2 million of them living affluently."[2] Milloy notes that between 1967 and 1987 the number of black households earning $50,000 or more grew from 212,000 to 764,000, an

2 Michael Novak, "The Invisible Man," American Enterprise Institute, *On the Issue*, from *Forbes*, February 19, 1990.

increase of 360 percent. The total income of America's 28 million blacks is larger than the gross domestic product of all but ten nations.[3] Since the mid-1960s, moreover, the number of African-American elected officials has quadrupled. And black politicians now govern four of America's six largest cities.

In recent years, however, the focus of many civil rights policies has shifted from securing equal opportunity to securing equal outcomes among racial and ethnic groups, through quotas, set-asides, busing, and welfare. Though advocated as temporary measures necessary to undo rapidly the lingering effects of past discrimination, these devices have grown increasingly entrenched.[4] Indeed, many "establishment" civil rights leaders[5] demand adherence to this agenda as a civil rights litmus test.[6]

We know what works — Freedom works.

Little Help for Disadvantaged. This agenda is destructive for many reasons, but the most damning indictment – delivered by critics spanning the philosophical spectrum from Charles Murray to William Julius Wilson – is that it hasn't worked.[7] Sociologist Wilson, of the University of Chicago, notes that while many blacks have enjoyed economic progress in recent years, for millions of others "the past three decades have been a time of regression, not progress." As Wilson explains, "[R]ace-specific policies... , although beneficial to more advantaged blacks... , do little for those who are truly disadvantaged."[8] Adds Robert Woodson, President of the Washington, D.C.-based National Center for Neighborhood Enterprise, a grass roots organization that promotes self-help solutions to local community problems, "Affirmative action does not help the black dishwasher or the untrained black youth."[9] A

---

3 *Ibid.*

4 See, e.g., Clint Bolick, *Changing Course: Civil Rights at the Crossroads* (New Brunswick, N.J.: Transaction Books, 1988), P. 53-78.

5 See, e.g. Clint Bolick, *In Whose Name? The Civil Rights Establishment Today* (Washington, D.C.: Capital Research Center, 1988).

6 National Urban League President John E. Jacob, for instance, asserts that "[t]he goal of parity is the one constant that must be shared by anyone who presumes to hold a leadership position in the black community." John E. Jacob, "Black Leadership in a Reactionary Era," *The Urban League Review* (Summer 1985), p. 42-43.

7 See Bolick, *Changing Course*, pp. 84-91. As economists James P. Smith and Finis R. Welch recently concluded, "[A]ffirmative action apparently has [had] no significant long-range effect" on the wage gap between blacks and whites. *Closing the Gap: Forty Years of Economic Progress for Blacks* (Santa Monica, California: The Rand Corporation, 1986), p. 95. Rather, the principal effect of race-conscious strategies, according to William Julius Wilson, is a "growing economic schism between lower-income and higher-income black families." William Julius Wilson, *The Truly Disadvantaged* (Chicago: University of Chicago Press, 1987), p. 110.

8 *Ibid.*, pp. 110 and 42. Wilson's dismal economic prognosis was largely confirmed by the recent report of the Committee on the Status of Black Americans. Gerald David Jaynes and Robin M. Williams, eds., *A Common Destiny* (Washington, D.C.: National Academy Press, 1989).

9 Robert L. Woodson, "Race and Economic Opportunity," *NPI Policy Review Series*, National Center for Neighborhood Enterprise, 1989, p. 3.

civil rights agenda that promotes racial set-asides for the middle-class, writes *Washington Post* columnist William Raspberry, "is like demanding that the society supply aspirin for your uncle because your nephew has a headache. Isn't it time to abandon this bait-and-switch game in favor of truth in labeling?"[10]

The Victims of Racial Politics

The failure of race-specific assistance programs to arrest the growing cleavage between disadvantaged and more successful blacks is borne out by census data. There has been, as Harvard political economist Glenn Loury has shown, "significant improvement in the earnings of employed black workers over the period 1940-1980."[11] But, says Loury, the average gains in black workers' earnings have not been "enjoyed equally by all black workers." In fact, earnings inequality within the black population has increased during the last 25 years, and remains greater than income differentials among white workers.

Fact: In 1959, the bottom 40 percent of black men earned 8 percent of the total earnings of all black men. By 1984 that bottom 40 percent earned only 4 percent of total earnings. Conversely, the top 20 percent of black men in 1959 earned 50 percent of total black male earnings. By 1984 this same 20 percent earned 60 percent of the total.[12]

Fact: From 1970-1986, the proportion of black families with incomes over $35,000 grew from 15.7 percent to 21.2 percent, and the proportion with incomes over $50,000 nearly doubled, from 4.7 percent to 8.8 percent. Yet during the same period, the proportion of black families with incomes of less than $10,000 also grew, from 26.8 percent to 30.2 percent.

What is the cause of such disparities? If racism were the answer, it would present a barrier for all blacks. And as Loury concludes, "[E]mployment discrimination is not a major factor." Rather, he points out, such practical factors as education contribute significantly to income differentials among blacks as well as between blacks and whites. Annual earnings of college-educated black males, for example, rose by 6 percent relative to whites between 1969 and 1984. The disintegration of the traditional family among poor blacks, however, accounts for much of this disparity: The poverty rate for black families headed by a single mother is 50 percent – more than four times the rate for intact, two-parent black families. The median income of two-parent black families now is 88 percent that of comparable white families, and the disparity is closing at a rate of 5 points a year.[13]

---

10 "Playing on White Guilt," *Washington Post*, May 14, 1990.

11 Testimony of Professor Glenn C. Loury, before the Committee on Labor and Human Resources of the U.S. Senate, concerning S. 2104, the Civil Rights Act of 1990, February 23, 1990.

12 *Ibid.*

13 "Restoring the Black Family," *Family* (The Family Research Council), September/October 1989. Woodson, *op. cit.*, p. 11.

Fact: Between 1960 and 1988 the percentage of black women aged 15-44 married with a spouse present in the household declined from 51.4 percent to 29.1 percent. For whites, the decline was 69.1 percent to 54.5 percent. Between 1960 and 1988 the percent of black children living with a black married couple fell from 67 percent to 38.6 percent, while the number of black children living with a never-married person rose by more than 1400 percent, from 2.1 percent to 29.3 percent. By 1988, 61.2 percent of black children were born to an unmarried woman.[14]

Liberal solutions of quotas, forced integration, and other race-based approaches to civil rights clearly do not empower most blacks. Black men, particularly, are even more alienated from the economic mainstream. The last 25 years, for example, have witnessed a pronounced downward trend in the number of black men participating in the labor force. Fact: In 1962, almost 60 percent of young black males were employed, but by 1985 only 44 percent were employed.[15] The reason for this dramatic decline was not that jobs disappeared – in fact, it was a period of remarkable job creation. Nor is racism the culprit. The principal destructive influence was a burgeoning welfare system that subsidized family breakups and nonemployment.

Can we say this?

Victim Identity. Liberal civil rights policies also have had a more insidious effect on the economic advancement of blacks. Shelby Steele, Associate Professor of English at San Jose University, has written that the prevalence of racial quotas and preferences has ingrained in blacks an identity of themselves as victims. This identity as victim, argues Steele, who is black, perpetuates a sense of low-self esteem among blacks and a feeling of powerlessness, which stifles individual initiative and responsibility. Writes Steele:

> Social victims may be collectively entitled, but they are all too often individually demoralized. Since the social victim has been oppressed by society, he comes to feel that his individual life will be improved more by changes in society than by his own initiative. Without realizing it, he makes society rather than himself the agent of change. The power he finds in victimization may lead him to collective action against society, but it also encourages passivity within his own life.[16]

Steele notes that after the death of Martin Luther King, the civil rights movement's message of equal opportunity was supplanted by a focus of blacks as victims entitled to special reparations from white society. "The 1964 civil rights bill," writes Steele, "was passed on the understanding that equal

14 Loury. *op. cit.*

15 Novak, *op. cit.*

16 Shelby Steele, "I'm Black, You're White, Who's Innocent," *Harpers*, June, 1989.

opportunity would not mean racial preference. But in the late 1960s and early 1970s, affirmative action underwent a remarkable escalation of its mission from simple anti-discrimination enforcement to social engineering by means of quotas, goals, timetables, set-asides and other forms of preferential treatment."[17] These policies remain the agenda of the liberal civil rights establishment.

