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THE WHITE HOUSE
WASHINGTON

Date: 2/7

TO: *MUG*

FROM: JAMES P. PINKERTON
Deputy Assistant to the President
for Policy Planning
x6406

*Why not? It's
the cornerstone of our
agenda!*

2/6/91

- 4 -

long overdue. I headed a task force when I was Vice President that I thought came up with some very sound recommendations for regulatory reform.

Now Secretary Brady has come up with some recommendations that I think are even better. They're more simplified. The Fed manages one set of organizations and the new organization under Treasury another. And I should think this would renew confidence. I think the interest rates coming down should instill confidence. And, yes, I do believe that some of the regulators -- I'm not sure I can answer it specifically on regulations per se -- but I think some of the regulators in the past got overzealous, and I think that scared some of the banks. (Applause.)

Just to be fair about it, I think some of the banks made some bad loans. (Laughter and applause.) And so what I think we're seeing is, in an effort in this reform legislation and hopefully as the economy starts coming out, a banking system that is fundamentally sound, a banking system that deserves the confidence of the American people -- and I think these reforms will help on that -- a banking system that will be able to make -- get into other forms of business, as some of our competitors abroad do. And that, I think, should usher in a whole new era of prosperity involving fundamental loaning by these banks.

Q Mr. President, I was talking with an old friend of yours, Tip O'Neill, the other day. (Laughter.) And he seems to be now one of your greatest friends and advocates and supporters of your -- particularly of your management of American foreign policy in your presidency. But he asked me to ask you -- (laughter) -- housing is fundamental to our economy. The rate of housing and construction is less now than it was in 1982. And he feels it ought to be at least 20 percent higher. What do you have in mind, if anything, to correct this situation?

THE PRESIDENT: First, let me profess my love for Tip O'Neill. (Laughter.) And I really, sincerely mean it, as I think many people -- I know Barbara knows, and I really feel strongly about it -- the guy has not been well lately, nor has Millie, his wife, who we love dearly. So I will take this opportunity through C-SPAN or whoever to pay my genuine respects and affection to him. He knows this. And I think you've phrased it very well -- we do have a different approach on how housing should be done in this country. I think when Tip goes back, he was talking about government-paid-for, government-owned housing.

Our approach is something else. We believe that the best way to do it is to have tenant management, encourage ownership, voucher systems. We have a program called Hope, which relates fundamentally to home ownership as opposed to federal ownership. We have put much more money in the budget for this. We happen to believe that enterprise zones going into low-income areas would do an awful lot to bring business there and thus enable people to buy more homes.

So I think that -- I hope that the program that we've put forward -- the Hope program -- will have the support of many of Tip's former colleagues. I have a feeling it will. We'd made a good step on it last year in the Congress and got good support from both sides of the aisle. But if Tip is referring to the government-owned bricks and mortar approach, we think that that has been tried, and we think in many instances it has failed. We think it has build misery into the system. You've seen program in St. Louis that at one time looked good and then they had to tear them down in their entirety.

So I would like to encourage support for this new approach which empowers the people and I think will lead to far more housing. (Applause.)

Q Mr. President, you have talked several times about basing the future on a new world order. Can you give us a definition of a new world order? And if it depends on the collaboration between

MORE

[The following is excerpted from "The Saving Remnant," a review of Harold Cruse's book, *Plural But Equal* (pub. Morrow), which appeared in the December 1988 issue of Reason magazine.]

Without Economic Progress, There Is No Progress

Anne Wortham

Harold Cruse's *Plural But Equal* is an account of how the blacks who have represented the "talented tenth" in the civil rights and intellectual leadership have led the masses, not toward the best within themselves and America—self-reliance and freedom—but toward the worst, dependency and expropriation

Cruse aims to show that by seeking full racial integration, the 20th century civil rights leadership ignored the pluralistic reality of American society, with its multiple groups, associations, and ethnic and racial identities

Martin Luther King, Jr. could have told blacks "how they might reorganize their lives to cope with the demands of freedom in a plural society," says Cruse. He was the first black leader in over 70 years with the charisma, moral authority, and community base to do so. He should have delivered a message of self-determination that said, in effect, "Get your own minority house in order." Unfortunately this was not King's message

Cruse identifies the key idea of civil rights leaders as "noneconomic liberalism." Defined by scholar B. Joyce Ross in her history of the NAACP, this position holds that "the black man's struggle for full civil and political rights must take precedence over any program of economic development, for once color discrimination had been swept away, the black man would be able to compete successfully with his white counterpart in jobs, education, and other avenues to economic stability." W.E.B. DuBois and others founded the NAACP explicitly to counteract Booker T. Washington's emphasis on black economic development

The NAACP's early and continued rejection of black economic development in favor of civil rights agitation had little to do with the reality of American

society and the relationship of blacks to it. It ignored America's emphasis on private enterprise, profit making, property ownership, and the high value placed on technological development and industrial expansion

Economic Wards of the State

The NAACP came to rely on Franklin Roosevelt's New Deal as the "bountiful dispenser of black uplift." The result, concludes Cruse, was that blacks were made "economic wards of the state."

Cruse credits today's black critics of the welfare

The best alternative to bad leadership may be no leadership, certainly no national leadership.

state such as Thomas Sowell and Walter Williams with "correctly approaching black progress and achievement in economic terms." Like them, he takes the view that "without economic progress, there is no progress." . . .

[Cruse believes that] an independent, black political party is the initial step toward the reorganization of black life into "first a political bloc, then cultural blocs, and then into whatever internal economic organizations are possible within a capitalistic, free-market system."

But before this politics of plurality—the creation of specifically black political institutions—can be expressed in organizational changes, changes must "occur within the black group itself." Blacks, Cruse urges, must accept the fact that "civil rights legislation has exhausted the power of the 14th Amendment to redress the historical civil rights wrongs against blacks," that constitutionally, "civil rights justice...has been won."

Moreover, Cruse recognizes that the black leadership must convince the children of the children of the New Deal that the welfare state is not in their self-

Continued on page 4

Economic Progress, Continued from page 3

interest and that free market capitalism and voluntary, community actions are

Is There Need for Leaders?

Cruse gives the impression that without leadership, especially the leadership he envisages, American blacks have no hope for the future, because they are incapable of fending for themselves. But his story of failed leadership is only a slice of black history. Still largely untold is the story of those leaderless masses who have struggled in their communities—first, behind the walls of imposed segregation and now behind the absurdities of imposed integration—to survive without the help or support of the leadership

Across the country, groups are involved in community self-help projects in enterprise development, alternative education, foster care, crime prevention, public housing administration, family preservation, and entrepreneurship training among youth. These groups operate outside the network of the traditional civil rights and social welfare leadership. It is debatable whether the independent self-help networks require mobilization either by a new leadership, such as Cruse proposes, or by the old (belatedly reformed) leadership. The best alternative to bad leadership, which Cruse certainly documents, may be no leadership, certainly no national leadership

Individuals Free to Choose

If individuals are to be free, they must be *free to choose*. Group diversity reflects the choices of individuals to pursue their opportunities through groups, which function as “mediating structures” between themselves and the wider society. Pluralism, in this view, is based on the legal freedom of individuals to strive, in cooperation with others, for social, economic, and political goals that do not require the violation of individual rights.

Against this perspective of individualist pluralism, Cruse’s pluralism leaves much to be desired. But despite the flaws in its analysis and proposals, *Plural But Equal* should be welcomed as intellectual ammunition for blacks who have been demanding emancipation from various self-appointed leaders, exploitative

caretakers; and condescending liberators. It should also be welcomed by whites who, in fear of being called racists or charged with “blaming the victim,” refrain from supporting those black Americans who insist that blacks must take responsibility for their freedom and help themselves. ■

[Anne Wortham is Professor of Sociology at Washington and Lee University in Lexington, Virginia. She is also a visiting scholar at the Hoover Institution, and is author of the book, *The Other Side of Racism*. Last year, she was the subject of a two-part television interview by Public Television’s Bill Moyers. For the complete article from which the above is excerpted, contact Reason Magazine, 2716 Ocean Park Blvd., Santa Monica, CA 90405.]

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THE WHITE HOUSE

WASHINGTON

February 13, 1991

MEMORANDUM FOR SPEECHWRITERS

FROM: HANNS KUTTNER *HK*

SUBJECT: Briefing on Mandated Benefits

A briefing on mandated benefits and other legislative issues important to the labor movement will be held on Tuesday, February 19, at 10:30 am in Room 180. Staff from the Labor Department will provide an overview of the arguments raised on both sides of the issue.

Please feel free to attend this briefing. In addition, please extend an invitation to any of your staff or colleagues who may be interested. If you would like to attend, please RSVP to my office (x. 6563).

THE WHITE HOUSE
WASHINGTON

Date: 2-11-91

TO: Mary Kate Grant

FROM: **RICHARD W. PORTER**
Special Assistant to the President
and Executive Secretary to the
Domestic Policy Council

For your information.

Republican State Governors Speech

How Cutting Capital Gains Taxes Empowers the Poor and Enriches the States

by Secretary Jack Kemp
Department of Housing and Urban Development

A great political party must have a great purpose. Abraham Lincoln helped found the Republican party nearly one hundred and forty years ago upon the greatest idea in all human history, the idea of the Declaration of Independence: equal rights, equal opportunity and equal access to property for every human being. That cause must remain our party's vital center if we are going to lead American democracy into a promising new century.

I was thrilled when President Bush invoked these Republican roots at the ceremony for our new housing bill. As he signed the law to empower public housing residents with the opportunity to manage and own their own housing, he recalled Lincoln's Homestead Act of 1862, which gave 160 acres to any family who wanted to make a go of it in the wilderness.

Lincoln's homestead Act of 1862, President Bush reminded the East Room audience, was "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," he said, "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."

This vision is not unique to Americans. In the first decade of the twentieth century, Pyotr Stolypin, the Russian Premier, distributed millions of acres of cold, unused Siberian land to the landless, impoverished, oppressed peasants. Stolypin's goal -- so similar to Lincoln's -- was, in his own words, "to offer the peasant a way out of poverty to enable every hardworking tiller of the soil to farm on his own account, applying his own labor without encroaching on the rights of others."

From the Czars until Brezhnev, Siberia's only use seemed to be as a gigantic prison. Yet within five years, over four million persons moved to Siberia when offered the chance to become homesteaders -- more than in the three hundred previous years. All Russia prospered as Siberia went from a deserted wasteland to a bountiful land full of thriving farms and flourishing villages. Russia's budget was balanced. "After three years," writes Aleksandr Solzhenitsyn, "these people could scarcely believe that they had once lived in penury, and wondered why they had not set out for Siberia long ago."

The radical reform movement in Russia today, led by such democratic capitalists as Yeltsin, Popov, and Shatalin, is

beginning to recognize, once again, the value of private property and actually give people title to their own apartments and homes. Imagine -- Stolypin's pre-Soviet reform movement has become the model for post-Soviet perestroika!

Whether in Russian Siberia, the American West, or the urban ghettos, the idea of opening access to property and economic opportunity, giving people a chance to better their lives and achieve their dreams will work anywhere, anytime it is tried.

As the world moves to democratic freedom, it's ironic that some here in our own country want to move in the opposite direction. Senators Bill Bradley and George Mitchell say that their proudest moment was defeating the President's capital gains tax reductions. Congressmen Gephardt and Rostenkowski want to raise taxes on millionaires to "soak the rich" and massively redistribute income.

Democrats seem to be more concerned that some people are getting rich in America, than that poor people are falling deeper into poverty as a result of their anti-growth policies.

Like Mr. Lincoln, President Bush believes in a different course when he calls for a lower capital gains tax for the nation and elimination of the capital gains tax in pockets of poverty we would designate as Enterprise Zones.

Some claim that Democrats will beat Republicans mercilessly with the dreaded "fairness" argument. I say bring it on. As Lincoln taught us, fairness does not tear down the rich, it forges stronger links between individual human effort and reward; it does not quarrel about dividing old wealth, it concentrates on creating new wealth; it doesn't recognize limits to growth and life as a static, zero sum condition, it expands opportunities for all people of any color, condition, or background to reach their God-given potential.

Take the Democrats' notion of "fairness" as equality of result and match it against the Republican principle of equality of opportunity. I have no doubt that Republicans will be overwhelmingly elected today just as Lincoln's party won virtually every election from 1860 to 1932 by drawing a clear dividing line over fairness -- rightly understood!

But we've got to do a better job not just describing but advancing our principles. The capital gains tax cut is truly fair because of what it will do for the poor, indeed for everyone in the country.

Contrary to the Democrats' hysterical claims, cutting the capital gains tax is an overwhelming incentive for small

businessmen and women -- especially in our inner cities and among minority entrepreneurs -- who seek opportunities to become rich.

Between 1977 and 1982, when the Steiger Amendment cut the capital gains tax from 49 percent to 28 percent, the number of black-owned businesses exploded by nearly 50 percent -- one of the largest gains on record. We need to at least double the number of minority-owned businesses in the next few years. But it can't be done under the current high capital gains tax rate.

Capital gains taxes could reach 75 percent or more for long term assets purchased during the inflation of the seventies. This is the highest capital gains tax in American history. Faced with a 75 percent effective tax bite, most people simply will not sell their assets, thereby locking up capital in status quo companies and current investments.

No one needs new capital more than minorities, who own a tiny portion of American's total assets. Cutting capital gains would help free up existing capital to fund high risk new enterprises. These businesses create most of the new jobs and business opportunities for poor and minority Americans.

For most of American history a low or non-existent capital gains tax opened opportunity for millions of immigrants to join the mainstream of society. Tragically, just as legal and racial barriers to millions of poor and minority Americans have come down, another wall, the high capital gains tax rate, may condemn today's minorities and poor to yet another chapter of denied opportunity and economic despair. Cutting capital gains is today's pressing civil rights issue.

The Democratic leadership rejects this tax rate reduction because they say it would help the rich and lose revenue. That's not surprising. The Democrat-dominated Congressional Committees who control the revenue "black box" always tell us that our tax reductions are costly and unfair and their own special interest programs and budget gimmicks are equitable and beneficial to the Treasury.

But static revenue estimates have been repeatedly proven false. The truth is that the capital gains tax is largely a voluntary tax for the wealthy. They can avoid paying it simply by not selling their assets. By lowering the capital gains tax, upper-income earners will be more willing to sell their assets and realize their accumulated gains. As such, the government will collect far more taxes from the wealthy and lift the tax burden proportionately from the poor and working Americans.

If revenue gurus took account of this "unlocking effect"

fully, the government would gain revenue from cutting the tax in the short run and upper income earners would contribute more to the U.S. Treasury. But "unlocking of assets" is only a one-time phenomenon, the critics counter, and in the long run, revenues would fall.