Recent Supreme Court rulings, however, may signal a turning point for the future direction of civil rights policy. In a series of decisions last year,[18] the Court called squarely into question the use of racial quotas as well as the assumptions on which race-conscious measures are based.[19] Yet old guard civil rights leaders and their congressional allies reacted to these rulings swiftly and predictably, condemning them and urging "corrective" legislation. Senator Kennedy and Representative Hawkins introduced legislation to overturn most of the rulings and further expand the scope of the civil rights laws.

WHY THE KENNEDY/HAWKINS BILL FAILS MINORITY AMERICANS

Undergirding the Kennedy/Hawkins legislation is the assumption that every significant difference in statistical outcomes among racial or ethnic groups is attributable to discrimination and curable by quotas.[20] This assumption is flawed. While discrimination remains a serious obstacle for minorities, it is not the primary barrier to opportunity afflicting the economically disadvantaged. Observes the National Center for Neighborhood Enterprise's Woodson, "Vague cries for 'peace, jobs, and freedom' are meaningless when a permanent (and growing) underclass of more than one-third of all black Americans, unskilled and undereducated, remains untouched by civil rights gains, the war on poverty, increased black political power, and a mammoth social welfare industry."[21] Civil rights policies that fail to recognize this fact and to confront real obstacles to progress are doomed to repeat the failures of the past.

At the heart of the Kennedy/Hawkins bill are provisions that will make it all but impossible for employers to defend themselves against a claim of discriminatory hiring practices. Under the proposed law, a business that fails to

17 Shelby Steele, "A Negative Vote on Affirmative Action," *New York Times Magazine*, May 13, 1990.
18 *City of Richmond v. J.A. Croson Co.*, 109 S.Ct. 706 (1989)(striking down Richmond's minority contract set-aside program); *Wards Cove Packing Co. v. Antonio*, 109 S.Ct. 2115 (1989)(making it less difficult for employers to defend employee selection practices against discrimination charges that are based solely on statistics without evidence of discrimination); *Martin v. Wilks*, 109 S.Ct. 2180 (1989)(allowing challenges to racial quotas contained in consent decrees by those who are affected); and *Patterson v. McLean Credit Union*, 109 S.Ct. 2362 (1989)(holding that the Civil Rights Act of 1866, which prohibits discrimination in the making of contracts, does not cover instances of racial harassment).
19 See Clint Bolick, "The Supreme Court and Civil Rights: A Challenge for George Bush," Heritage Foundation *Backgrounder* No. 728, September 28, 1989.
20 See Bolick, *Changing Course*, pp. 56-60.
21 Woodson, *op. cit.*, p. 3.

meet certain racial and ethnic percentages in the composition of its work force must prove that such disparities are not due to discrimination. This is a reversal of normal legal standards. Usually, a claimant must prove that a defendant has violated some legal standard in order to prevail. Under the proposed legislation, however, the claimant need only show that racial hiring percentages have not been met, and the burden then shifts to the employer to prove the absence of discrimination. Thus the employer is presumed guilty unless innocence is proved.

Insurmountable Standard. In addition to this shifting of the burdens, the legislation proposes another hurdle that will make it impossible for an employer actually to prove that he or she does not discriminate. Under the Kennedy/Hawkins bill, if the work force of a business fails to meet the prescribed racial composition, the only way that an employer can rebut the presumption of discrimination is by proving that his or her hiring criteria bears "a substantial and demonstrable relationship to effective job performance." This is an insurmountable legal standard, and a reversal of the Supreme Court's 1989 ruling in *Wards Cove Packing Co. v. Antonio* that a business need only show that a challenged hiring practice "serves, in a significant way, the legitimate goals of the employer." Under the elevated hurdle proposed by the Kennedy/Hawkins bill, such reasonable and non-racial hiring criteria as requiring a high school or college diploma could fail to meet the "substantial and demonstrable" test necessary to rebut a claim of discrimination. A company that merely shows that it applies the same standards to everyone, regardless of race, will be found guilty of discrimination.

Faced with such hurdles, rational employers will turn to racial quotas as the only reasonable means to protect themselves from lawsuits. To avoid litigation, employers will have no recourse but to hire a certain percentage of their employees based not on merit or qualifications, but solely on the basis of race. Indeed, writing in the weekly lawyers' newspaper *Legal Times*, liberal columnist Stuart Taylor, Jr. notes that the bill would "pressure employers surreptitiously to use quotas to improve their statistics." This is not a positive direction for civil rights. As George Bush said in his May 17 Rose Garden speech on civil rights, "The focus of employers in this country must be on providing equal opportunity for all workers, not on developing strategies to avoid litigation."

Presumption of Discrimination. Another adverse impact of the Kennedy/Hawkins bill would be to establish "quota ceilings" on the number of minorities employed in low-skilled jobs. One of the issues in the *Wards Cove* case was a disparity in the company's work force between the number of minorities employed in low-skilled factory jobs and upper-level management positions. Under the proposed Kennedy/Hawkins bill, such a disparity would create the presumption of employer discrimination. The result: rather than hiring more minorities for management level positions, many employers simply would reduce the number of minorities employed in low-skilled positions so as to avoid the unequal percentages that would result in liability.

By its narrow focus on statistical disparities and racial quotas, the Kennedy/Hawkins bill would codify the racial divisions that continue to fuel racial tensions between whites and minorities. Rather than equal opportunity for all, the bill would offer racial entitlements for a select few. What is needed instead is a positive civil rights strategy geared toward empowering all individuals with the independence they need to make the choices necessary to succeed. The two key elements of this new civil rights agenda are vigorous enforcement of anti-discrimination laws and progressing from the old agenda of affirmative action to a new strategy of affirmative empowerment.

CONSERVATIVES AND THE CIVIL RIGHTS LAWS

The conservative civil rights agenda must be more than opposition to racial quotas. Conservatives must assert a strong affirmative commitment to enforcing civil rights laws and prosecuting discrimination. Civil rights law enforcement officials should take their lead from U.S. Appeals Court Judge Clarence Thomas, who served as chairman of the U.S. Equal Employment Opportunity Commission (EEOC) from 1982 to 1990. Thomas demonstrated that vigorous civil rights law enforcement need not mean quotas. He reorganized and streamlined a previously ineffective agency; he established a policy of full relief for victims of discrimination (the EEOC previously settled for quotas, which employers were happy to accept); and he shifted the agency's focus away from cases involving statistics to those involving individual victims – the very people who could not find help elsewhere. As a consequence, Thomas was able to secure more relief for more victims of discrimination than ever before had been obtained.

The new civil rights strategy should reject quotas as an unfair and racially divisive remedy, and instead seek tough penalties against discriminators and full relief for victims of actual discrimination. This would require amending the employment provisions of the 1964 Civil Rights Act to strengthen damage remedies,[22] an approach supported by Clarence Thomas, former Attorney General Edwin Meese, and former Assistant Attorney General William Bradford Reynolds. In the desegregation context, conservatives should push for monetary damages instead of busing. Rather than merely reassigning students to achieve racial balance, damages in the form of education vouchers should be a remedy available to successful plaintiffs. Currently, the preferred judicial remedy in desegregation cases are such "equitable remedies" as busing and racial quotas. These forms of relief advance "group" rather than "individual" remedies. Yet as Clarence Thomas demonstrated during his tenure at the EEOC, remedies that focus on individual relief are possible and far more effective. A remedy of education vouchers would secure better the goal of equal opportunity by enabling parents to choose the best education opportunities available for their children.

22 See Bolick, "The Supreme Court and Civil Rights," p. 8.

Economic Barriers. Aggressive enforcement of civil rights laws also means pursuing litigation and legislation to remove regulatory barriers to economic opportunity. In the courts and legislatures, conservative civil rights advocates should join with members of minority groups to challenge on civil rights grounds such economic barriers as the 1931 Davis-Bacon Act, which prevents minority firms from securing government construction contracts. This law requires that inflated "prevailing wages" be paid on all government construction contracts. In practice, this has meant that only firms willing and able to pay union scale wages can secure government construction contracts. Such firms typically are large, established, white-owned businesses that can afford to pay inflated wages. Smaller, more competitive minority firms that cannot absorb such costs thus are prevented from securing the contracts, even though they can perform the work at lower cost. The law also discourages the hiring of low-skilled workers by establishing high entry-level wages. The predictable combined impact of these restrictions is the disproportionate exclusion of minority entrepreneurs and laborers, which was an explicit goal of the bill.[23]

Davis-Bacon

Limiting Competition. Occupational licensing laws and regulations that restrict the formation of new businesses also should be confronted for their disparate impact on minorities. Many of these restrictions are unrelated to public health or safety objectives, and in fact often are promoted by the professions themselves to limit competition. Like the Jim Crow laws of an earlier era, these laws often impede minority participation in professions and businesses. Taxicab regulations, for example, strictly limit the number of entrepreneurs in a business that otherwise would be easily accessible to minorities. Licensing laws also exclude from professions those who are demonstrably qualified, but who cannot satisfy arbitrary and formalistic requirements. These licensing restrictions commonly are prevalent in such entry-level trades and professions as cosmetology, barbering, photography, stenography, interior decorating, and pool cleaning.