The dynamic consequences of cutting capital gains taxes go beyond the short term unlocking. There is also a boost to asset values and a permanent boost to the economy by reducing people's preferences for consumption and increasing their demand for stocks and bonds, farms, factories, real estate, and other investments.

S & L bailout costs would also be reduced, because cutting capital gains taxes would raise the value of the government's real estate holdings. And by helping the real estate and financial industries, a reduction in the capital gains tax would boost those economic regions and coastal areas which are experiencing severe economic problems.

Astonishingly, the Congressional revenue estimators in the Joint Committee on Taxation don't take these dynamic consequences into account -- not the higher assets values, not the reduced budget outlays for the S & L bailout, not the stronger tax collections from federal income or payroll taxes, not the higher stock prices or real estate values, not even -- except in the tiniest, most understated way -- the unlocking of trillions of dollars in unrealized capital gains.

No wonder the Joint Committee on Taxation calls the capital gains tax a revenue loser. Others, not so tunnel-visioned say just the opposite -- that it raises revenue. Fiscal Associates, a Washington economics firm, estimates that cutting capital gains would generate anywhere between \$25 and \$65 billion over four years. Even economist Allen Sinai -- never a strong proponent of tax cuts -- has concluded that cutting the capital gains tax would raise federal revenue by \$30-40 billion between 1990 and 1995,

Our economic future must not be determined by the folks who told us that the Reagan/Bush tax cuts of the eighties were a give away to the rich, and should not have been passed -- the same folks who lost the debate when Jimmy Carter lost the White House. Because President Reagan and then Vice-President Bush had the courage to tell the zero sum thinkers to go back to their computers, tax rates were cut, the eighties economy boomed, inflation came down, and -- despite the naysayers -- the higher income earners pulled out of tax loopholes, tax shelters, and tax exempt bonds and put their money into new taxable investments.

The result: the rich shouldered a higher portion of the total income tax load; the poor and middle class less. According to recent IRS statistics, between 1981 and 1987, the tax burden on the top 1 percent of taxpayers shot up by nearly 40 percent; the top 5 percent pay a 23 percent greater share; and the top 10 percent of income earners saw their share jump by over 15 percent. Meanwhile, the lower half of income earners saw their income tax burden fall by about 19 percent.

Many middle and lower income families saw their total tax bill go up because the payroll tax rose. We can and should remedy that payroll tax hike, and also give the economy the stimulus it needs now by cutting capital gains. Allen Sinai estimates that cutting capital gains would increase GNP by almost 3% or over \$150 billion, create 2.5 million new jobs, and boost business capital spending by 1.3%.

Minorities and the poor have the most to lose from the liberal left's anti-growth campaign. The poor most need the jobs, higher incomes, and business opportunities that the capital gains cut would help guarantee.

But it's not the poor alone who would benefit by cutting capital gains taxes. Localities and the states most of you govern have an enormous stake in this capital gains debate; and we need your help to get this tax cut at the top of our party's national agenda and passed through Congress.

It's no secret that the states experiencing the greatest budget difficulties and electoral discontent are those which passed major new tax increases. Massachusetts, New York, and New Jersey, just to name three, are obvious and dramatic demonstrations that popular tax revolt is alive and well. As soon as he was elected, Governor Jim Florio carried out a "tax the rich" agenda which created a backlash that nearly cost Senator Bill Bradley his reelection.

Unfortunately, so many States have raised taxes recently that a national recession may be resulting as much from State as federal policy developments.

It's also no coincidence that the fiscal condition of many states began to deteriorate steadily after the 1986 law which raised federal capital gains taxes. In the eighties states enjoyed cumulative surpluses of \$10 to \$30 billion. Today, two-thirds of states are in the red. New York and California, which were in large surplus in 1986, are both facing an estimated \$1 billion budget deficit in the current fiscal year.

Ways and Means Chairman Rostenkowski has warned governors and mayors not to expect any additional help from the federal

government in balancing your budgets. "You can't get something from us that we haven't got," Rep. Rostenkowski was quoted as saying in the Washington Post.

Well, there is such a thing as a free lunch! We need a Bush/Quayle tax cut that will do for the state economies in the nineties what the Reagan/Bush tax cuts did in the eighties. If the capital gains tax is cut, not only would the federal government gain greater revenues, but states and localities will also reap revenue windfalls, since the new asset sales pass through state and local "tax gates" as well as federal ones. One economic group with a good track record estimates states would enjoy between a \$15 and \$40 billion windfall from cutting capital gains taxes.

This is not an inside-the-beltway accountants' squabble. There is a struggle going on here for the heart and soul of the Republican party, and it can be stated simply: Are we going to be the party of economic growth, expanding opportunity, entrepreneurial capitalism, and free market solutions to poverty? Or are we going to be the status quo party that regards all wealth as fixed, static, and immutable?

The truth is that the 1980s were not built on credit cards, but on record private sector investment in plant, equipment, jobs, and new businesses. The President's policies of tax reduction, sound money, and less regulation generated the strongest peacetime expansion on record, created over 21 million new jobs during the past eight years, launched over 4 million new businesses, and generated record increases in real after tax income for all income groups and all sectors of our society. While the Nation's gross national product grew by 26.3 percent between 1983 and 1989, federal tax revenues expanded by 35.7 percent, twice as fast as they did in the 1970's.

The Republican party's legacy of economic expansion is not the only thing under attack. Empowerment ideas to fight poverty are being challenged as new and untried. These ideas are no more untried than Lincoln's homestead act or Stolypin's land privatization was. There really is no such thing as the "New Paradigm." There's only the tried and true paradigm of democratic capitalism -- the ideas of private property, free markets, and individual incentive on which America was built.

George Bush said it well, "we know what works ... freedom works." I think it was audacious for President Bush to say that -- one of this Administration's defining moments.

The President has appointed me to head up his Economic Opportunity and Empowerment Task Force. He charged our Task Force with coordinating and outlining a far-reaching agenda to

fight poverty using the principles of markets, choice, and incentive.

I want to recommend some ideas that I would put forward for consideration in that agenda.

First, we've got to create growth and jobs. The debate over getting this economy moving again is just getting started. In my view, we need tax rate reductions on labor, capital, and the family to spark a prairie fire of new job creation and entrepreneurial risktaking all across America, especially in America's inner cities. Cutting capital gains tax for the nation, eliminating capital gains taxes on assets held for more than three years, and abolishing them in distressed areas are crucial priorities. But so are reducing the payroll tax and expanding the personal and children's exemption.

Second, we've got to expand access to homeownership and property, and create more affordable housing. While HOPE has been authorized, we've got to get funding in 1991 and 1992. If we can get that funding, poor people will be given a chance to own more than 2 million government housing units -- an estimated \$100 billion in public property. More than 250 housing projects will be in resident management by the end of 1992, and we are targeting more than 1 million new first-time homeowners by 1992 through all programs of the Department of Housing and Urban Development, including HOPE.

Third, we've got to improve the quality of education and job training. Our nation's primary and secondary schools have been the traditional route for enterprising poor people to move up and out of poverty. Yet, far too often, these inner city schools are providing disgracefully poor education. I believe the Republican party should foster quality education by expanding educational choice. Along with such champions as Wisconsin's Polly Williams and Detroit Councilman Keith Butler, I think that choice expanding options like magnet schools, tuition tax credits, and educational vouchers can help open up new paths of opportunity to our nations poor.

Fourth, we must help welfare recipients move to economic independence by reducing effective tax rates on persons trying to leave welfare and take jobs. A woman on welfare, with a couple of children, struggling to make it, faces the highest marginal income tax in the United States of America, higher than any man or woman in this room. Whether she takes a job at McDonald's or McDonnell Douglas, the government takes away the welfare and taxes her income. I believe we should eliminate the tax on the first two, three, or four rungs of the ladder so that the incentive for work is greater than the reward for not working.

Fifth, we must strengthen the family. Every social and economic thinker today recognizes that one-parent families with children are far more likely to be in poverty, remain in poverty, and perpetuate poverty, than families in which both a father and mother are present. Part of the reason for the upsurge in family breakup is escalating taxation of the intact family. Adjusted for the rise of inflation and incomes since World War II, the personal and children's exemption would have to be over \$6,000, rather than about \$2,000 as it is today. I think we should raise that exemption to give families more after-tax income in order to reduce financial pressures, to help families keep more of their own resources to take care of their children, and to help them break free from government assistance.

These ideas should be opening shots in a war on poverty. We must become the party that awakens, liberates, and emancipates the talent of people who've been left out and left behind.

No one said it better than Mr. Lincoln. He was attacked by his opponents and he had to defend Republican views of equality of opportunity: "I don't believe in a law to prevent a man from getting rich," he responded, "It would do more harm than good ... I want every man to have the chance -- and I believe a black man is entitled to it -- in which he can better his condition -- when he may look forward and hope to be a hired laborer this year and the next, work for himself afterward, and finally to hire men to work for him! That is the true system."

Our party must rededicate itself to Lincoln's vision of democracy -- creating new wealth, empowering the poor, and opening access to property and homeownership. Thank you very much.

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THE WHITE HOUSE
WASHINGTON

Date: 2/15

TO: *Mary Kate Grant*

FROM: **JAMES P. PINKERTON**
Deputy Assistant to the President
for Policy Planning
x6406

*RYT -- Thanks
for your help!*

A NEW PARADIGM FOR NEW YORK

remarks by

James P. Pinkerton
Deputy Assistant to the President for Policy Planning

to the
New York County Lincoln Day Dinner

February 13, 1991

Lincoln Dinners are when Republicans usually gather to trade cliches, but I am here to deliver a different message in Manhattan, the citadel of the Old Paradigm. Because New York urgently needs a New Paradigm. We should draw inspiration from Lincoln, who believed that government's greatest purpose is "to elevate the condition of men -- to lift artificial weights from all shoulders -- to clear the paths of laudable pursuit for all."

For 200 years we found our future on the Hudson. For most of that time, the future looked bright. But now there are clouds. As our first Republican President said: "the dogmas of the quiet past are inadequate to the stormy present." The people of New York remain as strong, energetic and diverse as ever, but their government is failing them.

Just as New York is in trouble, all 50 states face many of the same challenges. Manhattan is not an island unto itself. It is a nerve center. Leaders like Bob Mosbacher and John Shad understand that global finance and communications require that the synapses of the system be free to connect. That's why we must oppose short-sighted efforts to gut the golden goose. Thanks to decades of bad policy at the local, state, and federal level, the goose is already in intensive care. New York City's bonds were just downgraded. The State's rating is at the bottom, behind Mississippi, tied with Louisiana and Puerto Rico, threatening to turn your governor and your mayor into the junk bond kings of the 90s.

If New York is the brain, then the United States is the body. Just 20 years ago, the three largest banks in the world, and nine of the top 30, were American. Today, only one of the 30 largest banks is American. Those who revel in New York's difficulties should remember that a job lost in this city is also a job lost in America, that an uneducated youth is a missed opportunity, that every crime is a tear in the social fabric, and that when a crack baby dies, the bell tolls for us all.



THE WHITE HOUSE
WASHINGTON

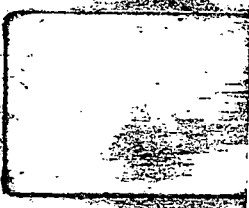
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Date: 1-30-91

TO: Members of the Domestic Policy
Reform Breakfast Group

FROM: **RICHARD W. PORTER**
Special Assistant to the President
and Executive Secretary to the
Domestic Policy Council

The attached article is for
your information -- thought
you might be interested.



Pardons cowardice, conceit,
Lays its honors at their feet.

Time that with this strange excuse
Pardoned Kipling and his views,
And will pardon Paul Claudel,
Pardons him for writing well.

In the nightmare of the dark
All the dogs of Europe bark,
And the living nations wait,
Each sequestered in its hate;

Intellectual disgrace
Stares from every human face,
And the seas of pity lie
Locked and frozen in each eye.

Follow, poet, follow right
To the bottom of the night,
With your unconstraining voice
Still persuade us to rejoice;

With the farming of a verse
Make a vineyard of the curse,
Sing of human unsuccess
In a rapture of distress;

In the deserts of the heart
Let the healing fountain start,
In the prison of his days
Teach the free man how to praise.

SEPTEMBER I, 1939

I sit in one of the dives
On Fifty-Second Street
Uncertain and afraid
As the clever hopes expire
Of a low dishonest decade:
Waves of anger and fear
Circulate over the bright
And darkened lands of the earth,
Obsessing our private lives;
The unmentionable odour of death
Offends the September night.

Accurate scholarship can
Unearth the whole offence
From Luther until now
That has driven a culture mad,
Find what occurred at Linz,
What huge imago made
A psychopathic god:
I and the public know
What all schoolchildren learn,
Those to whom evil is done
Do evil in return.

Exiled Thucydides knew
All that a speech can say
About Democracy,
And what dictators do,
The elderly rubbish they talk
To an apathetic grave;
Analysed all in his book,
The enlightenment driven away,
The habit-forming pain,
Mismanagement and grief:
We must suffer them all again.

Into this neutral air
Where blind skyscrapers use
Their full height to proclaim
The strength of Collective Man,
Each language pours its vain
Competitive excuse:
But who can live for long
In an euphoric dream;
Out of the mirror they stare,
Imperialism's face
And the international wrong.

Faces along the bar
Cling to their average day:
The lights must never go out,
The music must always play,
All the conventions conspire
To make this fort assume
The furniture of home;
Lest we should see where we are,
Lost in a haunted wood,
Children afraid of the night
Who have never been happy or good.

The windiest militant trash
Important Persons shout
Is not so crude as our wish:
What mad Nijinsky wrote
About Diaghilev
Is true of the normal heart;

MUNDUS ET INFANS

Kicking his mother until she let go of his soul
Has given him a healthy appetite: clearly, her rôle
In the New Order must be
To supply and deliver his raw materials free;
Should there be any shortage
She will be held responsible; she also promises
To show him all such attentions as befit his age.
Having dictated peace,

For the error bred in the bone
Of each woman and each man
Craves what it cannot have,
Not universal love
But to be loved alone.

From the conservative dark
Into the ethical life
The dense commuters come,
Repeating their morning vow;
"I will be true to the wife,
I'll concentrate more on my work
And helpless governors wake
To resume their compulsory ga
Who can release them now,
Who can reach the deaf,
Who can speak for the dumb?"