More rigorous enforcement of civil rights laws also requires confronting quota "ceilings" in education and housing. To achieve racial balance in public schools and housing, government authorities set rigid quotas that operate to exclude minorities. Example: In California universities, Asian American students are excluded from admission because they are "overrepresented" among eligible candidates for admission.[24] Example: In Kansas City magnet schools, black youngsters are denied admission so the school district can hold seats empty for white students.[25] These experiences illustrate how race-based

---

23 See *Congressional Record-House*, February 28, 1931, pps. 6504-6521.

24 See Dan C. Heldman, "Ending College Admission Quotas Against Asian-Americans," Heritage Foundation *Executive Memorandum* No. 240, June 30, 1989; Representative Dana Rohrabacher, "College Admission Quotas Against Asian-Americans: Why Is the Civil Rights Community Silent?" *Heritage Lectures* No. 236.

25 See "Blacks sue over KC desegregation plan," *The Washington Times*, July 17, 1989.

policies, however well-intentioned, can ultimately harm the very individuals they are purported to benefit.

Affirmative Action

If one term exists in the American lexicon that conservatives need to recapture, it is "affirmative action." Conservatives generally have been perceived to be "opposed" to affirmative action. If affirmative action means quotas, such opposition is warranted. But "affirmative action" need not be synonymous with quotas; conservatives, therefore, should not be considered adversaries of affirmative action as it was originally intended.

Affirmative action as practiced in the mid-1960s recognized that many individuals were ill equipped, for reasons of past discrimination, to take advantage of the equal opportunities secured to them for the first time by the newly enacted civil rights laws. Affirmative action thus meant providing tools to enable those who had been held back by discrimination to compete effectively in the market. It did not mean racial hiring quotas.

Origin of a Term. The term first was used by John F. Kennedy in his Executive Order No. 10925, issued in 1961. As Hoover Institution economist Thomas Sowell has noted, Kennedy's order specifically provided that affirmative action was not intended as a system of racial quotas or hiring preferences. Instead, it was an effort to disseminate information about federal jobs to encourage previously excluded groups to apply, and to insure fairness in hiring and promotion regardless of race. Thus, Kennedy ordered federal contractors to "take affirmative action to ensure that the applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin."[26]

Senator Hubert Humphrey, the Minnesota Democrat and architect of the Civil Rights Act of 1964, also took pains to distinguish affirmative action from racial quotas. During Senate debate on the civil rights bill, Humphrey instructed his colleagues that the bill "does not require an employer to achieve any kind of racial balance in his work force by giving preferential treatment to any individual or group."[27] But Thomas Sowell recounts that "the original meaning of 'affirmative action,' as a general attempt to inform and recruit applicants from groups long excluded from employment and other opportunities, quickly gave way to its current meaning – choosing among applicants on the basis of numerical group results."[28]

The firm opposition to racial quotas expressed by most liberals in the 1960s was well founded. Quotas (sometimes called "goals and timetables") could

---

26 Thomas Sowell, *Civil Rights: Rhetoric or Reality?* (New York: William Morrow & Company, Inc., 1984) p. 39.
27 *Ibid.*
28 Thomas Sowell, "*Weber* and *Bakke*, and the Presuppositions of 'Affirmative Action,'" in W.E. Block and M.A. Walker, eds., *Discrimination, Affirmative Action, and Equal Opportunity* (Vancouver: The Fraser Institute, 1982), p. 61.

not accomplish the original – and still salient – objectives of affirmative action. All quotas do is to redistribute opportunities as part of a zero-sum game: every person's gain means another's loss. Quotas, moreover, do not help the economically disadvantaged gain the skills necessary to compete effectively. Thus affirmative action comprised solely of quotas has aided better-qualified minority candidates while not addressing the real-world needs of people outside the economic mainstream. As William Julius Wilson argues, future affirmative action must consist of efforts "targeted to truly disadvantaged individuals regardless of their race or ethnicity."[29]

CONSERVATIVES AND EMPOWERMENT

The second element of a new civil rights agenda is individual empowerment. This empowerment means giving individuals the opportunity to realize their potential and achieve economic independence by giving them the power to choose the conditions under which they live – such as how their family will be educated and where they will live. Liberal social welfare programs do not empower the poor. Rather they empower government and an industry of social service providers that prospers by managing the lives of the poor. The conservative idea of empowerment, by contrast, derives from the movement's roots in market economics and classical liberalism – power not as control over others but as the freedom to control one's own affairs, the essential ingredient of liberty.

A civil rights strategy based on empowerment focuses on enabling individuals to choose how they will improve their condition. The aim is to help low-income Americans by expanding opportunities rather than by merely redistributing them. The impetus for such efforts is not the coercive power of government, but consumer choice in the market. To achieve empowerment, the new civil rights strategy must confront remaining systemic obstacles that prevent individuals from controlling their own destinies. At least four such obstacles exist: stifling regulation of entrepreneurial opportunities, poor public schools, the welfare system, and crime. All of these barriers disproportionately burden people outside the economic mainstream, who disproportionately are minorities.

An empowerment strategy to unlock the pent-up capacity of lower-income minority Americans requires many actions on several fronts. Among them:

1) **Remove obstacles to entrepreneurs.** Economic liberty is a fundamental civil right. Yet this liberty to pursue a livelihood free from excessive or arbitrary interference is the forgotten civil right. This right was destroyed by the 1873 *Slaughter-House* cases[30] in which the Supreme Court ruled erroneously that economic liberty was not included among privileges or immunities of citi-

29 Wilson, *op. cit.*, p. 117.
30 83 U.S. 36 (1873).

zenship protected by the Fourteenth Amendment. As a consequence, entrepreneurial opportunities are burdened by a pervasive array of regulations at every level of government, from the 1931 Davis-Bacon Act and federal minimum wage laws to local occupational licensing laws and government-conferred business monopolies. These laws, most of which were enacted not to promote public health or safety but to limit competition, stifle the tradition of bootstraps capitalism that is America's beacon to the enterprising poor. In essence, these restrictions cut off the bottom rungs of the economic ladder, so vital to the poor and those who have suffered discrimination, thereby destroying traditional methods for upward mobility.[31]

Conservatives should champion an Economic Liberty Act, which would require governmental entities to limit regulations restricting entry into trades or businesses to demonstrable public health, safety, or welfare objectives. Conservatives also should challenge as civil rights violations the most arbitrary and oppressive economic regulations.[32] In this way, conservatives not only would help complete the legal work of the original civil rights movement, but would open the most important door to economic independence: self-employment and business creation.

2) **Introduce parental choice into education.** Education is the key to progress. It is the great equalizer of the races, the most powerful tool for eliminating racism. But interposed between precious educational opportunities and those who need them the most stand America's often substandard public schools. And the greatest number of victims of that system are those who have no other choice – the inner city schoolchildren whose opportunities for advancement are crushed at schools that seem answerable to no one. Minorities disproportionately are the victims of America's dismal public school performance. Dropout rates for black and Hispanic students exceed those for whites, especially in urban areas. In the Chicago public schools, for example, the 1988-1989 school year dropout rate for whites was 13.9 percent, compared with a 23.3 percent rate for Hispanics and a 60.9 percent rate for blacks.[33] These young dropouts may in one sense be making a rational

Chicago stats

31 See Bolick, *Changing Course*, p. 94-104.

32 Landmark Legal Foundation's Center for Civil Rights last year successfully challenged a District of Columbia ordinance prohibiting street corner shoe shine stands, and is currently challenging Houston's "anti-jitney law" and a National Park Service regulation that has destroyed the native Virgin Islander charter boat industry.