All I have is a voice
To undo the folded lie,
The romantic lie in the brain
Of the sensual man-in-the-street
And the lie of Authority
Whose buildings grope the sky:
There is no such thing as the State
And no one exists alone;
Hunger allows no choice
To the citizen or the police;
We must love one another or die

Defenceless under the night
Our world in stupor lies;
Yet, dotted everywhere,
Ironic points of light
Flash out wherever the Just
Exchange their messages:
May I, composed like them
Of Eros and of dust,
Beleaguered by the same
Negation and despair,
Show an affirming flame.

THE WHITE HOUSE

WASHINGTON

February 13, 1991

MEMORANDUM FOR SPEECHWRITERS

FROM: HANNS KUTTNER *HK*

SUBJECT: Briefing on Mandated Benefits

A briefing on mandated benefits and other legislative issues important to the labor movement will be held on Tuesday, February 19, at 10:30 am in Room 180. Staff from the Labor Department will provide an overview of the arguments raised on both sides of the issue.

Please feel free to attend this briefing. In addition, please extend an invitation to any of your staff or colleagues who may be interested. If you would like to attend, please RSVP to my office (x. 6563).

William Raspberry

'What It Takes' to Deliver Social Services

Maybe America, newly mean-spirited, has stopped caring about poor people, including small children and their troubled families. But I don't think so.

What has happened, I believe, is that large numbers of Americans no longer believe that the programs they are asked to pay for make any real difference—except to make things worse. For their demands for still greater outlays are taken as an invitation to pour yet more of their hard-earned tax dollars down ever bigger rat holes.

The evidence is on their side. Leaving aside such obviously successful programs as Head Start and magnet schools, most of the programs designed to help the poor aren't working very well. Outlays for prenatal care seem to have made no discernible difference in infant mortality rates among the poor. Ballooning school expenditures have not noticeably improved public education for the poor. Public housing budgets may increase, but so does tenant abuse of public housing—and homelessness. Welfare seems as likely to perpetuate poverty as to alleviate it.

What are we doing wrong?

One part of the answer is that we have forgotten to treat poor people as full-fledged human beings, preferring to chop them up into their component problems, with an agency (usually underfunded and ineffectual) to deal with each component. Mental health

specialists don't talk to housing specialists; welfare bureaucracies are only marginally involved with schools; child welfare agencies often treat families as adversaries, not as the setting in which children are most likely to flourish.

That's why I am so excited by a new monograph from a Washington-based Education and Human Services Consortium—*"What It Takes: Structuring Interagency Partnerships to Connect Children and Families With Comprehensive Services."*

The 55-page monograph, written for a consortium that includes leaders in welfare, social policy, education, politics and business, begins by showing how fragmented are the services for poor families, with little cooperation among agencies and virtually no collaboration. Then it looks at some existing collaborative models and offers recommendations—and an opportunity for feedback—on how to improve the delivery and effectiveness of services.

It's hard to argue with the description of what happens now. Services are mostly crisis-oriented—designed not to prevent problems but to deal with problems that have already occurred. Agencies not only fail to collaborate; they seldom even cooperate, except in terms of pro forma referrals. Often they are outright rivals, competing for scarce public funds. Even some of the most expert service

professionals are hampered by the absence of support services that may be the technical responsibility of a separate agency.

One quote summarizes the dilemma: "To expect a single community worker to master the whole array of available resources that relate to potential youth needs may seem overwhelming. However, to expect a youth-in-crisis or his/her often-stressed parents to negotiate, unassisted, the maze of agencies, programs and eligibility rules in order to get the help they need is truly to ask the impossible."

The monograph (written by Atelia L. Melaville of the William T. Grant Foundation Commission and Martin J. Blank of the Institute for Educational Leadership, and available at 1001 Connecticut Ave., NW, Suite 310, Washington, D.C. 20036-5541) calls for full collaboration at both the service delivery level and the system level "to knit a truly seamless web of services."

The present practice, say the authors, is for agencies "to concentrate on a single solution to a specific problem—focusing on their own narrow objectives—rather than working together toward a common goal that addresses the range of situations contributing to a family's problem or standing in the way of its resolution." If I have any criticism of this excellent page, it is that it focuses almost

exclusively on 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.

The great unintended consequence of the way we address the social problems of the poor—by parachuting in the experts, in Robert Woodson's phrase—is its deleterious effect on local leadership. The home-grown problem solvers—the men and women who live in the community and who care about its residents, not as collection of problems but as people—can be the glue that holds communities together. Undercutting their authority by eliminating their problem-solving role can reduce neighborhoods to assemblages of clients rather than competent, self-healing communities. Indeed the service-delivery improvements envisioned by the authors of the monograph could exacerbate the weakening of this natural leadership.

Perhaps we'll get smart enough to include these natural leaders—whether as staff, consultants or unpaid volunteers—in the collaborative effort recommended by "What It Takes."

Excellent services and adequate funding are important in fashioning remedies. But healthy communities capable of rearing healthy children in healthy families can prevent a lot of the problems in the first place.



The Challenge of a Political Reversal

By Irving Kristol

It is an iron law of democratic politics that no two political parties can for long occupy the same space on the political spectrum. So coercive is this law that the notion of "governing by consensus," always seductive to those who wield executive power, is also always a will o' the wisp.

Parties define their programs and agendas in terms of the available political space. As one party abandons older principles, in practice if not in its formal platform, the other party is likely to find some version of these principles more appealing. This can, at times, lead to much political confusion, since the parties themselves are rarely entirely clear as to what is happening to them. They evolve the way biological entities evolve, though always insisting that they really haven't changed at all or are merely responding, in a perfectly rational way, to changed circumstances.

Something of the sort seems to be happening to American politics today, in our post-New Deal, post-cold war world. Important reversals are occurring in the governing principles of our two major parties, while many of the traditional themes are muted. The minimum wage, for instance, has pretty much dropped out of sight as a significant political issue for the Democratic party. The party did fight for and win a modest increase in the minimum wage, but it was a victory without reso-

nance in popular opinion. Similarly, a constitutional amendment outlawing abortion will probably remain in the Republican platform, but Republican candidates will, for the most part, be avoiding any reference to such an amendment.

Posture and Rhetoric

It is the reversals, however, that are striking. Above all, there are the reversals with regard to America's position and role in the world. The Democrats have become the party of economic protectionism; the Republicans, the party in favor of free international trade. Up until recently, the opposite was usually the case.

One does not wish to exaggerate. There are individual congressmen in both parties who are exceptions to this generalization. And it is also true—it is always true—that in some cases just about any congressman will be protectionist to appease an interest group in his constituency. Nevertheless, the posture and rhetoric of the two parties have strikingly diverged from past form.

The Republican party has moved toward free trade as a result of its close connections with the business community, especially larger multinational corporations. The party has also doubtless been influenced by its corps of conservative economists, who have a classical animus

against protectionism. Over the past twenty years, those economists have played a much more important role than in the past in shaping conservative thinking on economic issues. The GOP remains pro-business, of course, but is now able to define its posture in more universal terms—whose reference is to the common economic good—as distinct from an instinctive, dogmatic bias in favor of business.

In contrast, the Democratic party is now moving to occupy the protectionist space. This is a strategic move that makes sense if it is to appeal to its traditional base in the trade unions and the working class. Trade unions today are so diminished in power and membership, and so out of favor with American opinion as a whole, that there is little Democrats can do for them by way of specific legislation. Protectionism, however, which trade unions always endorse, since it protects them from the effects of foreign competition, can be presented as representing a common good. And while the working class may no longer be so attached to unions, all workers—everywhere and always—are well disposed toward protectionism.

This important segment of Democratic support is not responsive to the newer welfare state programs, which are sponsored by middle-class advocates and favor either the middle class or the underclass. (Child-care programs are a good example.) It also seems clear that workers are not interested in paying higher taxes for any kind of welfare-state legislation. But protectionism, especially in difficult times or in particularly distressed industries, will always get a respectful hearing.

Exactly what the political effects of this reversal will be on the 1992 elections is still unclear. It all depends, basically, on the economy. In good times, protectionist sentiment is relatively weak; in bad times, it is relatively strong. Since it is unlikely that 1992 will be one of the economy's better years, one can expect the

Democratic party to focus on the protectionist issue. The political benefits could be substantial.

The more striking, as well as more fundamental, reversal involves America's role in world affairs. The end of the cold war has left the United States as the world's sole superpower—but one that has been spared the necessity of thinking seriously about foreign policy for half a century. Beginning with the rise of fascist totalitarianism and subsequently with the threat of messianic Soviet communism, American policy has been reactive—actually, defensive. It was our enemies who pretty much defined our foreign policy. Now that such definition is left to us, we are in a state of confusion and uncertainty, affecting liberals and conservatives alike.

Out of this confusion, two main currents of thought are emerging—isolationism of a kind and interventionism of a kind. The qualifications are necessary because the intellectual atmosphere is so foggy that precision is regarded by most politicians as something to be prudently avoided. Still, the trends are there, and there is little reason to doubt that a major reversal in party positions is well under way, with most of the Democrats moving to isolationism while most of the Republicans try to construct a rationale for the United States continuing to play an activist role in world affairs.

This is, of course, a reversal. Ever since Woodrow Wilson and Franklin Roosevelt, the Democratic party—both its Northern liberal wing and its Southern conservative wing—has been the internationally activist party. The Republican party, under the pressure of circumstances had no alternative but to go along grudgingly, but there is no question that a traditional isolationist cast of mind— isolationist while nationalist—permeated the Republican ranks. With Richard Nixon's presidency, a slow change became visible, but even today one can hear Senator Robert Dole talk casually of "the Demo-

crat wars" of the past fifty years. His rhetoric, however, is by now singularly out of place within his own party. Ronald Reagan was no Robert Taft when it came to foreign policy.

Again, one doesn't wish to exaggerate. The isolationist temper is of such long standing in this country that it always finds echoes within all parties. It is even possible that if we now had a Democratic president, we would be seeing a reorientation by degrees, not anything that could be called a reversal. But it is a reversal we are now experiencing. When Senator Sam Nunn and his colleagues on the Foreign Relations Committee start sounding like Senator Taft, true reversal is official.

Just what such isolationism will mean in practice remains to be seen. One suspects it will retain a patina of older liberal interventionism as more reliance is placed on the United Nations as the ultimate authority for a permissible foreign policy for the United States. This will surely please the UN, but will it for long please the American people to see our foreign policy shaped by an organization that is, more often than not, anti-American? In any case how can the new isolationism cope with, say, a revival of Japanese nationalism or German nationalism? And how will it cope with the issue of nuclear proliferation—an issue that will be anything but academic in the years ahead? And can the United States really be indifferent if whole regions, even continents, collapse into chaos?

It is hard to believe that any kind of isolationism could provide the basis for American foreign policy in today's world, when our "foreign entanglements" are so much less "foreign" than they used to be. At the same time, the alternative policy of active intervention is still undefined. Indeed, there is a positive reluctance to make any such effort at definition.

Almost a Forgotten Language

The Bush administration may talk grandly of a "new world order," with the United States acting as an arm of the "world community" represented in the UN. But that grand talk is empty, while the reality "on the ground" is that the United States suddenly finds itself committed to a continuing, substantial military presence in Saudi Arabia, regardless of how the problem of Iraq is resolved.

One can, without much difficulty, come up with a rationale for such involvement in terms of the need for a great power to preserve "stability" and "a balance of power" in regions of the world where it perceives a "national interest" requiring it. But that kind of thinking, and that kind of rhetoric, is almost a forgotten language in the institutions that shape American foreign policy. It is even regarded as a foreign language that it is shameful for an American to learn.

So we appear to have a neo-isolationist impulse that cannot endure for long, the world being what it is, and an interventionist impulse that lacks all coherence because it too cannot accept the fact that the world is what it is—cannot accept the fact that, to the degree that the United States is a world power, it will inevitably have to behave like one, assuming responsibilities not out of choice but out of historical contingency, and will have to pay the price, in blood and money, for this "privilege."

This is not the world Americans expected to confront with the end of the cold war. But it is about time that Americans learned a measure of stoicism in dealing with this world—which is, after all, the only world we have.

[from the *Wall Street Journal*, December 17, 1990]

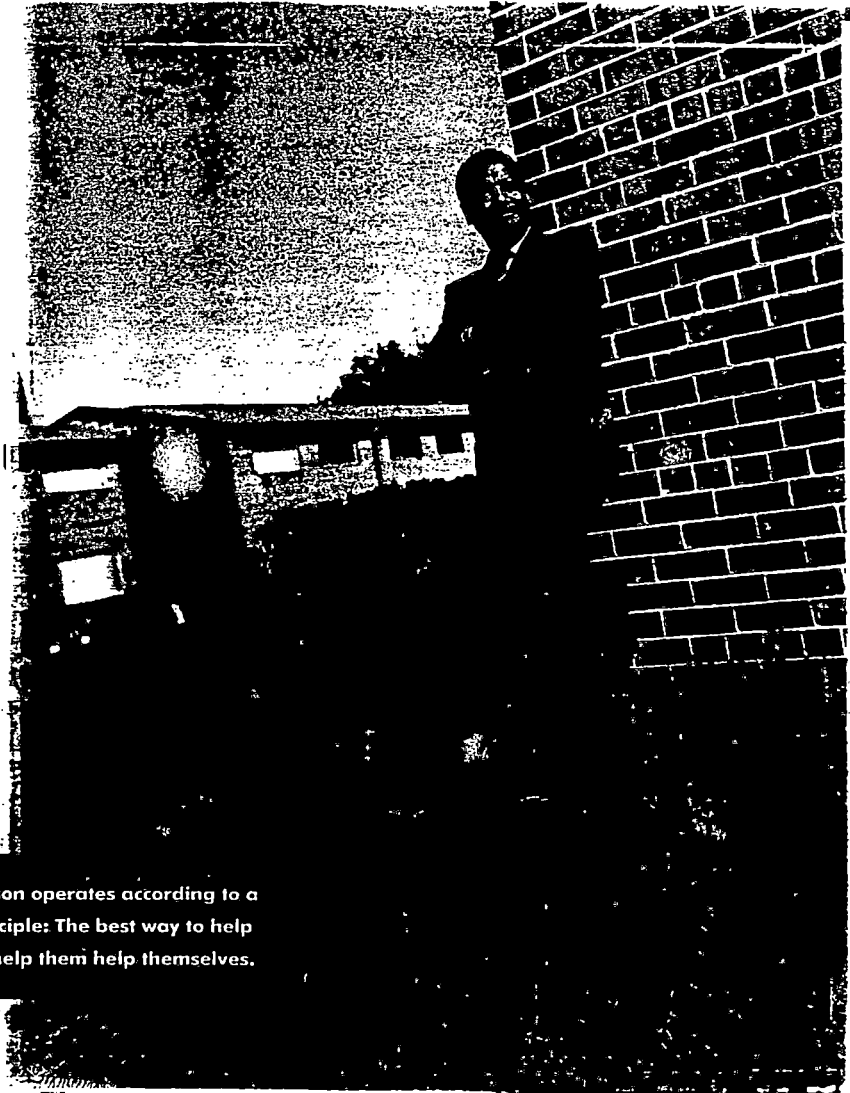
Irving Kristol is the John M. Olin Distinguished Fellow at the American Enterprise Institute.
1991 - # 4

The National Center for Neighborhood Enterprise

Study failure and you learn how to fail, says Robert Woodson, president of the nine-year-old National Center for Neighborhood Enterprise. Study poverty and you learn how to be poor. But study success, Woodson argues—drug-free kids, low-crime neighborhoods, well-managed housing developments—and you learn success. “We highlight what works,” Woodson says, “and build from there.”