33 Chicago Public Schools, Board of Education. Chicago defines a dropout as any student, sixteen or older, who has been removed from the enrollment roster for any reason other than death, extended illness, graduation, or completion of an equivalency program. Also included are transferring students whose records have not been requested by another public or private school.

choice: why stay in a substandard public school? But the tragedy is that unlike individuals of moderate and upper incomes, these low income students and their families have no opportunity to transfer to better schools.

America needs to empower low-income minorities and others as consumers with a choice of schools, by providing to parents a portion of the dollars spent on schooling in the form of a tax credit or voucher to purchase the education that best suits their children's needs. Studies show that choice and competition in education work, particularly for those who have lacked the most basic educational opportunities.[34] Moreover, polling shows that vouchers are especially popular among inner city minority parents.[35] Returning to parents choice of, control over, and responsibility for the education of their children is the first step in expanding educational opportunities.

The successes of educational choice initiatives in such states as Minnesota and in low income communities, like East Harlem, New York, should continue to be highlighted and serve as a model for expanded efforts. Conservatives, too, should craft educational empowerment strategies that support and build on such educational voucher plans as that achieved in Milwaukee, Wisconsin, owing to the efforts of State Representative Annette "Polly" Williams, a black Democrat who represents low-income inner city constituents.

3) **Make welfare a ladder, not a permanent crutch.** The welfare system has fueled a self-perpetuating cycle of dependency, which has influenced minorities disproportionately. Intended as a temporary helping hand in the case of the able-bodied, the welfare system not only has encouraged millions to remain on its rolls, but also in most instances has rewarded destructive behavior and penalized those who sought to become independent. Example: if a father walks out on his family, they become eligible for welfare. If instead of leaving, he takes a low-paying job to try to fulfill his responsibility, the family often is financially worse off.

The welfare system is particularly damaging to minorities because many of these families are at the margin, where welfare is an attractive option. Moreover, the "official" leadership of the black and Hispanic communities has added to the problem by urging government to increase benefits for those on

black son of dr - son of dishwasher lacks means to walk thru door of opport - must open door - to all.

34 See Clint Bolick, "A Primer on Choice in Education: Part I – How Choice Works," Heritage Foundation *Backgrounder* No. 760, March 21, 1990.

35 Alec M. Gallup, "The 18th Annual Gallup Poll of the Public's Attitudes Toward the Public Schools," *Phi Delta Kappan*, September 1986, pp. 58,59. A 1989 Gallup/Phi Delta Kappan poll found that 67 percent of non-whites favor educational choice.

What good does it do open doors of opportunity if don't have means to do it

Bill Raspberry

10/29/65 - 15 WP

MLK remove Racial discrim isn't tantamount to a cure.

the rolls, while doing little to support proposals to reward those who strive to become independent.

The federal government should encourage economic emancipation by reducing dependency on welfare and rewarding those who work. This strategy requires a major reform of the welfare system and anti-poverty programs to encourage independence and reward those who take their responsibilities seriously. Among the key reforms needed:[36]

♦ ♦ Expand the Earned Income Tax Credit, which supplements the earnings of very low-paid workers through the tax code.[37] This would reward work, encourage many on welfare to climb the ladder of employment, and ensure that families would move out of poverty if they joined the work force.

♦ ♦ Make some form of work mandatory for all welfare programs serving the able-bodied.

♦ ♦ Attach a portion of the earnings of all absent fathers, married or unmarried, if their family is on welfare. If the father claims to be unemployed, require him to enroll full time in a government work program.

♦ ♦ Encourage home ownership among the poor through "urban homesteading" programs, and an acceleration of tenant management of public housing.[38]

♦ ♦ Enact "enterprise zone" legislation, which would reduce tax and regulatory barriers to job creation in the inner city.

4) **Crack down on Crime.** The new civil rights agenda should emphasize the most fundamental of civil rights: freedom from crime. Personal security is the primary justification for government. Government, however, is failing to protect its law-abiding minority citizens against crime.

Crime falls disproportionately on minorities, creating an additional barrier to those striving for economic independence and social responsibility. Black households in 1988, for example, were 60 percent more likely to be burglarized and three times more likely to be robbed than white households. Black households suffer more than twice the number of motor vehicle thefts and al-

---

36 See also, Stuart M. Butler, "Razing the Liberal Plantation: A Conservative War in Poverty," in *National Review*, November 10, 1989, p. 27; Stuart M. Butler, "Welfare," in Charles L. Heatherly and Burton Yale Pines, eds., *Mandate For Leadership III: Policy Strategies for the 1990s* (Washington, D.C.: The Heritage Foundation, 1989) p. 253; Stuart M. Butler and Anna Kondratas, *Out of the Poverty Trap* (New York: The Free Press, 1987).

37 See Stuart M. Butler, "The Peace Dividend: It Belongs to the People, Not Congress," Heritage Foundation *Backgrounder* No. 752, February 9, 1990.

38 See John Scanlon, "People Power in the Projects: How Tenant Management Can Save Public Housing," Heritage Foundation *Backgrounder* No. 758, March 8, 1990.

most 65 percent more incidents of aggravated assault than whites.[39] The probability of being murdered is six times greater for blacks than for whites.[40] Hispanics, too, are far more likely than whites to be victims of crime. From 1979-1986, for example, Hispanic Americans were victims of violent crime at a rate twice that of non-Hispanics.[41]

If conservatives and the inner-city poor can make common cause on any issue, it should be crime. Strong anti-crime measures directed toward urban centers, along with meaningful protection of victims' rights, form the foundation of an effort to better secure vulnerable individuals in their persons and their property. Creating a crime-free environment in poor communities will require several changes in the law to favor the victim over the victimizer. Among them: "victim's rights" laws that compel criminals to make restitution to their victims, and require prosecutors to take the victim's interests into account in sentencing and probation. Government also should reprioritize its law enforcement strategy in poor communities. Law enforcement should focus on preventing and prosecuting crimes against persons and property in the ghettos, and increasing penalties for such crimes.

Ridding America's minority communities of the source of crime also will require empowerment strategies to involve communities in the fight. One idea that merits study is a proposal currently before Congress to create a police ROTC program for poor communities.[42]

Under the plan, students would receive college tuition in exchange for serving on the police force of their community after graduation. Such additions to urban police forces would free more officers to perform such vital functions as foot patrol on the streets of poor communities.

WHAT GEORGE BUSH SHOULD DO

Obviously, George Bush can do a great deal to advance a conservative strategy on civil rights – one that will do far more to advance civil rights than the Kennedy/Hawkins legislation. He enjoys enormous popularity among both white and minority Americans. The time is ripe for a Bush-led civil rights strategy that would build on the foundation laid in the 1960s. The President thus should draw on his popularity and credibility by restoring momentum to a quest for civil rights that has strayed off course for the past generation. Already, Bush has taken an important step in this direction with his May 17 Rose Garden speech on civil rights. In that ground-breaking speech, he vowed to veto any civil rights bill that would promote racial quotas, and he re-

---

39 See Joseph Perkins, ed., *A Conservative Agenda For Black Americans* (Washington, D.C.: The Heritage Foundation, 1987, 1990) pps. 31-32.

40 Bolick, *Changing Course*, pp. 116-118.

41 "Hispanic Victimization," Bureau of Justice Statistics, January 1990.

42 S. 1299, "The Police Corps Act of 1989." Sponsors include Republican Senators Specter, Heinz, Rudman, Coats, and Lott. Democrats include Senators Sasser, Bradley, Lieberman, and Dodd.

defined civil rights to include empowerment strategies for the poor. Next, the President should:

1) Veto the Kennedy/Hawkins bill. To sign into law a civil rights bill that promotes racial quotas would be to surrender to racism. And to sign a civil rights bill that fails to include empowerment initiatives for the poor would ignore the civil rights of those who are struggling the most. The Kennedy/Hawkins bill champions a failed policy agenda and does little to solve the most pressing civil rights problems. If the bill passes Congress, Bush should veto it and immediately shift the terms of the debate from quotas to empowerment.

2) Issue an Executive Order on Empowerment. In 1961 President John F. Kennedy issued Executive Order 10925 that mandated affirmative action throughout the federal government. Now, nearly three decades later, George Bush should issue a new executive order building on Kennedy's vision and propelling government into a new era of civil rights action.

This executive order should require all federal agencies, departments, and offices to review existing policies and regulations and eliminate those that stifle the economic empowerment of minorities. Like Kennedy's executive order, Bush should require the federal government to take affirmative action to recruit minorities and also to break down barriers to their economic liberty. Bush should order the federal government to restructure affirmative action to encourage empowerment efforts aimed at increasing human capital and removing obstacles to the economically disadvantaged.

The Bush executive order also should require that every new government regulation be accompanied by an "Empowerment Impact Statement" that addresses how the regulation would help to empower low-income Americans to manage their own affairs and attain economic liberty.

3) Establish a Commission on Economic Mobility. In his 1961 Executive Order, Kennedy established the President's Committee on Equal Employment Opportunity to "scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination...." Bush likewise should appoint a presidential commission to examine contemporary obstacles to minority opportunities, and to recommend within a specified time period legislation designed to eradicate those obstacles. This effort should be similar to that which preceded the development of the Age Discrimination in Employment Act of 1967. By establishing this Economic Mobility Commission Bush would lay the groundwork for opening far more opportunities for economically disadvantaged minorities than would the Kennedy/Hawkins bill.

4) Strengthen Damage Provisions of the Civil Rights Act. Under the Civil Rights Act of 1964, an employer found guilty of discrimination need only provide a job and back pay to the aggrieved party. This penalty is not sufficient to deter future discrimination. To remedy this, Bush should propose to Congress

amendments to the law to allow recovery of treble punitive damages against employers who willfully or persistently violate the law.

5) Propose a Comprehensive Welfare Reform. Congress in 1988 enacted the Family Support Act. Touted as a major reform of the welfare system that would reduce welfare dependency, the legislation in fact is little more than an expansion of existing programs. Moreover, a Congressional Budget Office analysis of the statute predicts that it will actually add people to the welfare rolls.

Bush should explain to Americans that there will be no progress in the war against poverty until there is a change in the strategy used to fight the war. He should assemble a cabinet-level task force, led by Housing and Urban Development Secretary Jack Kemp, to develop a comprehensive series of welfare reforms to promote the empowerment of poor Americans.

6) Coordinate Empowerment Efforts. The beginning of an empowerment infrastructure already exists. In addition to public policy organizations dedicated to self-help, Secretary of Housing and Urban Development Jack Kemp and Education Secretary Lauro Cavazos are pushing empowerment strategies in their agencies. In Congress, Representative Steve Bartlett, the Texas Republican, has formed an empowerment caucus comprised of conservative and moderate Republicans. And the moderate Democratic Leadership Council last month endorsed a policy plank calling for equal opportunity rather than equal results. These developments reflect a growing determination among conservatives to confront civil rights issues, and a growing receptivity to what conservatives have to say.

Outside of Congress, organizations and individuals are showing what can be accomplished by poor Americans if they are given the opportunity to use the capacities they have. The public housing tenant management movement, for example, has brought dignity and hope to dozens of once crime-ridden and blighted projects. An education reform movement has spawned more than 300 new black independent schools, most of them created by parents and community groups in poor neighborhoods. Robert Woodson's National Center for Neighborhood Enterprise has helped to highlight the successes of numerous additional empowerment efforts nationwide, and provided technical assistance to self-help groups in minority communities. And the National Association of the Southern Poor, headed by Donald Anderson, has carried the self-help message to rural Southern communities, sparking a rejuvenation of formerly crime-ridden and depressed communities.

George Bush needs to draw greater attention to the movement for minority empowerment. He needs to give this movement at least equal standing in the debate over civil rights, and to instruct agency officials to do likewise. As long as the perception exists that only minority leaders espousing the tired liberal agenda are legitimate spokesmen for black and Hispanic Americans, the economic emancipation of these groups will be painfully slow.

7) Repeal the Davis Bacon Act. The 1931 Davis Bacon Act is the federal equivalent of local Jim Crow laws that prevent minorities from competing for

economic opportunities. The law's requirements that federal construction contracts pay the "local prevailing wage" inflates wage rates. The result: many small minority firms that cannot afford to pay such inflated rates are excluded from government construction contracts. The law also discriminates against minority tradesmen who are willing to work for less than union wages. In fact discriminating against black workers seems to have been one of the reasons for passing the 1931 law. Said Alabama Congressman Miles Allgood during the February 28, 1931, floor debate on the bill, "That contractor has cheap colored labor...and it is labor of that sort that is in competition with white labor . . .. This bill has merit ... it is very important that we enact this measure."[43]

Despite its devastating impact on black firms and tradesmen, and its effect of increasing federal construction costs by $1.5 billion annually, the 60-year-old Davis Bacon Act remains law. The reason: Congress refuses to abolish it out of fear of offending organized labor. George Bush should launch a campaign to convince Congress to repeal the Act. As part of this effort, he should instruct Labor Secretary Elizabeth Dole and other appropriate executive branch agencies to conduct a thorough examination of the Act's impact on minorities. Bush should make repeal of the Davis Bacon Act the centerpiece of his civil rights strategy to eliminate the remaining vestiges of America's Jim Crow laws.

8) Require that Congress be Subject to Civil Rights Laws. Congress routinely exempts itself from the laws it passes, including the nation's major civil rights statutes. Although the executive branch is subject to the provisions of the 1964 Civil Rights Act, Congress is not. Thus the 37,000 employees of the legislative branch are without the civil rights protection guaranteed to all other Americans. This has led some observers to describe Congress as the "last plantation." Undeterred, however, Congress is attempting to exempt itself from new civil rights laws. The Kennedy/Hawkins bill, for example, fails to require that Congress comply with its provisions.

George Bush, in his May 17 Rose Garden speech, called on Congress to apply to itself all existing and proposed civil rights laws. This is sound policy. Bush should hold Congress to that standard, and refuse to sign any civil rights bill that fails to subject Congress to its provisions.

43 *Congressional Record - House*, February 28, 1931, p. 6513.

CONCLUSION

In his February testimony before the Senate Labor and Human Resources Committee, Harvard's Glenn Loury summed up the current civil rights challenge:

> Today the nation faces a challenge different in character though perhaps no less severe in degree than that which occasioned the civil rights revolution. It is important, though, to be clear about just what that challenge is, and what it is not. The bottom stratum of the black community has compelling problems which can no longer be blamed solely on white racism, which will not yield to protest marches or court orders, and which force us to confront disquieting aspects of lower class black urban society. The profound alienation of the ghetto poor from mainstream American life has continued to grow worse in the years since the triumphs of the civil rights movement, even as the successes of that movement has provided the basis for an impressive expansion of economic and political power of the black middle class. Finding ways to effectively address the problems of the inner-city poor, of all races, is the challenge which confronts us today.[44]

The abandonment of employment and educational objectivity and the reflexive use of quotas exacerbate racism and fail to address the serious problems faced by America's truly underclass. What is needed are efforts to confront remaining obstacles so that minorities can take advantage of the opportunities secured by the civil rights laws. The economic barriers separating minorities from the American mainstream are the type of barriers that affirmative action originally was intended to overcome: practical obstacles, some the result of discrimination and some not, that prevented individuals from securing the opportunities promised by civil rights laws. By pursuing an affirmative action strategy of redressing problems of economic mobility and human capital development, the unfinished business of the civil rights movement can be completed.

Conservatives since the 1960s have consigned themselves to a marginal role in the civil rights debate, acting as opponents to civil rights or passive bystanders while liberals dictated the terms of the debate. Many civil rights policies of the past quarter century have failed to aid the most disadvantaged individuals in our society. These policies also have perpetuated racial divisions

---

44 Loury, *op. cit.*

among Americans. This dismal status quo can change only if conservatives reclaim the moral high ground and assume a positive leadership role in civil rights issues in the coming decade. This leadership can be achieved by pursuing a strategy of vigorous law enforcement and individual empowerment.

Prepared for The Heritage Foundation by
Clint Bolick
Director, Landmark Legal Foundation Center for Civil Rights
and
Mark B. Liedl
Director of Special Projects
The Heritage Foundation

All Heritage Foundation papers are now available electronically to subscribers of the "NEXIS" on-line data retrieval service. The Heritage Foundation's Reports (HFRPTS) can be found in the OMNI, CURRNT, NWLTRS, and GVT group files of the NEXIS library and in the GOVT and OMNI group files of the GOVNWS library.