With that credo Woodson founded the NCNE, a public policy and advocacy organization that helps low-income communities become self-sufficient by acting as an “honest broker” between grass-roots groups and the political and corporate establishments. The center’s philosophy is simple: the problems that plague America’s inner cities—drugs, crime, unemployment, inadequate housing—can best be solved by the people who live there. The center offers help matching local organizations with the money, technical assistance, professional connections, and publicity they need to do the job themselves.

In 1985 the center established the Public Housing Resident Management Demonstration (with a \$1.9 million grant from the Amoco Foundation) to help tenant groups in thirteen cities learn how to manage and eventually own the developments in which they live. The biggest success story: the 464-unit Kenilworth-Parkside public housing project in Washington. In 1982 the project lacked heat and hot water, had the highest crime rate of any city-owned property, and numbered its welfare recipients at more than 80 percent. A resident management group, led by a determined and resourceful Kimi Gray, has since renovated the property with a \$13.5 million HUD grant, launched businesses run by and for tenants, increased rent collections 130 percent, reduced welfare dependency by 50 percent, and lowered crime by 75 percent. In September the group purchased the development from the city for one dollar;



Robert Woodson operates according to a timeless principle: The best way to help people is to help them help themselves.

residents will have five years to buy their own units—for as little as \$10,000 each—from the management corporation. To make this happen, NCNE set up meetings between the tenant organization and government officials; provided training in writing proposals, raising capital, accounting, and business procedures; and drew national attention to the project via television, radio, and newspapers.

In addition, the NCNE provides grants of less than \$10,000 to grass-roots groups that have trouble getting funding through other channels, and works to promote alternative education options for the poor. (Woodson is a strong advocate of controversial “education vouchers”—similar to the GI Bill of Rights—that will allow low-income parents to purchase the best possible education for their children, be it at a public or private school.)

“We have social policies that discourage independent action,” says Woodson, who this year was the recipient of a \$320,000 MacArthur “genius” grant and who regularly attracts at least some criticism for his strict devotion to the ideas of independence and self-help. “I’m interested in empowering low-income people to do for themselves.”

The National Center for Neighborhood Enterprise, 1367 Connecticut Avenue NW, Washington, DC 20036 (202-331-1103).

To be black in America

Self-reliance vital — a leap of faith

By Robert L. Woodson

SPECIAL TO THE SENTINEL

Has the civil rights movement finally run out of steam, its esprit de corps content with quotas, set-asides and other race-based formulas for black progress?

Oh sure, there will be the usual clamor and chorus of self-help rhetoric from a potpourri of commentators — some will even say the right things — on the occasion of this year's Martin Luther King Day celebration. But unless there is a radical departure from traditional orthodoxy, a Martin Luther King-sized leap of faith, not only can we expect the death knell of the movement as we know it but an end to the nation's doctrinal commitment to civil rights as well.

Already those black Americans who have experienced a measure of progress are perversely questioning the source of their gains. Surely we understand that there was no evidence to support King's commitment to non-violence, no reason to believe that, because they should, white Americans would suddenly be transformed into benevolent proponents of black justice and progress. King's movement was an act of faith, a belief in the conviction, in his words "that the universe is on the side of justice."

King wrote in a 1968 essay, published after his death, that "today's problems are so acute because the tragic evasions and defaults of several centuries have accumulated to disaster proportions . . . the interrelated problems of war, inflation, urban decay, white backlash and a climate of violence" have found the nation completely ill-equipped to respond. Much the same climate exists today — and for much the same reason.

In the past, the black community had to rely on its own resources to survive. Black advancement was inextricably linked to black self-determination. With a sassy and fearless newspaper published during the height of slavery, with

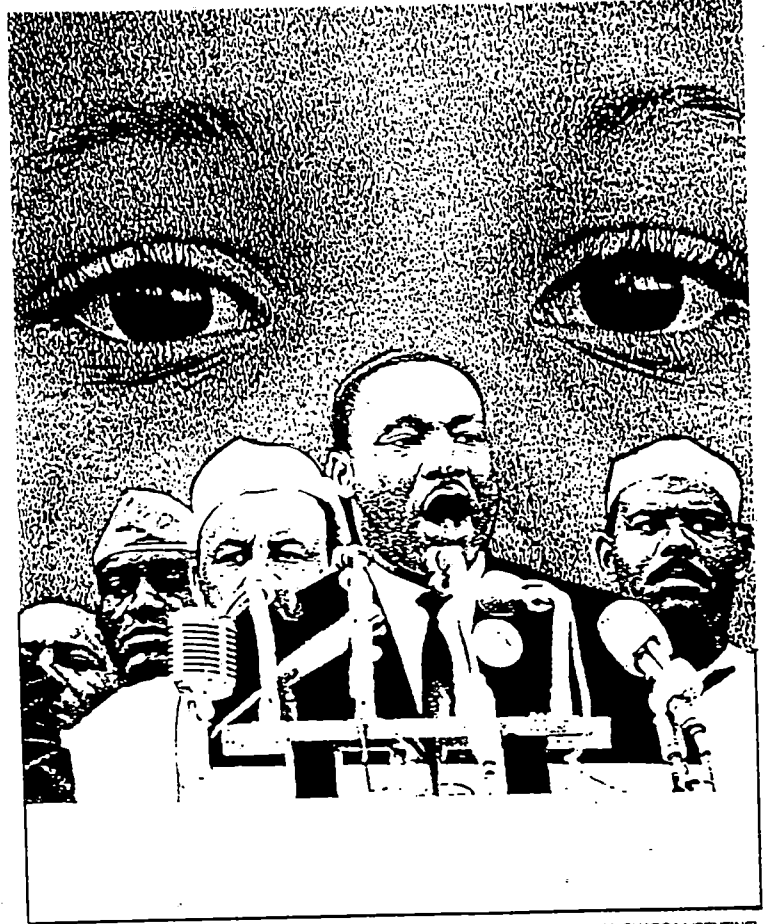
entrepreneurs ready and willing to purchase a slave's freedom or guarantee his safety after escape, with the formation of all-black towns and the building of a self-sustaining support apparatus, black Americans exhibited backbone, resolve, energy, vitality, creativity, innovation and intellect at a time when the country was generally either indifferent or hostile to black interests.

Thus it is ironic that while civil rights gains were being made, the self-sufficient economic infrastructure of black America was being eroded. Small black firms, the backbone of the racially localized black economy, could not compete with the newly integrated, low-priced, large-volume department stores, supermarkets, fast-food chains and shopping centers. Many black businesses became casualties of racial progress.

Government aid programs, as it soon became clear, would also exact a price from the black community. These programs, from the beginning, did not address the problems of the poor with the solutions that had the input of the poor. The poor and the disadvantaged, if pulled into the government's social welfare industry machine, were turned into passive "clients" to service and be led by the hand into poverty limbo. This government-knows-best policy herded low-income families into highrise buildings that bred crime and frustration, discouraged the work ethic, fostered dependency on public assistance and stifled the initiative of small entrepreneurs with programmed-to-fail bureaucratic restrictions.

Of course, while faith is about acting in the absence of supporting evidence, it is folly to act contrary to evidence.

Blind adherence, for example, to traditional orthodoxy is exacting an incredible toll on black Americans. The much more sophisticated Jim Crow era of the 1980s, while not targeted specifically to black Americans in most instances, is perma-



JILL SHARGAA/SENTINEL

nently undermining black progress.

Blacks are at a turning point in history. The era of the great civil rights marches is over. Although passage of the civil rights legislation aroused hopes that blacks could finally enter the mainstream of society, this has proved to be more illusion than reality. Old strategies have run their course; new efforts must focus on ending dependency on government by encouraging the growing movement among blacks to, once again, rely on themselves for an improved life.

The current risk-averse black leadership is still content with smoke-screen issues, such as Afro-American vs. black, and is unlikely to even deal with the issues that can make a difference.

People who are now protected by government aid programs need instead to be empowered by them. Policies should be geared toward

maximizing independence, economic opportunity and freedom of choice for those receiving government-funded services. Regulatory and procedural barriers that prevent a community from starting its own schools, day-care centers and adoption agencies should be done away with.

It is time to approach the needs of the black underclass from a different perspective — one that is cognizant of existing strengths within the black community; one that recognizes the abilities and ingenuity of individuals and groups in handling their own affairs; and one that keeps government intervention to a minimum, one like King's civil rights movement that is an act of faith.

Robert L. Woodson is president of the National Center for Neighborhood Enterprise in Washington. He wrote this article for The Orlando Sentinel.

MAY 11, 1990

How to help poor neighborhoods—a conservative view

By Robert L. Woodson

In communities across America during the Depression, churches, neighborhood associations, and families stood between the private lives of individuals and large-scale government programs. This gave communities cohesiveness of spirit and purpose during a time of setback and retrenchment. Rent parties, rummage sales, quilting bees, church socials, homecomings, lodge meetings, and neighborhood gatherings around a communal potbellied stove served as methods of information exchange and resource sharing for neighborhoods throbbing with the will and desire to survive.

Such grass-roots, self-help approaches were, however, abandoned by the liberal social policy-makers of the New Deal era and beyond. Since the 1960s, there has been a 25-fold increase in the amount federal, state, and local dollars spent to meet the needs of the poor. Yet one-third of black America is still in danger of becoming a permanent underclass. Moreover, the number of children living in poverty has expanded while the quality of their education has declined.

The funding that was designated to help poor people has gone, for the most part, to sup-

port a large class of counselors, bureaucrats, and social workers — what I call the "Poverty Pentagon." There are hundreds of aid programs that administer over \$100 billion each year. In New York City, the Community Service Society (a 100-year-old social-work agency) examined how funding intended to meet the needs of that city's 1.4-million poor people (or one-fifth of its population) was actually spent. The results: of the \$14.5 billion spent to help the poor in 1983, 74 cents of every dollar went to the service industry; only 26 cents was spent on rent, food, clothes, and other such needs. In many cases, social welfare programs actually exacerbate the very problems they were designed to solve and destroy families in the name of helping.

Americans, especially black Americans, have become frustrated and infuriated with well-intended programs that do not lead to the desired results. They are not prepared to continue to have money thrown at the problems.

Old-line government remedies and patchwork programs have not significantly helped the unemployed underclass, who by their sizable numbers seem to mock the ideals of a free enterprise system. But it is this very system that could

enable them to join the economic mainstream. Aggressive efforts must be made to introduce new approaches that build on both the free enterprise system and the strengths and resources already existing in our communities.

Many analysts cite poverty as a condition inextricably linked to racism. The argument is made that racial integration, nurtured by preferential government programs, will ultimately bring blacks and other minorities into the economic mainstream. But this strategy has been tried and hasn't worked.

An alternative approach rests on a cardinal principle: Those suffering from the problems must be involved in designing the executing solutions to them. They have firsthand knowledge, and they have the greatest interest in the outcome. A successful community-based development strategy therefore must be based on several steps:

— Give assistance to community efforts that are genuinely the product of neighborhood initiatives and that have shown themselves capable of mobilizing local resources and sustaining an organization to deal with local issues.

— Explore welfare assistance approaches that enable

recipients to invest public assistance payments in small businesses or job-training programs. There are several ways in which welfare could be restructured to stimulate general economic improvement in poor communities. One would be to convert assistance payments into vouchers to be used by employers as wages. This action would make low-income residents in distressed areas more competitive in the employment market as well as promote greater self-sufficiency. A simple voucher plan also would be more attractive to employers than complicated tax credit programs. In addition, policies which prevent the unskilled from getting entry-level work experience, such as the minimum wage and labor union licensing restrictions, should be eliminated.

— Explore ways to provide private health insurance to families who leave aid to families with dependent children (AFDC). This would eliminate one of the most significant barriers to welfare recipients taking jobs — the loss of medical benefits in the form of vouchers to newly employed low-income persons.

With these and other innovative self-help steps, America's most depressed neighborhoods can be nurtured back to good

health.

Note: Robert Woodson is president of the National Center for Neighborhood Enterprise. This essay is adapted from the Heritage Foundation monograph "A Conservative Agenda for Black Americans," published as part of the think tank's recent Black History Month observations.

Perspective

The Atlanta Journal □ THE ATLANTA CONSTITUTION

SUNDAY, MARCH 4, 1990

Civil rights leaders ignore true needs of black poor

By Robert L. Woodson
Special to the Journal-Constitution

The time has come to examine, honestly and objectively, the adverse side effects of the civil rights movement that may be contributing to the plight of the black underclass.

On Oct. 29, 1965, William Raspberry, then a reporter for the Washington Post, quoted Washington-based civil rights leaders as acknowledging that "poor Negroes" were not benefiting from the movement's gains, and that continued emphasis on race-specific solutions would do little to relieve their economic suffering.

Choosing to ignore this wisdom, the movement's leaders proceeded to employ three major strategies to advance the condition of blacks: racial integration and affirmative action; expanded government spending on anti-poverty programs; and black political empowerment.

Now, some 25 years later, with the passage and enforcement of civil rights laws, the expenditure of more than a trillion dollars on anti-poverty programs, and the installation of blacks at the helm of eight of the nation's 12 largest cities, the plight of the one-third of blacks mired in poverty continues to worsen.

Instead of examining why these instruments of salvation have failed, a growing chorus of middle-income blacks and black academics now want to attribute this economic decline to a white conspiracy.

I was not a bystander in the civil rights movement. Like many of my peers, I led demonstrations in the '60s and went to jail in our quest to end America's own entrenched system of apartheid. For those of us who were professionally trained and prepared to walk through the doors of opportunity, the benefits were obvious.

But seldom, if ever, were low-income blacks involved in the decision-making process — a flaw that continues to plague the civil rights movement to this day.

Consequently, low-income blacks have become the victims of a bait-and-switch game in which their endemic conditions of poor health, low educational achievement, crime and violence are used in appeals for aid that, once it arrives, seldom benefits them.

According to a 1986 study by the White House Office of Policy, 70 cents out of every dollar spent by the federal government in means-tested aid programs goes to service providers — counselors, social workers and administrators — and only 30 cents to the poor.

Minority set-aside programs are another case in point. We advertise them as something done to help "the black community." But the blacks who benefit are those already working in professional or highly unionized fields — not the lowest tier of the workforce.

Even worse, the solutions embraced by civil rights leaders sometimes compound the existing injury.

The single-minded pursuit of integration, for example, has done psychological harm to low-income blacks. For many who fought in the movement in the '60s, the goal was never integration, but total *desegregation*.

The failure to engage in thoughtful debate on this issue has produced a unique form of schizophrenia. When low-income blacks are grouped together in schools or neighborhoods, they are referred to as being "segregated." Thus they must be bused far from their homes or have other integration-oriented remedies applied. But when middle-income blacks belong to all-black churches, all-black societies or fraternities, or other all-black social, civic or professional organizations, they are never regarded as "segregated." These organizations are accepted for what they are.

What does it do to the collective psyche and self-esteem of low-income blacks who go to all-black schools and live in an all-black setting to be told that any-

thing that is all-black is "segregated" and therefore harmful?

It is no wonder that many children of low-income black families make the self-destructive choices confirmed by daily headlines when they are constantly told, even by their own people, that anything all-black is, by definition, all-bad.

More than a half-century ago, the distinguished black scholar-activist W.E.B. DuBois voiced this same concern when he publicly broke with the NAACP in 1935 over the issue of integration. He asserted that we must never convey the notion that our goal as a people is disassociation from ourselves. His message prompts us to ask a basic introspective question: If we don't want to be with us, then why should other people?

When attempts have been made to solicit the wishes of low-income blacks, all too often their opinions have been arrogantly set aside.

Harvard law Professor Derrick A. Bell Jr., in his 1976 study of the Boston school busing controversy, notes that Judge W. Arthur Garrity sought the views of the grass-roots black community before rendering his busing decision. Groups of parents and community leaders met for months and reached a consensus that they preferred improvement in the quality of their neighborhood schools over the dislocations caused by busing. Civil rights lawyers, both white and black, recommended that Judge Garrity ignore these opinions and order black children bused to South Boston.

Integration ideals have also clashed with black interests in the area of child adoption. During the Reagan years, the Department of Health and Human Services vigorously enforced contradictory policies. The department's Office of Children, Youth and Families provided grants to states to recruit black adoptive families. At the same time, its Office of Civil Rights Compliance is-

sued directives to those same state offices threatening them with sanctions if any reference to race was made in the recruitment and placement of children. Thus a young black mother was legally prohibited from requesting a same-race adoption for her child.

On housing issues, too, the interests of civil rights advocates often run counter to the interests of the poor. The U.S. Department of Housing and Urban Development has implemented a concept known as "integration maintenance." Under this banner, programs have been developed to regulate the percentage of blacks in public housing developments and private developments built with federally insured mortgages. While enforcing these policies in the sacrosanct name of "racial balance," officials often forget that such quotas all too often work against those low-income blacks who need affordable housing.

Rodney Smolla, a professor of law at the University of Arkansas, has suggested that a more insidious effect of integration maintenance programs — and the resulting diffusion of the black population — has been the dilution of black political power and, the weakening of the economic, religious and cultural institutions that constitute the strengths of the black community.

It is time to separate the interests of low-income blacks from those of middle- and upper-income blacks and concentrate all our energies and resources on addressing the needs of the former.

First, we must build upon the demonstrated capacities of existing structures within the black community — the churches, fraternal organizations and extend-

ed family networks that have traditionally worked to combat various social and economic problems. If public funds are spent on projects aimed at improving conditions within low-income communities, these internal support mechanisms should be involved in the process.

Second, a greater percentage of funds allocated for social programs should go directly to service providers who live within the affected communities. The application of such a "ZIP Code test" would ensure that the lion's share of poverty funds is put directly into the hands of the poor themselves, enabling them to become the primary delivery system of services to their communities.

Third, enterprise-zone legislation should be expanded to include tax incentives that would encourage the flow of capital into low-income communities to create small, resident-run businesses.

A new black agenda would also seek to determine why 50 percent of the families living in low-income neighborhoods are stable, not on drugs and not committing crimes. We need to know the factors that have allowed such families to thrive in the face of the historic progression of slavery, segregation, discrimination, a severe national depression, and subsequent recessions.

Another guiding principle of the new black agenda would reflect the wisdom imparted by Dr. Martin Luther King Jr. when he advised us to reach down into our souls and sign our own Emancipation Proclamation. We cannot and must not avoid facing the bottom-line truth: No one will or should do more for us than we are willing to do for ourselves.

Civil Rights and Economic Power

Developing minority entrepreneurs and a skilled workforce should be high priorities for U.S. business.

by Robert L. Woodson

■ The recent incident of racial violence against blacks in the Howard Beach section of Queens, N.Y., and the stoning of civil rights marchers in Forsyth County, Ga., have placed the civil rights issue, once again, prominently in the news. At recent protest demonstrations in New York and Georgia, civil rights leaders warned the nation that these upsurges of racism will bring about a repeat of the 1960s agenda—marching in the streets.

Can the myriad of social and economic problems faced by many blacks be attributed to racism? Would eradicating racism in the United States improve conditions for all blacks, especially the poor? What constructive role can business play in addressing racial tensions in society? Can the true character of a U.S. corporation be determined by its willingness or unwillingness to support economic development programs? Should business get involved?

These are difficult and disturbing questions for a society to grapple with—let alone American business whose principal job is to provide the engine for the country's economic prosperity. It is clear, however, that if U.S. business is to remain competitive in domestic and world markets, it is imperative that the problems and prospects of its future workforce be fully understood.

A recent report by the National Alliance of Business offers a glimpse of the domestic workforce in the year 2000:

"Over the next 10 to 15 years, the workforce is expected to undergo major changes in composition. Most striking will be the growth of less well-educated segments of the population that have typically been the least prepared for work. The number of minority youths will increase while the total number of youths of working age will decline. The number of high school dropouts will rise as will the number of teen mothers. At the same time, entry level jobs will increasingly require basic, analytical, and interpersonal skills.

"From five to 15 million manufacturing jobs will be restructured and an equal number of service jobs will become obsolete. While it is expected that new jobs will replace those that are lost, the disruption from these changes will be great and the need for training and retraining



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Woodson has directed national and local community development programs among a broad cross section of people, from blacks in Chicago to farm workers in California. In addition, Woodson is a frequent lecturer at colleges and universities. Among his honors are the Outstanding Public Service Award of The Georgia Coalition of Black Women, Inc., and the Freedom Foundation at Valley Forge 1985 George Washington Honor Medal.

will be more significant than ever."

These changes will occur at a time when the federal government is reducing overall expenditures. In response to this shift, the private sector will need to assume a greater responsibility in preparing tomorrow's workforce.

One can foresee dramatic economic upheavals with the mismatching of business and industry workforce needs with an unprepared, unskilled and untrained minority labor pool. If, in frustration, these youngsters turn to crime and drugs, while also becoming teenage parents, they will further drain the national treasury and, even more critically, waste their own human potential.

As a nation, we cannot afford to repeat the social upheaval of two decades ago. Not at a time when we are concerned about foreign competition and attempting to reassert U.S. leadership in world markets.

For these reasons, U.S. businesses must become more involved in major policy debates on issues such as welfare reform. The future course of race relations in this country will hinge on a concerted private and public sector commitment to break the cycle of dependency, despair and poverty by promoting self-sufficiency and productivity. It is important for U.S. business and IBM, in particular as a leader, to understand the issues.

While, in the past, masses of blacks were strong supporters of civil rights marches and demonstrations, many now question the wisdom of such tactics to address the challenges of the 1980s.

In the 1960s the civil rights movement was directed against institutional racism as manifested in laws, policies and community-wide attitudes that resulted in blacks being denied public accommodation, voting rights and political representation in government. Along with a host of other obvious gains today, blacks have free access to public places and seven of the 12 major cities in the country have black mayors. Ironically, while black America has enjoyed increased political power far greater than any minority group—since 1970, the number of black Congressmen has more than doubled to more than 20, and the number of black mayors is approaching 300—this power has not translated into economic power and influence.

What distinguishes recent acts of racial violence from those of the 1960s is that today the actions are committed by a small group of Ku Klux Klan members and youthful zealots who have no community-wide support. In Georgia, white Forsyth County residents were the ones who extended the invitation to the marchers. The county police protected the marchers, in contrast with the past when police unleashed dogs and turned fire hoses on civil rights demonstrators. In Howard Beach, white community residents cooperated with the police in identifying the young attackers. In the 1960s, the assailants probably would have been protected

“The emphasis for the future must be on creating wealth . . .”

and considered heroes. It is, therefore, incorrect to imply that these isolated incidents of racial animosity express a resurgence of racism throughout the white community. In reality, national polls indicate a more tolerant attitude toward minorities.

The challenge of the 1980s is to develop strategies that are appropriate for the times. New voices in the black community are speaking out in a candid and straightforward manner against the old rhetoric that blamed racism for all social ills. Innovative solutions are being discussed and implemented to help end the debilitating poverty that stalks our communities.

According to MIT researcher David Birch, 80 percent of all new jobs are created by small and medium-sized businesses. Many of these small businesses provide products and services to large corporations. Compared with other minority groups, blacks are way behind in creating jobs.

The key to improvement

The emphasis for the future must be on creating wealth through increased enterprise formation in low-income communities. Economic development is the key to improving the quality of life in those neighborhoods.

Over the past two decades, for example, public housing resident management corporations run by small, grassroots groups living in the housing they manage have sprung up in Boston, Jersey City, St. Louis, New Orleans and other areas. They have successfully transformed blighted and impoverished developments into safe communities with new jobs and community-run social services.

The Kenilworth-Parkside Resident Management Corp. run by Kimi Gray in Washington, D.C., will save the District of Columbia government \$4.5 million over a 10-year period. And the social and economic impact is awesome. Within two years, teenage pregnancy in the development was reduced by 50 percent, welfare dependency declined by 50 percent, the crime rate fell 75 percent and rent collections increased 130 percent.

In St. Louis, the Cochran Tenant Management Corp. refurbished 400 vacant units in its first year of operation, using hard-

core unemployed youth for renovation crews. They have since become involved in developing an inner-city shopping mall. In addition, 270 people are employed in small businesses established by Cochran's public housing resident corporation.

There are hundreds of such fledgling entrepreneurs in low-income neighborhoods across the country. What is critical to their success is information and training and other forms of hands-on help. They are not looking for handouts, but for a helping hand.

What is desperately needed by all who seek to improve the plight of the nation's poor is to join hands with black Americans in spearheading a self-help renaissance—the next battle-front in the struggle for equal rights. Information flowing to these groups is critical. How does a business price its products and services, study markets, manage expansion? Since many low-income people lack business experience, they need sound business information.

Many low-income entrepreneurs face regulatory and administrative barriers that keep them from entering the market. Several female welfare recipients in Baltimore, for example, started a maintenance business that hired other welfare recipients. When they informed the city's welfare department of their venture, their business income was deducted dollar-for-dollar from their welfare benefits, but they were not allowed to deduct their costs. Another example involves a woman on welfare who received a gift of a typewriter that would allow her to earn extra money while preparing for a new career. Her welfare benefits were immediately stopped because welfare recipients may not have assets over \$1,000. Many welfare policies do not distinguish between commercial and personal assets. These are examples of the barriers to self-help imposed by government that must be struck down through welfare reform.

Several European countries have developed innovative programs that allow public assistance payments to be used to invest in small businesses. In France, for example, any citizen who is entitled to unemployment compensation can collect six months of benefits in a lump sum to

invest in a business. Great Britain's "enterprise allowance" program allocates eligible working people an allowance of \$60 per week in exchange for working at least 35 hours per week to establish a business. After three years, thousands of new businesses have been established with an extraordinary success rate of over 70 percent. Technically, transfer of welfare payments for starting new businesses in the United States is illegal. Instead of penalizing entrepreneurship and self-sufficiency, we should look at ways to encourage it.

IBM has been at the forefront of public/private partnerships, by providing direct assistance to groups that help low-income people learn the skills they need to participate in the marketplace. More than seven years ago, 11 IBM employees were detailed to the Washington Urban League to establish a word processing training center. To date, more than 700 low-income people have graduated from the program with a 100 percent job placement rate for those who have completed the program. After three years, 70 percent retained their jobs. When calculating the personnel contribution in dollar amounts, IBM's contribution is worth more than \$250,000. When you consider the taxes paid by these workers and other cost factors, the return rate of this program is \$5 for every \$1 invested. The program is now staffed completely with Washington Urban League employees.

The poor have needs beyond food, shelter and clothing. They must overcome their crisis of the spirit. They must be helped to reinvest in their futures by believing development is possible. Rebuilding the black community must occur from within based on the experiences of those suffering the debilitating social and economic problems.

Just as business uses its political and economic energies to increase investment in new technologies and expand world markets, it should employ the same zeal to increase the employability of blacks and other minorities who represent the work force of the future. Developing a labor market that reflects America's cultural diversity and energy should be at the top of every corporate agenda. The stakes are too high to ignore. ■

THE WHITE HOUSE
WASHINGTON

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OPENING AND CLOSING STATEMENTS

Presented by

**ROBERT L. WOODSON, PRESIDENT
NATIONAL CENTER FOR NEIGHBORHOOD ENTERPRISE**

on the

CIVIL RIGHTS RESTORATION ACT OF 1990

at the

WHITE HOUSE MEETING WITH PRESIDENT BUSH AND CIVIL RIGHTS LEADERS

May 14, 1990

OPENING STATEMENT

As the debate develops around the Civil Rights Restoration Act of 1990, it is important to examine honestly and objectively the potential adverse side effects of the proposed affirmative action strategies that may contribute to the plight of the black underclass. Before examining the specific provisions of the Act, which is the purpose of this meeting, certain of its underlying assumptions must be reviewed in terms of the intended and actual beneficiaries and the past effects and future implications of the type of civil rights solutions advocated by proponents of the legislation.

The civil rights movement was conceived to secure for all individuals the power to control their own destinies and insure the fundamental, constitutionally guaranteed rights of "freedom and justice for all." Through the formulation and enforcement of laws to change the system of segregation that denied many blacks the right to vote and access to public places and allowed other forms of racial discrimination, the visionaries of that day hoped to cure racial inequities and provide keys to the future that would open doors to groups long excluded from employment and other opportunities. The cornerstones of the movement were moral consistency, equality and justice.