91 FEB 19 P5:34

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH
IMMEDIATE OFFICE

TELECOPIER COVER SHEET

Feb. 19, 1991
DATE

NUMBER OF PAGES (INCLUDING THIS PAGE) 11

TO: Mary Kate Grant

FROM Tom Hamberg
HUD

PHONE:

PHONE: 708-3896

FAX NUMBER: 456-6218

SUBJECT:

THE PHONE NUMBER FOR THIS FAX MACHINE IS (202) 619-8000



"I want to help every man, woman, and child share the American Dream."

Jack Kemp
July 10, 1989

Ladies and gentleman, I'm honored and thrilled to be here with you at the annual NAACP convention. On this eightieth birthday of your founding, I'm proud to share the dais with your fellow warriors in the continuing battle for civil rights. I'm proud to share this moment with you and with Mrs. Aminda Wilkins, with your Chairman of the Board, Dr. William Gibson; with Nathaniel Colley, who chairs your Special Contributions Fund; with Mrs. Enolia McMillan, President of the National Board; with your Vice Chairman, Rev. Edward Hailes, with Mrs. Myrlie Evers, who is presiding; with Hazel Dukes of the New York State NAACP and Dan Acker of the Buffalo NAACP; with Althea Simmons, Director of the NAACP's Washington Bureau, and of course, with your Executive Director, Dr. Benjamin L. Hooks.

I want to thank Ben Hooks for that warm and generous introduction. I want to thank him, too, for the unstinting leadership he has delivered to your organization...and our country...in the march for liberty and justice.

Thirty-two years ago this month, I came to Detroit as the 17th round draft choice. It's good to be back.

And frankly, folks, if it weren't for Ben Hooks...without his early support...Ben, I might not be Secretary of HUD. When people were wondering what kind of a Secretary I might be, he said I was a liberal with a big 'L' on relations between the races.

And, Ben, I won't let you down!

A few days ago, Ben came by my office to talk about a national campaign styled somewhat after the "clean-up, paint-up, fix-up" programs common to many local communities. He mentioned that the Detroit Baptist Council has such a program, that the Baltimore Afro-American newspaper has such a program, and that in Charlotte, North Carolina, there is a massive clean-up program with hundreds of citizens clearing the shoulders of the expressway -- a major campaign for cleanliness.

Well, I agreed that we should start working with Ben Hooks and the NAACP to make this a national project, and right now, I am announcing that the planning for this program will start immediately. Through this and similar efforts, religious groups, civic groups, labor unions, old, young, teenagers, and all kinds of community organizations can be involved in a massive effort to make our neighborhoods more liveable. I want HUD to work with them and with you to do it. Let's start with those 15,000 abandoned houses in Detroit; and let's get GM, Ford, Chrysler, and Labor to work with us.

On the day President Bush nominated me, I was proud to choose as my motto the beautiful words Martin Luther King expressed upon receiving the Nobel Peace Prize. He said he had "...an abiding faith in America and an audacious faith in the

future of mankind." I, too, have that audacious faith in the future of mankind.

What a thrill it was the other day to sit next to Ben Hooks at the White House, as President Bush and distinguished civil rights leaders and Members of Congress celebrated the 25th anniversary of the Civil Rights Act of 1964, a milestone on the road to freedom and justice. You helped lay that milestone. Vernon Jordan, John Jacob, John Lewis, Joseph Lowery, Jesse Jackson, Floyd McKissick, and Martin Luther King III were there, too; and what an honor it was to meet the great lady of inspiration, Rosa Parks, in the East Room ceremony.

I couldn't help thinking that the modern civil rights movement really started in earnest nine years before the '64 Act. It started on Cleveland Avenue in Montgomery, Alabama, on December 1, 1955 when a local official of the NAACP, Rosa Parks, said she just wasn't about to move to the back of that bus. That was a profoundly courageous thing she did, and it helped inspire sweeping changes in the South and throughout America.

Ben, I've always admired the wisdom of your thought, the eloquent clarity of your ideas -- as so well expressed in the words I read in last month's issue of Crisis. You wrote: "America can only be great if she extends to all of her citizens a chance to make a difference, an opportunity to make a significant contribution to the collective good..."

Those words crystallize our challenge! A chance to make a difference. An opportunity to contribute to the collective good.

This is the American quest. In one simple, yet profound, statement, Ben Hooks has captured its meaning. He has defined our quest...our common objective.

That objective has been ennobled by the lives of patriots and martyrs, by students and workers, by black and white. It has been bought dearly by the sacrifices of those who came before us.

Martin Luther King, writing from the Birmingham jail, personified those sacrifices. He said the civil rights protesters "were in reality standing up for what is best in the 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."

Ladies and gentlemen, they sacrificed so we might succeed. The road we travel to basic human rights, to dignity and justice, has been carved through the wilderness of ignorance and bigotry, of racism and prejudice. Our way was cleared by the sweat and blood of our ancestors. And by so many people in this room. The

road we follow was laid out by Thomas Jefferson and Crispus Attucks, by Abraham Lincoln and Frederick Douglass, by Hubert Humphrey and Martin Luther King. It was paved and advanced by DuBois and White and Wilkins.

We're following that same road today...Ben, you, me. Men and women of good will everywhere. It's never an easy journey, but we'll keep on going until we reach our destination...until we reach that blessed America so many have struggled, fought, and died for.

We're going to keep on that road. We dare not leave it. For the road to freedom and justice is not yet complete. Our job is to complete it...not just for ourselves...but for those who come after us -- for your children and mine.

Finishing that job...traveling and advancing that road...that is our greatest challenge. For this is the Glory Road...the road that leads to a truly great America in which none are left out...no one is left behind...and all have a chance to contribute. We're going to meet that challenge....we're going to complete this Glory Road...by shaping an America that offers each of us...every man, woman, and child...the freedom to reach the outermost limits of our capabilities.

This is a momentous time in our Nation's history. It's our chance to take what our forefathers knew America could become...to take that idea, that dream, that promise...and transform the promise into reality for all.

We can do it. We must do it. We must extend that road into every ghetto and barrio, into every impoverished corner in urban and rural America. We can open that road to those left out or left behind. We can clear the way so they, too, may follow that road to hope and dreams, to self-determination, to opportunity, homeownership, and economic independence.

Ladies and gentlemen, I'm a believer. I believe we can build that Glory Road. I believe that, working together, we will build it.

We can build it because we know the way. It's clearly laid out for us. America's Glory Road has been well-marked by the signposts of history.

Just think. Two hundred and thirteen years ago last week, Thomas Jefferson wrote the immortal words: "We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness..."

Some people thought those words were written for white folks. But they were written for all folks. Some thought they were written just for Americans. But they were written for all people. Some thought they were written for one moment in history. But they were written for all time.

Those words inspired not only the students in Selma, but the students in Beijing. Not only factory workers in America, but factory workers in Poland. They inspired not only the struggle for civil rights for blacks in America, but the fight for democracy and human rights for blacks in South Africa.

Those words have guided our country throughout the course of its history. We accept them not simply as an ideal, but as a worthy and realistic goal; recognizing, all the same, that it is a goal we have yet to achieve in full for all our people.

More than a century and a quarter ago, Abraham Lincoln engaged in a magnificent debate with the "Little Giant," Senator Stephen Douglas. In what became known as the "Peoria speech," Lincoln said:

"I cannot but hate slavery. I hate it because of the monstrous injustice of slavery itself. I hate it because it deprives our American example of its just influence in the world; enables the enemies of free institutions, with plausibility, to taunt us as hypocrites; causes the real friends of freedom to doubt our sincerity; and especially because it forces so many good men among ourselves into an open war with the very fundamental principles of civil liberty, criticizing the Declaration of Independence, and insisting that there is no right principle of action but self-interest...I object to it because it assumes that there can be moral right in the enslaving of one man by another...we began by declaring that all men are created equal; but now, from that beginning, we have run down to the other declaration, that for some men to enslave others is a `sacred right of self-government.' These principles cannot stand together. They are as opposite as God and Mammon."

Lincoln's eloquence...his thorough understanding of the fundamental moral imperative underlying the issue...was formidable. And, do you know what Douglas did? He capitulated. He begged for a truce, saying: "Lincoln, you understand this question of prohibiting slavery...better than all the opposition in the Senate of the United States. I cannot make anything by debating it with you."

Freedom. An inalienable right. An idea so powerful that the "Little Giant" was forced to concede the issue and begged for a truce.

In the nineteenth century, a house divided against itself,

half free and half slave, could not stand. And today we cannot allow our nation to stand divided between prosperity and poverty. How can we tell the world that democracy and freedom work, if we can't make them work for those left out and left behind in America?