However, it became clear in a very short time that civil rights gains were benefitting primarily middle and upper class blacks and not those in the lower economic stratum. On Oct. 29, 1965, William Raspberry, then a reporter for The Washington Post quoted Washington-based civil rights leaders as acknowledging that "poor Negroes" were not benefitting from the movement's gains and that continued emphasis on race-specific solutions would do little to relieve their economic suffering. Choosing to ignore this wisdom, the movement's leaders proceeded to employ three major strategies to advance the condition of blacks: racial integration and affirmative action based on statistical indicators; expanded government spending on anti-poverty programs; and black political empowerment.

Now, some 25 years later, with the passage and enforcement of civil rights laws, the expenditure of more than a trillion dollars on anti-poverty programs, and the installation of blacks at the helm of the nation's 12 largest cities, the plight of one third of blacks mired in poverty continues to worsen. Instead of examining why these instruments of salvation have failed, a growing chorus now wants to attribute the economic decline of the underclass solely to white racism.

In reality, many of the gaps that existed between the achievements of blacks and whites two decades ago are narrowing. Recent reports indicate that the income of two-earner black households has reached 85% of parity and the gap is closing at a rate of 5% a year.

Conversely, the gap between low-income and middle-income blacks widens steadily. The truth of the matter is -- middle-income blacks are the primary beneficiaries of the civil rights legacy. During the 20-year period from 1967 to 1987, the number of black households earning \$50,000 or more increased 360% (from 212,000 in 1967 to 767,000 in 1987). While, in this same period, black families with incomes of less than \$10,000 increased from 26.8% to 30.2%.

Other post-civil rights era results suggest strongly that the approaches employed have resulted in an adverse impact particularly on low-income blacks as shown below. The net effects of those flawed strategies include destabilization of black families, alienation of young black males from the economic mainstream, and the abandonment and desolation of low-income, inner-city communities.

POST-CIVIL RIGHTS ERA IMPACT ON BLACKS

| | 1960's | 1980's |
|---------------------------------------------------------------------|--------|--------|
| Destabilization of Black Family Structure | | |
| o Married black women (aged 15-44) with spouse present in household | 51% | 29.1% |
| o Black children living with black married couple | 67% | 38.6% |
| o Black children living with never-married person | 2.1% | 29.3% |
| o Black children born to unmarried mothers | 25% | 61.2% |
| Alienation of Black Males | | |
| o Employed young black males | 60% | 44% |
| o Unemployed black males 24 years old | 19.8% | 28.2% |
| o Unemployed black males 35-36 years old | 17.1% | 20.3% |

The interests of low-income blacks continue to be sacrificed on the altar of affirmative action. Merely reversing the Supreme Court's anti-civil rights decisions of 1989 and re-embracing the concept of quotas would do nothing to redress the deeper problems of the truly disadvantaged. Civil rights remedies that call for statistical, rather than economic parity, are morally inconsistent, counter to the free enterprise system, and widening racial and economic gaps.

What is needed instead is an economic agenda for empowerment of the underclass that will redress the problems of the economic mobility and human capital development of the nation's poor and revitalization of low-income communities. In doing so, we will be completing the unfinished business of the civil rights agenda envisioned by Dr. Martin

Luther King, who dreamed of a day when black Americans would no longer be judged by the color of their skin, but by the content of their character and achievements.

It is my belief that the goal of establishing proportional representation in the workforce through any means necessary is misguided. Without examining the underlying reasons for underrepresentation, as well as the real life consequences of legal and technical remedies proposed by the Civil Rights Restoration Act, the emphasis on numerical outcomes as evidenced by statistical disparities and disproportionalities is questionable, at best.

I hope that through this meeting and other deliberations conducted by the President on the proposed legislation, the conclusion will be reached that an alternative proposal, which advances strategies for empowerment of the underclass, is the most credible solution. This approach, rather than court-mandated numerical outcomes, would better serve the interests of all Americans and preserve our families, our moral and spiritual character, our communities, our unity and self-reliance as a people -- which, along with economic mobility and equal opportunity, were the intended legacy of the civil rights movement.

CLOSING STATEMENT

Today's meeting convened by President Bush creates an opportunity to broaden the civil rights debate to include other views and interests not previously represented. It provides an impetus for insightful re-examination of old civil rights laws and the analysis of their true effects and beneficiaries. Before we subscribe blindly to new civil rights proposals that may not only perpetuate, but deepen class divisions that resulted from the old laws, we must honestly and objectively consider the implications of race-specific solutions and acknowledge fully the shortfalls and consequences of existing civil rights laws.

In the last 25 years, millions of low-income blacks, Hispanics and Native Americans who were unable to pass through the narrow gates of opportunity wrought by the designers of present civil rights laws have languished in deteriorating inner-city ghettos, barrios, isolated rural communities and remote reservations. They have been left in an abyss of poverty, while their middle and upper class brothers and sisters have realized impressive gains in income, employment and education.

This is not a "sour grapes" or "crabs in a barrel" commentary, decrying the progress of middle class blacks, but an admonition that the needs of low-income blacks can not continue to be ignored and their interests sacrificed to that of middle-income blacks.

The Civil Rights Act of 1990 represents outdated thinking. It is narrowly crafted legislation that attempts to correct legal problems created by recent court decisions that are viewed as damaging to middle-income blacks. Undergirding this legislation is the assumption that every significant difference in statistical outcomes among racial and ethnic groups is attributable to racial discrimination, and is curable by quotas.

The quest of civil rights was defined initially as empowerment of individuals through the creation of equal opportunity. However, in recent years, we have strayed from this course, and the focus of civil rights policies has shifted from securing equal opportunity

to securing equal outcomes among racial groups through racial quotas, set-asides, busing and welfare. Though advocated as temporary measures necessary to undo lingering effects of past discrimination, these devices have grown increasingly entrenched.

The original intent of affirmative action -- to remove legal barriers and recruit groups historically excluded from employment and other opportunities -- has been transformed to focus on numerical group results. Formula-based remedies have been contrived to achieve legally prescribed, racial landscaping through whatever means necessary, including manipulation of performance standards and the compromise of quality. What has resulted is a zero-sum game in which quotas are used to redistribute opportunities, but in reality, the net effect is every person's gain means another's loss.

Quotas are superficial solutions to the far more serious problems faced by America's truly disadvantaged. They are a cruel hoax on low-income blacks who have become victims of a bait-and-switch game in which their endemic conditions of poor health, low educational achievement, crime and violence are used in appeals for aid that, once it arrives, seldom benefits them.

According to a 1986 study by the White House Office of Policy, 70 cents out of every dollar spent by the federal government in means-tested aid programs goes to service providers -- counselors, social workers, administrators -- and only 30 cents to the poor.

Minority set-aside programs are another case in point. They are promoted as something done to benefit the "black community." But the blacks who benefit are most likely not residents of those communities and are employed in professional or highly unionized fields -- not the lowest tier of the workforce.

The proposed civil rights legislation must be scrutinized to ensure that it does not compound the existing injury. In redressing the civil rights agenda, the original intent of

affirmative action should be revisited and new implementation approaches formulated which are focused on economic empowerment of low-income blacks and elimination of barriers to the progress of the truly disadvantaged: e.g., stifling regulation of entrepreneurial opportunities; lack of access to the capital market; poor public education; deteriorated and insufficient housing; crime; and the welfare system.

As we approach the next century, now is an opportune time for progressive, new strategies aimed at empowering the underclass. Consistent with our nation's tradition of leadership, the Bush administration has an ideal opportunity to demonstrate responsible stewardship to new and aspiring democracies of the world by introducing an innovative economic agenda that addresses the needs of the underclass from a new perspective -- one that strengthens the capacity of low-income individuals and involves them in formulating solutions to their problems; one that provides an alternative to the present welfare system and ceases to nourish a poverty industry that primarily serves its own self-interest rather than the interest of the underclass; one that encourages revitalization of low-income neighborhoods through enterprise formation and reinforcing indigenous development capacity; and one that eliminates barriers -- governmental and private -- to economic mobility of the underclass and provides market-oriented strategies and incentives for development of low-income communities.

In conclusion, my specific recommendations to President Bush are:

- o Convene a meeting with the President, top Administration officials and leaders of low-income communities to learn firsthand the problems confronting low-income people in their struggle to become economically self-sufficient.
- o Establish a Commission on Low-Income Empowerment and Economic Mobility that will, within a specified period, identify barriers that impede economic progress of low-income people and recommend legislation designed to eliminate those obstacles and empower the underclass.
- o Propose an amendment to strengthen damage provisions of the Civil Rights Act of 1964 to provide for vigorous enforcement of existing civil rights laws,

strict penalties for discriminators, and full relief for victims of discrimination.

- o Streamline and reform social services delivery system. [Efforts should include increasing the Earned Income Tax Credit, expanding the Dependent Care Tax Credit, and establishing ceiling rents in public housing so that intact working families can be reunited.]
- o Exempt low-income people from laws and regulations that prohibit and discourage employment and enterprise formation.
- o Use current tax system and other incentives to encourage investment in affordable housing and enterprises owned and operated by low-income people.

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A B I L L

To enable the development by communities of empowerment opportunities systems in order to facilitate economic opportunity for their low-income residents through the restructuring of programs providing services and benefits, to meet the identified priorities of the community and the needs of the individuals and families to be served.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Empowerment Opportunities Act of 1991".

Purpose; Federal Administrator

Sec. 2. (a) It is the purpose of this Act to declare the need and provide the necessary authority for the development of new approaches to increase economic opportunity and opportunities for self-sufficiency, implemented through restructured delivery systems at the community level, so that in the case of each system --

(1) services and benefits for low-income individuals and families funded under categorical or other single or limited purpose Federal programs, can be integrated and restructured at the community level to facilitate the economic empowerment of those individuals and families;

(2) the system is neighborhood or community based, with a specified target group or groups of beneficiaries;

(3) the individuals and families to be served can participate in the design of the comprehensive system for the delivery of services and benefits; and

(4) the delivery system affords individuals and families in the target group of beneficiaries the maximum choice and control over the range, source, and objectives of the services and benefits to be provided.

(b) In order to provide a single focal point for the administration at the Federal level of government of the authorities provided under this Act, the President shall designate an official of the Executive Branch, or two or more such officials to act in concert as a panel. The designated official or officials (hereafter referred to as the "Federal administrator") shall exercise the authorities conferred below, in consultation with all other heads of Federal departments and agencies having programs that an applicant agency seeks to include in its restructured system, and shall make a recommendation to each such department or agency head with respect to approving the inclusion of a program for which such department or agency head has legal responsibility, or the waiver of any Federal statutory or regulatory requirements applicable to that program.

Technical Assistance

Sec. 3. An agency eligible to submit an application under section 4 may request, through the Federal administrator, technical assistance to aid in the development of the information

necessary for the design and implementation of a restructured system for the integrated provision of services and benefits to low-income individuals or families within one or more communities in the State. Assistance under this section may be provided only upon application therefor which describes, in such detail as the Federal administrator finds appropriate, the nature of the system which the applicant proposes to implement and the target group or groups. The application must also provide reasonable assurances that in the development of the application under section 4 the applicant agency will afford adequate opportunity for participation by the low-income individuals and families, and by any agency carrying out a human services program, within the community and that the application will be developed only after considering fully the needs for services and benefits expressed by individuals and families, and the community priorities and available resources in the area served by the applicant.

(b) The Federal administrator may request that the head of the Federal department or agency with the preponderance of Federal funds or Federal programs likely to be included in the applicant's system furnish technical assistance to the applicant. The department or agency head may, out of any appropriations available to him (or to his department or agency), provide such assistance to the extent that he finds it will enhance the application and, ultimately, the successful conduct of the applicant's demonstration.

Empowerment Opportunities Systems

Sec. 4. (a) In order to be eligible to submit an application under subsection (b), an agency --

(1) must --

(A) be currently receiving or eligible to receive Federal grant funds or other Federal financial assistance under one or more of the Federally funded programs proposed in the application to be included in the restructured system, and

(B) provide documentation of the concurrence of each other non-Federal official or entity to which the Federal funds involved would otherwise be provided (either directly or through intervening levels of grantees or other recipients) and demonstrate that it will have the cooperation of each such non-Federal official or entity in the applicant's implementation of the system, and

(2) must provide assurance, found adequate by the Federal administrator, that --

(A) it has the ability to develop an empowerment opportunities system and to implement the system, directly or through contractual or other arrangements, within the area,

(B) it can and will be accountable for all Federal funds received for use in implementing the system,

(C) the application has the concurrence of all the non-Federal officials and other entities referred to in paragraph (1)(B), and

(D) the individuals and families within the empowerment opportunities area have participated in the development of the system described in the application.

(b) In order for an agency to implement a system under this Act, it must submit an application to the Federal administrator, which contains the following information:

(1) the geographic area to be served and the rationale, in light of the objectives of the empowerment opportunities system to be conducted in that area, for so defining the service area,

(2) the particular groups, by age, services needs, economic circumstances, or other defining factors, to whom services and benefits under the system will be targeted,

(3) the specific goals and objectives to be achieved, including a plan for the comprehensive evaluation of the participant impacts, community effects, and program costs,

(4) those elements of the program design that will assist the individuals and families after receiving full information about available services and benefits and the providers, to participate actively in developing both long and short range plans for services and benefits, and in deciding other matters such as (A) the scope of services necessary and desired to meet the full range of the

individual's or family's needs, (B) the choice of provider, and (C) any other choices affecting the service design for that individual or family;

(5) the Federally funded programs to be included within the system and the services and benefits that will be available, including criteria for determining eligibility for services and benefits under the system, the services available, the amounts and form (such as cash, in-kind contributions, or financial instruments) of non-service benefits, and any other descriptive information the Federal administrator may find necessary to decide on the system's potential for success;

(6) any Federal statutory or regulatory requirement applicable to a Federally funded program, for which waiver is sought in order to permit the applicant's system to be implemented; and

(7) such other information as the Federal administrator may require to determine whether the application should be approved or otherwise to carry out the provisions of this Act.

(c)(1) In the case of Federal funds which, pursuant to the relevant authorizing statute, are required to be paid to a non-Federal official or entity other than the applicant, the concurrence of the official or entity, as required under subsection (a)(2)(C), shall constitute its consent to pay directly to the applicant that portion of its funds that would

otherwise be provided to such official or entity for the target group or groups within the geographic area to be served by the system.

(2) If the statute authorizing any such grant funds requires a non-Federal share, the application must describe, and provide assurance of the availability of, the requisite non-Federal funds with respect to all included Federal grants.

(d) The Federal administrator may request, in order to determine whether an application should be approved, that the applicant provide a statement by the Attorney General of the State involved that there is authority under State law for the applicant agency to take all actions described in its application and implement the empowerment opportunities system.

Approval of Application

Sec. 5. (a)(1) Upon receipt of an application to implement an empowerment opportunities system, the Federal administrator shall provide a copy to the head of any other Federal department or agency with responsibility for the administration of any Federally funded program to be included in the applicant's system. Actions taken by the Federal administrator to approve the inclusion of specific programs, or to waive program requirements, shall only be taken with respect to programs for which he has responsibility under Federal law; he shall make recommendations to each other department or agency head with respect to programs of the department or agency that are proposed for inclusion in the applicant's system and each such department

or agency head shall thereafter advise the Federal administrator whether the program has been approved for inclusion.

(2) Except as provided in subsection (a)(3), the Federal administrator with respect to a Federally funded program for which he has responsibility, or the head of any other Federal department or agency with respect to a program included in an application for which he has responsibility, may waive any statutory or regulatory requirement applicable to that program (and substitute a lesser requirement, where appropriate) if he finds it necessary for the program's inclusion in and successful contribution to the applicant's economic empowerment system.

(b)(1) The Federal administrator may approve an application under this Act only if he finds that the design of the system, and the proposed plan for its ongoing operation, show substantial promise for the economic empowerment of the target groups to be served and the achievement of the purposes of this Act.

(2) The Federal administrator may not approve an application under this Act unless he finds that under the restructured system individuals and families in the target groups who were previously assisted under one or more of the included programs will be able to reasonably meet the needs for which such included programs were originally designed.

(c) In approving the application to implement an empowerment opportunities system, the Federal administrator shall specify the understandings that have been reached with the applicant on each of the following:

(1) the term of the demonstration, which may be extended with the consent of all parties,

(2) the Federally funded programs that will be included in the system, except that there shall not be included in any such system, or otherwise affected by the provisions of this Act, Federal benefits paid directly to the individual by the Federal Government, Federal benefits financed from trust funds, or any medical assistance which a State is required under title XIX of the Social Security Act to furnish to described classes of individuals,

(3) the program requirements that have been waived, and the alternative requirements or conditions, if any, that have been substituted pursuant to subsection (a)(2), except that the Federal administrator (or other department or agency head) --

(A) may not waive any statutory or regulatory requirement under title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, or the Age Discrimination Act of 1975,

(B) may waive a program requirement only if he finds that its waiver will not unnecessarily or unreasonably adversely affect individuals or families, and

(C) shall not impose any confidentiality or similar requirement which would impede the exchange,

within the system, of information needed for the design and delivery of integrated services and benefits,

(4) the total Federal cost of the program over its full term (or mechanism for determining the total Federal cost), the amount that will come from each Federal program approved for inclusion in the system subject to the availability of Federal appropriations, and the source of the required non-Federal share, except that the authority provided by this Act shall not be exercised in a manner that causes obligations or outlays for any program for any fiscal year greater than those that would have occurred absent the authority provided by this Act, and

(5) the steps that must be taken during the term of the demonstration to develop the necessary data for its comprehensive evaluation, including measurable performance criteria to be applied over the term that the system is in operation.

**Exclusivity of Empowerment Opportunities
Program as Source of Services and Benefits**

Sec. 6. Any individual or family within a designated target group of a community's empowerment opportunities system shall not be eligible for services or benefits under any included Federal program except under the terms and conditions of the approved application for that system.

Evaluation and Modification

Sec. 7. (a) Over the term of each empowerment opportunities system under this Act, the non-Federal administering agency shall take all actions necessary to evaluate the system's impact on the target groups specified in the application, community effects, and program costs, and shall cooperate with the Federal administrator in Federal evaluation or other review. In any event, the non-Federal administering agency shall submit to the Federal administrator, not later than 90 days after the close of each 12-month period during which the demonstration is conducted, a report summarizing the principal activities and achievements of the system during that period, and comparing its achievements to the measurable performance criteria agreed upon in the application.

(b) If the Federal administrator determines, after consultation with each other Federal department or agency head having Federal funds included in the applicant's system, that there is a substantial failure to meet the performance criteria, and that the criteria remain sound in light of any experience gained to that point in the conduct of the demonstration, he may terminate the demonstration, allowing a reasonable period or periods of time for all affected Federal, State, and local agencies to resume, in an orderly and effective fashion, the administration of the various included programs in accordance with the applicable authorizing laws and regulations thereunder.

Reports; Extension of Authority
for Successful Systems

Sec. 8. (a) The non-Federal administering agency implementing an empowerment opportunities system shall submit such reports, at such time or times, and cooperate in such audits of Federal funds, as the Federal administrator may require, and shall submit a final report, including a full evaluation of the system's successes and shortcomings and the impacts on the self-sufficiency of the target groups, after the expiration of the term of the system. However, if the agency believes that the system has demonstrated its worth and has proven a superior way to assist and empower individuals and families, that agency may submit its final evaluation and reports prior to the expiration of the system term and request, and the Federal administrator may approve (with the concurrence any other Federal department or agency head having responsibility for a Federal program included in the demonstration, with respect to such program) for such period or periods as he finds appropriate, the extension of the empowerment opportunities system and the necessary waivers.

(b) A copy of the final report shall also be promptly sent to the Governor of the State involved.

Definitions

Sec. 9. As used in this Act --

(1) the term "State" means the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands,

(2) the term "local agency", in the case of the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, includes any

agency of the State, and such term also includes the governing organization of an Indian tribe.

(3) "Governor" of a State means the chief elected official of the State.

Effective Date

Sec. 10. Sections 4, 5, 6, 7, and 8 of this Act shall become effective October 1, 1991; the remaining sections are effective upon enactment.

2/05/91

A B I L L

To enable the development by communities of empowerment opportunities systems in order to facilitate economic opportunity for their low-income residents through the restructuring of programs providing services and benefits, to meet the identified priorities of the community and the needs of the individuals and families to be served.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Empowerment Opportunities Act of 1991".

Purpose: Federal Administrator

Sec. 2. (a) It is the purpose of this Act to declare the need and provide the necessary authority for the development of new approaches to increase economic opportunity and opportunities for self-sufficiency, implemented through restructured delivery systems at the community level, so that in the case of each system --

(1) services and benefits for low-income individuals and families funded under categorical or other single or limited purpose Federal programs, can be integrated and restructured at the community level to facilitate the economic empowerment of those individuals and families;

(2) the system is neighborhood or community based, with a specified target group or groups of beneficiaries;

THE WHITE HOUSE
WASHINGTON

Date: 1-30-91

TO: Members of the Domestic Policy
Reform Breakfast Group

FROM: **RICHARD W. PORTER**
Special Assistant to the President
and Executive Secretary to the
Domestic Policy Council

The attached article is for
your information -- thought
you might be interested.

William Raspberry

'What It Takes' to Deliver Social Services

Maybe America, newly mean-spirited, has stopped caring about poor people, including small children and their troubled families. But I don't think so.

What has happened, I believe, is that large numbers of Americans no longer believe that the programs they are asked to pay for make any real difference—except to make things worse. For them, demands for still greater outlays are taken as an invitation to pour yet more of their hard-earned tax dollars down ever bigger rat holes.

The evidence is on their side. Leaving aside such obviously successful programs as Head Start and magnet schools, most of the programs designed to help the poor aren't working very well. Outlays for prenatal care seem to have made no discernible difference in infant mortality rates among the poor. Ballooning school expenditures have not noticeably improved public education for the poor. Public housing budgets may increase, but so does tenant abuse of public housing—and homelessness. Welfare seems as likely to perpetuate poverty as to alleviate it.

What are we doing wrong?

One part of the answer is that we have forgotten to treat poor people as full-fledged human beings, preferring to chop them up into their component problems, with an agency (usually underfunded and ineffectual) to deal with each component. Mental health

specialists don't talk to housing specialists; welfare bureaucracies are only marginally involved with schools; child welfare agencies often treat families as adversaries, not as the setting in which children are most likely to flourish.

That's why I am so excited by a new monograph from a Washington-based Education and Human Services Consortium—"What It Takes: Structuring Interagency Partnerships to Connect Children and Families With Comprehensive Services."

The 55-page monograph, written for a consortium that includes leaders in welfare, social policy, education, politics and business, begins by showing how fragmented are the services for poor families, with little cooperation among agencies and virtually no collaboration. Then it looks at some existing collaborative models and offers recommendations—and an opportunity for feedback—on how to improve the delivery and effectiveness of services.

It's hard to argue with the description of what happens now. Services are mostly crisis-oriented—designed not to prevent problems but to deal with problems that have already occurred. Agencies not only fail to collaborate; they seldom even cooperate, except in terms of pro forma referrals. Often they are outright rivals, competing for scarce public funds. Even some of the most expert service

professionals are hampered by the absence of support services that may be the technical responsibility of a separate agency.

One quote summarizes the dilemma: "To expect a single community worker to master the whole array of available resources that relate to potential youth needs may seem overwhelming. However, to expect a youth-in-crisis or his/her often-stressed parents to negotiate, unassisted, the maze of agencies, programs and eligibility rules in order to get the help they need is truly to ask the impossible."

The monograph (written by Atelia I. Melville of the William T. Grant Foundation Commission and Martin J. Blank of the Institute for Educational Leadership, and available at 1001 Connecticut Ave., NW, Suite 310, Washington, D.C. 20036-5541) calls for full collaboration at both the service delivery level and the system level "to knit a truly seamless web of services."

The present practice, say the authors, is for agencies "to concentrate on a single solution to a specific problem—focusing on their own narrow objectives—rather than working together toward a common goal that addresses the range of situations contributing to a family's problem or standing in the way of its resolution." If I have any criticism of this excellent paper, it is that it focuses almost

exclusively on 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.

The great unintended consequence of the way we address the social problems of the poor—by parachuting in the experts, in Robert Woodson's phrase—is its deleterious effect on local leadership. The home-grown problem solvers—the men and women who live in the community and who care about its residents, not as collection of problems but as people—can be the glue that holds communities together. Undercutting their authority by eliminating their problem-solving role can reduce neighborhoods to assemblages of clients rather than competent, self-healing communities. Indeed the service-delivery improvements envisioned by the authors of the monograph could exacerbate the weakening of this natural leadership.

Perhaps we'll get smart enough to include these natural leaders—whether as staff, consultants or unpaid volunteers—in the collaborative effort recommended by "What It Takes."

Excellent services and adequate funding are important in fashioning remedies. But healthy communities capable of rearing healthy children in healthy families can prevent a lot of the problems in the first place.

Grant/Cawley
February 21, 1991
12 noon 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 making a difference in the lives of others. Every man and woman here this morning believes in the power of the individual, and is bolstered by the notion that America is the land of opportunity. For 200 years, America has been the home of democracy and free enterprise, the birthplace of the American Dream. **Opportunity in America is the envy of the world.**

From its start, the story of America has been the story of opportunity. Throughout American history, men and women have pioneered the frontiers of liberty for all humanity. Our Founding Fathers created the foremost Bill of Rights in the world. Abraham Lincoln broke forever the chains of human slavery. The suffrage movement made the promise of democracy a reality for women. The founders of our public schools unleashed the potential of an educated citizenry by introducing free education for all. The leaders of the civil rights movement unshackled the oppressed and disenfranchised by guaranteeing equal rights for all Americans. It's the story of people from Thomas Paine to Frederick Douglass to Mother Seton, from Clara Barton to the Wright Brothers to Jesse Owens.

But it doesn't end there, with these heroes from our history books. There are just as many "new American heroes" today, many of them in this room. What they share with their predecessors is pride, integrity, faith in the dignity of man, and courage to beat the odds. It's called leadership by example -- and it's what makes America the great citadel of freedom in the world. //

These modern visionaries are the ones making history -- propelling us into the Next American Century -- by empowering people. Take a look at **George Waters** and **Aaron Bocage**, who are giving high-school drop-outs a fighting chance by giving them nuts-and-bolts experience in small business. Or Detroit's **Reverend Lee Earl**, pastor of the 12th Street Baptist Church, who turned around a neighborhood devastated by crack, using unemployed citizens for manpower to rebuild and resell houses. Or **Jaime Escalante** of East L.A.'s Garfield High School, who challenges kids to prove their worth through the excitement of learning and the pride of achievement. (public housing?)

Theirs is a movement 200 years old -- as old as the Declaration of Independence -- a dynamic defined by what Jefferson called "the American mind." This movement is sweeping our country today, with a strength of force which will propel us into the 21st Century.

It is a movement driven by the power of the American Dream.

But America has not yet fulfilled its destiny as a land of opportunity for all its people. **We will not forget those who have not yet shared in the American Dream.** And we know who they

are: The hopeless and the homeless. The friendless and the fearful. The destitute and the desperate. The unemployed and the unemployable. The ones who can't read a simple sentence -- much less write one. All of them lack one basic thing: Hope.

For what is hope in the American Dream -- if it isn't wanting to be part of something larger than yourself? If it isn't creating a better life for your children than for yourself? If it isn't controlling your own future?

For most people, these aspirations mean enjoying the good life -- having a place you can call your own, raising a family, holding a stake in the community, feeling like you have some security.

We have not forgotten these Americans who have given up hope, who have surrendered to despair, those who live life in a trap -- we can offer them an opportunity to gain control of their lives. We can offer them hope.

Some have said "hope is a waking dream." That awakening begins with education. No matter what your situation in life, **having a skill gets you a job. Independence. Money in your pocket.** 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 poor kids

can't afford it. We've seen choice and competition improve education -- from Minneapolis to East Harlem -- and it's time all Americans become **consumers** with a **choice** in schools.

We're also proposing education reforms to build flexibility and accountability into our school 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.

Education is the only answer. //

And so people are trying to expand their options -- by working toward a degree, or getting certified at a night school, or even putting in extra hours to increase their skills. But time and again they hit a roadblock. Their own 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. And so they stay trapped in their

homes, fearful and alone, slowly losing the hope of a better life.