Freedom and justice are never easily won.

That's why we needed the NAACP eighty years ago. And that's why we need the NAACP today: to make America live up to itself. Through your efforts, our country has made great strides in basic human rights.

You helped pass the Voting Rights Act, the Civil Rights Act. You helped abolish municipal housing segregation ordinances. And you brought an end to school segregation.

The NAACP successfully pushed for the Open Housing Act and other fair housing laws, including the one passed last year. I want to thank Ben Hooks and Althea Simmons, the Director of the NAACP's Washington bureau, who worked so hard to get it passed. I have the duty and the privilege of administering those laws and, only a few days ago, I brought the first charge of racial discrimination under the Fair Housing Amendments Act of 1988.

I want you to know that President Bush will not tolerate housing discrimination. And neither will I.

The boycotts, the sit-ins, the marches, the legal challenges...all punctuated a message of moral outrage -- a message that became a testament of fierce commitment to freedom and justice. You were there then and you are here now, continuing the struggle.

I wasn't there, but I wish I had been.

The 1950's and 60's were an awesome period of expanding civil and human rights in American history -- a time of powerful and necessary changes in the law. It was the dramatic high point of Chapter One in the struggle for civil rights.

Chapter One was written by those who led the fight for basic human rights, for legal rights, voting rights. It was written by Rosa Parks, Martin Luther King, Jr., and Whitney Young. It was written by Andy Young, Morris Abram, Ella Baker, and John Lewis. It was written by Fred Shuttlesworth and Ralph Abernathy, by Thurgood Marshall and Roy Wilkins. By Vernon Jordan, John Jacob, Dr. Leon Sullivan, Ben Hooks...and so many of you here.

Chapter One is a proud part of our country's history...a chapter of commitment and sacrifice, of determination to achieve justice and equality for all our people. But, Chapter One would

not have been possible without the work begun 80 years ago by the NAACP. The relentless drive for freedom and justice has lived within us for as long as history can recall; but this chapter was largely written by those who joined forces in 1909 to forge an alliance against racism...and by all of you who followed in their footsteps.

Chapter One was about freedom and justice, about removing legal barriers, about full rights for each and every one of us as American citizens.

And, I must give credit to some great leaders of the Democratic Party who were marching at the head of the civil rights revolution in the '60s when many in the party of Lincoln were nowhere to be found. But I'd be remiss not to say that the Republican Party's roots were not dug by Herbert Hoover. The Republican Party began as a great civil rights movement in the 1850s that included breakaway Democrats, anti-slavery Whigs, abolitionists and Free-soilers. Abe Lincoln called it the Republican Party to remind folks that it was an extension of Thomas Jefferson's old Democratic/Republican Party. As Tony Brown's Journal has recalled, the radical Republicans were the best friends blacks had during Reconstruction, and I hope a modern-day radical Republican Party competes effectively for the minority vote.

President Bush and I look forward to the day when both major political parties compete for the votes of African-Americans. We must remind people that the entire civil rights revolution is the continuing saga of the first American Revolution.

And now, at the dawn of a new millennium, we are engaged in a new chapter of this ongoing revolution, for as you in the NAACP have said so well, "The Struggle Continues."

Let us dedicate this chapter to realizing the dream of homeownership...of opportunity...of prosperity...for everyone. That's what HOPE spells.

This chapter is about economic prosperity, about jobs for everyone, and growth, and a bigger pie and more seats at the table.

And this chapter is about more than that. Not only about a chance to drive a truck, but a chance to own the truck...not just a chance to have a job, but a chance to own the company...not only a chance to live in decent and drug-free public housing but a chance to homestead and manage, and, ultimately, own the housing.

And, as we move into Chapter Two, we need to know how far we have come so we may appreciate how far we have yet to go.

It's a good sign that some 40 percent of black American households are considered middle income, a category that has grown by more than 25 percent during the recent economic expansion. The receipts of black American businesses have been growing at an average rate of eight percent every year since 1982. Over 2.5 million new jobs have been filled by black Americans in the last five to six years.

Yet, clearly, this is not enough. It only serves to remind us how far we have to go. Over half a century ago, Franklin D. Roosevelt saw one-third of a nation ill-clad, ill-housed, and ill-fed. By 1987, the GNP had increased eightfold; and still -- 56 years after FDR's statement -- one-third of black Americans remained below the official poverty line...ill-clad, ill-housed, ill-fed.

According to the Good Shepherd (Matt. 25:40) those who "inherit the kingdom" are those who feed, clothe, and house "the least of these my brothers."

Well, our American economic growth has not yet reached the least of our brothers and sisters. We must reach the least, the lost, and the last...that's what we must do in Chapter Two. As my Chief of Staff, Wendell Gunn, says, "We've got the ticket. After 200 years we can finally get on the train. Now let's get the train moving."

That's what President Bush wants to do and wants me to do at HUD. We want to get the train of growth in jobs and opportunity for decent and affordable housing moving through Watts and Boyle Heights, through Newark and Bed-Stuy, through Liberty City and Vine City, through Overtown and Motown...through every place where the least, the lost, and the last need to get on that train.

That's why I'm proud to be in the President's Cabinet, because he wants to create an "opportunity society...an economy," he said, "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."

President Bush said, "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."

I'm proud to accept that mission because those are exactly my goals, as well. And I want you to know that even though the President is in Poland today...he is here because I'm here to say it for him.

And I promise you what I promised him. We are going to reform HUD from top to bottom. We are going to make our programs work for the people in need, not those motivated by greed.

Saturday night, I had the honor to speak to the League of United Latin American Citizens, LULAC. I shared a story with them that I'd like to share with you. This is a lesson I learned from Luis Munoz Marin, the great governor of Puerto Rico, the leader of the Popular Democratic Party, and the originator of Operation Bootstrap. When his political party was out of power, he used to talk about the need to redistribute wealth among the people, to slice the loaf so everyone gets a piece in the name of social justice. But, when he became Governor of Puerto Rico, he soon realized that if all he had to distribute was the same loaf of bread, the slices would get pretty thin before too long. He realized what he needed weren't just better ways to slice that one loaf, what was really needed was to create new bakeries.

That's what we must do -- create more bakeries in the ghettoes and barrios all over America.

We can start by passing enterprise zones now, so we can begin the process of "green-lining" the inner city areas for entrepreneurship and jobs...areas that have been "red-lined" for despair. Enterprise zones can help unleash the creative energies of minority entrepreneurs in the urban areas of America to create opportunity for those who have been left behind. I will work closely with the Congress to ensure its passage so we can replace pockets of poverty with jobs and opportunity.

In 1929, on the eve of the Great Depression, blacks owned 65,000 businesses nationwide. I am struck by the number -- 65,000 black owned businesses -- because, as John Jacob tells us in The State of Black America 1989, there were just 301,000 black-owned businesses in 1982.

As I told Coretta and Dexter King at Paschal's Restaurant in Atlanta -- on the day after my swearing-in -- we must commit America to doubling or tripling that number by the middle of the next decade.

Enterprise zones will be of little help in doing that if there is no capital available to invest in new businesses in the zones. The people who cannot afford high capital gains taxes are not the rich, ladies and gentlemen. Capital gains taxes have their most important effect on people's power to find "seed corn" to start up new businesses.

Publisher John Johnson, a true entrepreneur, just wrote a deeply inspiring book called Succeeding Against the Odds. The seed capital he needed to begin publishing in 1942 amounted to just $500 -- so near, yet so far. Unable to get a loan from Chicago's biggest bank, his only solution came from his mom who

put up her new furniture as collateral for a $500 loan from a small thrift. So risky was that venture that Mrs. Johnson prayed and cried for days before she felt she could take the chance on losing every piece of furniture she had.

Not every potential entrepreneur is lucky enough to have a mom with even $500 worth of furniture to put up. But somebody has to invest the seed corn when an idea-rich but money-poor man or woman in a ghetto or barrio wants to imitate the John Johnsons and Mr. Paschals by putting their dreams to work. And that somebody should not be stopped because the capital gains tax is too high to make the risk worth taking.

In his book John Johnson says of success in business, "Can it be done again? "Yes," he says, "it can be done again. I could do it again. So could you. So could any man or woman who comes up with an idea that provides a service no one else is meeting and who is willing to subordinate everything to the idea and the dream."

If we are ever going to turn the page -- if we are ever going to begin Chapter Two in earnest -- if we are serious about unlocking the door to opportunity -- we have to unlock the seed capital for black and hispanic and minority and women's enterprises. We must convince Congress to cut the capital gains tax to fifteen percent nationwide and to eliminate it in our rural and urban enterprise zones.

We can also help entrepreneurs with another incentive. I strongly support Congressman Charlie Rangel's proposal to give investors an upfront tax deduction for the first $100,000 they put into enterprise zone businesses.

There is more we can do. We need to increase the earned income tax credit to hold down the enormous effective marginal tax rates on the poor just struggling to get on the first rung of that ladder of opportunity. The supplemental earned income tax credit would give eligible families a credit to supplement their earnings. There should be no tax on workers' wages up to 160 or 170 percent of the poverty level.

As you can see, I favor using the tax code to achieve socially desirable goals...and what's more socially desirable than jobs and adequate, decent, and affordable housing for low-income Americans? I think the low-income housing tax credit fits that "desirable" criterion. It expires this year; but I'm pleased that it has bipartisan support, and I'm working with Congressman Rangel and Senator Mitchell to extend it and make it work better for low-income people and low-income communities.

And, there's another extremely valuable tool available right now, the Community Reinvestment Act. In March, 1978, the

Comptroller's office approved the first non-profit Community Development Corporation, dedicated to the "revitalization of inner-city residential neighborhoods." Today, more than 130 banks are investing in communities sponsoring low- and moderate-income housing.

This month, the Comptroller will make public all information on all lending decisions which involve CRA-related conditional approvals, denials and CRA protests. This will enable the public -- you -- to help the Comptroller's office scrutinize bank practices to insure that the Community Reinvestment Act is being complied with. I strongly support this Act and all efforts to end, once and for all, the disgrace of red-lining in America. We must encourage the flow of seed capital and lending to develop our low-income communities and to produce low-income housing. We want to encourage investment by banks and thrifts and pension plans -- profit and non-profit -- with Federal, State and local support.

These are some of the ideas we're working on at HUD and within the Administration to extend jobs, opportunity and hope to every American. But those are not the only ideas. I've had a look at your plan for the year 2000 and beyond, and it calls for:

* developing and implementing programs to increase black homeownership and home retention among blacks;

* increasing black family wealth from its presently disproportionate low level;

* increasing black self-employment;

* ensuring that substantial numbers of blacks are employed in growth industries and occupations;
...and there are other proposals.

I have one problem with this plan. Why wait for the year 2000? I want to start now.

I want to help the NAACP integrate the economy. I want to help every man, woman, and child share the American Dream.

Ladies and gentlemen, I have to tell you something.

I wasn't there when Rosa Parks integrated the buses. I wasn't there when the students integrated the lunch counters. I wasn't there when the schools were integrated. I wasn't there at the Lincoln Memorial, when Dr. King spoke of "the dream."

But, I'm here now.

Let's get started!

Facsimile Transmission

Cities
in
Schools, Inc.

91 FEB 21 P4:27

DATE: 2/21/91

TO: Marykate Grant

FROM: Sarah DeCamp

RE: FYI - info on CIS.

REMARKS:

This op ed ran in the Feb. 18 Washington Post. It is written by Del Lewis - a CIS boardmember and President + CEO of C+P Telephone. It was written in response to a Raspberry column. I thought you might be interested. Del Lewis is a resident of ~~the~~ DC. + is a key CIS boardmember who is black.

NUMBER OF PAGES TO FOLLOW: 1

1023 15th Street, N.W., Suite 600, Washington, D.C. 20005 * Telephone Number: (202) 861 0230
* Facsimile Number: (202) 289-6642

The Washington Post

MONDAY, FEBRUARY 18, 1991

Delano E. Lewis

Society and Schools: The Team System

William Raspberry's column " 'What It Takes' to Deliver Social Services" [op-ed, Jan. 30] delivered a message to all of us who are concerned with America's social problems. It is not, Raspberry asserts, that America has stopped caring about poor people, small children or troubled families. Rather, we have become painfully aware that isolated "programs" simply don't alleviate the problems they are designed to combat.

Raspberry points with satisfaction to a monograph just published by the Education and Human Services Consortium that argues for the solution: fragmented and depersonalized social service programs must become connected and collaborative. They must stop treating their clients as a collection of unrelated problems and begin to see them holistically as human beings, so that "a truly seamless web of services" may be woven for them.

I first heard this message almost 20 years ago from a man named Bill Milliken. He is now the president of Cities In Schools Inc. (CIS), the nation's largest non-profit dropout prevention program, and since 1986 I have had the privilege of serving on CIS's national board of directors. Reading Raspberry's column was in some respects an eerie experience, because Milliken and the dedicated staff of Cities In Schools have been singing the same song loud and clear for many years—and it appears that the nation is now ready to listen.

Milliken and CIS argue that most social services for "at-risk" youth are already in place—but they are in the *wrong* place. As Raspberry and the consortium note, students and their families are asked to seek out the help they so badly need—health care, drug rehabilitation, career planning—from a confusing variety of disconnected agencies scattered throughout a typical community. The consortium's monograph points out that to expect troubled youth or their parents to negotiate this maze "is truly to ask the impossible."

Bill Milliken puts it this way: "You'd need a PhD in systems to figure it out. *I* couldn't do it. How can I expect it of a young kid who's about to drop out?" CIS instead reverses this process and brings repositioned social service providers into the school itself, where they can serve alongside teachers in the battle to give young people education, direction and hope.

This approach emphasizes building personal relationships with young people and their families. The repositioned personnel function as a team, so all information is shared, and each student's needs are examined in relation to his or her overall situation. This team process also "models" for youngsters a way of cooperating and working together—a model often sadly lacking in their communities.

The 50 Cities In Schools programs currently operational across the country served almost 30,000 young people and their families last year. CIS programs consistently report excellent results in areas such as retention, academic improvement and amelioration of behavior problems. The overall goal of the CIS effort—reduction of the dropout rate for these youth—is well within reach. But Milliken emphasizes that *any* social problem can be effectively addressed with this same combination of coordinated social services and personalized team-building to help those at risk—the very model that Raspberry and the Education and Human Services Consortium endorse.

> *"In the long run, 'parachuting in the experts' may no longer be necessary."*

"Ultimately," says Milliken, "we're talking about institutional change, a change in the way society views its problems. We've got to stop encouraging, even rewarding, competition between helping agencies. Collaboration should be the aim; both government and private philanthropies have to begin putting their resources behind cooperative efforts instead of demanding that social service groups with different agendas engage in a destructive fight for the few funds available."

The CIS approach has another virtue, which is also directly pertinent to Raspberry's column. "If I have any criticism of this excellent paper [the Consortium monograph]," he writes, "it is that it focuses almost exclusively in improving the delivery of government services and hardly at all on the importance of strengthening communities in order to prevent or ameliorate problems before they come to agency attention."

Cities In Schools is aware of the danger to local leadership posed by constant reliance on government resources. To counteract this, CIS has evolved two important guidelines: all CIS programs must rely primarily on private sector leadership, especially from the businesses that are part of the school system's community, and each CIS program is formed as a privately incorporated organization independent of any authority outside the community itself. A local CIS board of directors typically comprises educators, religious leaders, health and social service providers, business persons, Private Industry Council members and community activities, and it is always chaired by a representative from the private sector. Thus the board members are stakeholders and have a vested interest in seeing the effort succeed.

This approach ensures that the community will assume responsibility for solving its children's problems—and it also provides a model for community empowerment. In the long run, "parachuting in the experts" may no longer be necessary, and the crippling reliance on paternalistic "helping" can be brought to an end.

Bill Milliken has worked for more than 30 years in disadvantaged communities, and his reflections are somber and important for us to understand. "Since World War II," he says, "our sense of community has deteriorated. Religious institutions and extended families used to be the mediating structure of any healthy community. Now, in many areas, that's no longer true. In a way, the schools are the last place left for a community to rally behind. But in the process, we wind up asking schools, and teachers, to do so much more than they're able to do. The only effective solution is to reorganize and empower the community around the school, to make it a rallying point and to bring community resources into the schools."

I can only hope that more and more individuals in our communities, businesses and government alike, will hear Milliken's and Raspberry's message. We haven't stopped caring, nor have we run out of resources to help troubled families. Whether it is through our educational support efforts at C&P Telephone or through organizations like Cities In Schools, I am convinced business must be an active partner.

The writer is president and chief executive officer of C&P Telephone.