We're waging a battle against crime in the name of those who need protection the most: **poor people in the cities**. 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. Guaranteeing equal justice regardless of race. **Because people will only walk down the road to opportunity if they know the street is a safe one. //**

We can rebuild opportunity in our inner cities by making sure that there is a job available for every one who wants one. Our Enterprise Zone and Jobs Creation legislation will draw seed capital for small business start-ups in our hardest-hit urban areas. Working poor will have jobs nearby, and they'll be able to take home more of their pay. The outrageous disincentives facing those on welfare who want to work will be removed. And we're making it easier for investors to build capital for businesses by cutting expensing requirements and the capital gains tax in enterprise zones. //

The American Dream also means owning your own home. To make it easier for more dreams to come true, we're proposing that Americans be allowed to use the money in their IRAs to buy their first home. This will bring us closer to our goal of **one million new homeowners by 1992**. And we're increasing funding for housing vouchers for low-income renters, so that public housing isn't their only option. We're offering incentives for public housing

residents to move out -- and move up -- into the economic mainstream -- and into the American Dream. //

People want to hold a share in their community, to feel a part of the neighborhood. Each community in America is different, and its residents know what's best for themselves -- what the best options are for programs and services. So we're restructuring programs to broaden choice at the local level. Our strength as a nation lies in the strength of our communities -- the sum of our neighborhoods and families, our hopes and dreams for the future.

Of course, vestiges of the past remain. Hatred, bigotry, and racial discrimination still exist in America. Where legal remedies work, we are refining our civil rights laws. [1991 Civil Rights bill insert to come].

But the sixties are over. And so is the civil rights debate. That debate has been won -- won by those who decided Brown vs. the Board of Education. // Won by those who enacted the Civil Rights Act of 1964. // And the Voting Rights Act of 1965. // And the Fair Housing Act of 1968. // There are plenty of civil rights laws on the books -- and plenty of lawyers in courtrooms getting paid to argue over them.

I know a lot of lawyers. Some of my best friends are lawyers. But put them in a courtroom, and lawyers don't teach anyone how to read, or create jobs, or rebuild a neighborhood. Lawyers don't give a lost soul the will to live one more day. // **And neither do civil rights statutes.**//

It's time to secure the opportunity promised by those who fought and died for civil rights in this country. The only way to give the destitute, the frightened, the unemployed any hope is through opportunity. Our aim is to empower all Americans by removing barriers -- making it easier for you to go to school, to own your own home, to get a job, to start your own business, to raise your family. To have some security in life. To live the Dream.

This ideal of opportunity is our Administration's agenda for America. Every man and woman in this room is a member of the movement. It lives in the heart of every person who wants to be free to live his own destiny. It lives in the freedom of man and mind. It lives in the American Dream. The great poet Carl Sandburg wrote that "nothing happens unless first a dream." The time has come to make something happen -- our mandate is to make the Dream a reality.

We face a new Century -- a new American Century -- and our moment in history is here. The time is now -- to fulfill America's destiny as a land of opportunity for all.

With God's help and yours, we will succeed. God bless each and every one of you. Thank you very much.

#

Grant/Cawley
February 21, 1991
9 a.m. A:CIVIL-RT

**PRESIDENTIAL REMARKS: OPPORTUNITY ACTION PLAN
FEBRUARY 27, 1991
PLACE? TIME?**

((Thank you, Bill [Taylor], for that warm introduction.
(other acknowledgements) ... It's hard to believe a year has
passed since the day I issued a set of challenges to the members
of ASAE -- to channel the tremendous energy of this organization,
tap your power and transform a nation through community service.
[More to come]))

Looking around the room today, I see so many familiar faces,
so many people making a difference in the lives of others. Every
man and woman here this morning believes in the power of the
individual, and is bolstered by the notion that America is indeed
the land of opportunity. For 200 years, America has been the
home of democracy and free enterprise, the birthplace of the
American Dream. There is no question: **opportunity in America is
the envy of the world.**

From its start, the story of America has been the story of
opportunity. Throughout our America's history, men and women have
pioneered the frontiers of liberty for all humanity. Our
Founding Fathers created perhaps the most simple yet profound
document in modern history -- our Bill of Rights. Abraham
Lincoln broke forever the chains of human slavery. The suffrage
movement made the promise of democracy a reality for women. The
founders of our public schools unleashed the potential of an
educated citizenry by introducing universal free education. And

by their struggle for equal rights, the leaders of the civil rights movement unshackled the oppressed and disenfranchised. The story of opportunity in America is the story^{of} Thomas Paine and Frederick Douglass, Mother Seton, Clara Barton, the Wright Brothers and Jesse Owens.

But it doesn't end there, with these heroes from our history books. There are just as many "new American heroes" today, many of them in this room. What they share with those who went before is pride, and integrity, and faith in the dignity of man, and courage to overcome the odds. It's called leadership by example -- and it's what makes America the world's great citadel of freedom. //

These modern visionaries are the ones making history -- propelling us into the Next American Century. [examples to come].

Theirs is a movement 200 years old -- as old as the Declaration of Independence -- a movement defined by what Jefferson called "the American mind." It continues to sweep our country today^(X) with a vigor as strong as ever. It is a movement driven by the strength and power of the American Dream.

For what is the American Dream -- if it isn't wanting to be part of something larger than ourselves? If it isn't creating a better life for our children ~~than we might have had~~? If it isn't the freedom to take command of our own future?

For most people, these aspirations mean enjoying the blessings of good health, having a place to call one's own,

raising a family, holding a stake in the community, feeling secure at home and on the job and in the neighborhood.

But for some, America has not yet fulfilled its destiny as a land of opportunity. We know who they are: They are the hopeless and the homeless. The friendless and the fearful. The destitute and the desperate. The unemployed and the unemployable. The ones who can't read a simple sentence -- much less write one. They are the ones who don't believe they will ever share in the American Dream.

I'm here to tell you that we will not forget these Americans for whom hope lies dormant, for whom despair is a daily fact of life. We will not forget those who have not yet shared in the American Dream. We must offer them hope. We must guarantee them opportunity.

Some have said "hope is a waking dream." That awakening begins with learning. Understanding the power and potential of individual effort. Developing a skill. And the independence ~~that~~ brings. The ability to earn a living. With dignity and opportunity for personal growth. More skills mean more choices. More options for even greater opportunity.

The Administration's Education bill puts this kind of choice in the hands of students and parents -- so they can choose the best school to attend. We've seen choice and competition improve education -- from Minneapolis to East Harlem. Our higher education system is clearly the finest in the world -- and highly

competitive. It's time all Americans become **consumers** and demand **choice** in education.

We're also proposing education reforms to build flexibility and accountability into our school system. We're encouraging teachers, parents and administrators to work together to meet the needs of all students -- the success of community partnerships like Cities in Schools shows that the battle to give young people education, direction and hope can be won. We must cut the dropout rate -- by ensuring that every kid in America arrives at school ready to learn, and graduates ready to work. //

For quite some time now, the Administration has been calling for nothing short of the restructuring of American education. Let me lay out the five principles that should guide our efforts to empower parents, expand choice and encourage excellence. The principles are: high expectations; decentralized authority; and schools that are responsive, market oriented and performance-tested. These will guide our efforts to meet the national education goals set in Charlottesville -- because we can't expect to remain a first-class economy if we settle for second-class schools.

Awaiting America's graduates over the next 20 years will be 15 million new jobs. 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 -- more skilled, better paying jobs

-- will go to the ones who have what it takes -- a quality education. //

Everyone knows the best education takes place in classrooms that are drug-free, safe, learning environments. Children cannot learn if there is violence in the classroom. Or crime in the schoolyard. Or drug pushers along the way home. And older students and workers find it hard to attend night school or put in late hours at the office -- because often they're afraid to walk home alone after dark, or leave the house with no one around.

Intimidated by crime, low-income Americans are the ones least likely to be able to take advantage of opportunities that may be ^{or even} just around the corner, ~~or~~ across town. They're the ones defending themselves and their families from the drug dealers and muggers down the hall, or down the street. And so they're trapped in their homes, fearful and alone, slowly losing the hope of a better life.

They're the ones who need opportunity the most. It is in their name that this battle for the streets of our cities must be waged. The thugs, and the gangs, and the drug kingpins should be the **casualties** of this war. The **weapons** are mandatory sentences for using a firearm in a violent crime. Strengthened protection against sex crimes and child abuse. Tough prosecutors. Courts that mete out equal justice, swiftly and predictably, regardless of race. And a prison system that is up to the job. **Americans**

can only walk down the road to opportunity if the streets are safe.//

An education. A neighborhood that's safe and secure. Opportunity is built on these foundations, but the door is opened by one thing: A job. Every American who wants a job should be able to get one. For our hardest hit urban areas, ^{our new proposals} that means starting up small businesses in enterprise zones, and eliminating the capital gains tax on seed capital. That means removing the disincentives facing those on welfare who want to work. And it means allowing people to take home more of their pay. Our proposals mean economic growth and most importantly, jobs. //

The American Dream also means choosing where to live and, to many working people, owning a home someday. We're offering incentives for public housing residents to move out -- and move up -- into the economic mainstream -- and into the American Dream. // And we're proposing that Americans be allowed to use the money in their IRAs to buy their first home. This will bring us closer to our goal of **one million new homeowners by 1992**.

There's something reassuring about being part of a neighborhood. There's a lot to be said for a community that pulls together in times of crisis, that looks out for each other. Each community in America is different, and its residents know how best to take care of each other -- what the best options are for programs and services for those who need a hand. So we're restructuring programs to broaden choice at the local level. Our strength as a nation lies in the strength of our communities --

the sum of our neighborhoods and families, our hopes and dreams for the future.

Of course, vestiges of the past remain. Hatred, bigotry, and racial discrimination still exist in America. Where legal remedies work, we are refining our civil rights laws. [1991 Civil Rights bill insert to come].

But the sixties are over. And so is the civil rights debate. That debate has been won -- won by those who decided Brown vs. the Board of Education. // Won by those who enacted the Civil Rights Act of 1964. // And the Voting Rights Act of 1965. // And the Fair Housing Act of 1968. // There are plenty of civil rights laws on the books -- and plenty of lawyers in courtrooms to argue over them.

I know a lot of lawyers. Some of my best friends are lawyers. But no one ever learned how to read in a courtroom. Or got a job there. Or rebuilt a neighborhood. Or gave a lost soul the will to live one more day.

Opportunity doesn't begin in the courtroom. It begins in the heart of every person who believes in freedom, and lives on in the American Dream. **This is our Administration's agenda for opportunity.** Every man and woman in this room is a member of the movement. The great poet Carl Sandburg wrote that "nothing happens unless first a dream." Our mandate is to make the Dream a reality.

We face a new Century -- a new American Century -- and our moment in history is here. The time is now -- to fulfill America's destiny as a land of opportunity for all.

With God's help and yours, we will succeed. God bless the United States of America. Thank you very much.

#

February 20, 1991

MEMORANDUM

TO: MARY KATE GRANT
FROM: CAROLYN CAWLEY
RE: OPPORTUNITY SPEECH

- o Attached is Lange's Civil Rights Speech of last May.
- o I perused that speech file and found a Xerox of some pages of a book by Dr. King. The chapter is entitled "Against Tokenism". Some nuggets for you:

-- he refers to **"a new sense of somebodyness"**
to revolutionize blacks' self-conception
about their role in American society

-- he quotes Victor Hugo:
**"There is nothing more powerful in all the
world than an idea whose time has come."**

Mary
Brumette
708-3161

Grant/Cawley
February 21, 1991
12 noon A:CIVIL-RT

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

((Acknowledgements)) ((local intro))

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But it doesn't end there, with these heroes from our history books. There are just as many "new American heroes" today, many of them in this room. What they share with their predecessors is *pride, integrity,* ~~an abiding faith~~ in the dignity and ~~pride~~ of ^{man} all men, and ~~the~~ courage to beat the odds. It's called leadership by example -- and it's what makes America the great citadel of freedom in the world. //

These modern visionaries are the ones making history -- propelling us into the Next American Century -- by empowering people. Take a look at **George Waters** and **Aaron Bocage**, who are giving high-school drop-outs a fighting chance by giving them nuts-and-bolts experience in small business. Or Detroit's **Reverend Lee Earl**, pastor of the 12th Street Baptist Church, who turned around a neighborhood devastated by crack, using unemployed citizens for manpower to rebuild and resell houses. Or **Jaime Escalante** of East L.A.'s Garfield High School, who challenges kids to prove their worth through the excitement of learning and the pride of achievement. (public housing?)

of Ind **Theirs is a movement 200 years old** -- as old as the ~~American~~ ^{Declaration} **Dream** -- a dynamic defined by what Jefferson called "the American mind." This movement is sweeping our country today, with a strength of force which will propel us into the 21st Century. It is a movement driven by the power of the American Dream.

But America has not yet fulfilled its destiny as a land of opportunity for all its people. **We will not forget those who have not yet shared in the American Dream.** And we know who they

are: The hopeless and the homeless. The friendless and the fearful. The destitute and the desperate. The unemployed and the unemployable. The ones who can't read a simple sentence -- much less write one. All of them lack one ^{basic} thing: **Hope**.

For what is hope in the American Dream -- if it isn't wanting to be part of something larger than yourself? If it isn't creating a better life for your children than for yourself? If it isn't controlling your own future?

For most people, these aspirations mean enjoying the good life -- having a place you can call your own, raising a family, holding a stake in the community, feeling like you have some security.

We have not forgotten these Americans who have given up hope, who have surrendered to despair, those who live life in a trap -- we can offer them an opportunity to gain control of their lives. We can offer them hope. ^{# Some have said} for hope is a waking Dream!

^{That awakening} ~~It all~~ begins with education. No matter what your situation in life, **having a skill gets you a job. Independence. Money in your pocket.** 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 poor kids can't afford it. We've seen choice and competition improve

education -- from Minneapolis to East Harlem -- and it's time all Americans become **consumers** with a **choice** in schools.

We're also proposing education reforms to build flexibility and accountability into our school 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.

Education is the only answer. //

And so people are trying to expand their options -- by working toward a degree, or getting certified at a night school, or even putting in extra hours to increase their skills. But time and again they hit a roadblock. Their own 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. And so they stay trapped in their homes, fearful and alone, slowly losing the hope of a better life.

We're waging a battle against crime in the name of those who need protection the most: **poor people in the cities**. 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. Guaranteeing equal justice regardless of race. **Because people will only walk down the road to opportunity if they know the street is a safe one.** M

We can rebuild opportunity in our inner cities by making sure that there is a job available for every one who wants one. Our Enterprise Zone and Jobs Creation legislation will draw seed capital for small business start-ups in our hardest-hit urban areas. Working poor will have jobs nearby, and they'll be able to take home more of their ^{pay} ~~money~~. The outrageous disincentives facing those on welfare who want to work will be removed. And we're making it easier for investors to build capital for businesses by cutting expensing requirements and the capital gains tax in enterprise zones. //

The American Dream also means owning your own home. To make it easier for more dreams to come true, we're proposing that Americans be allowed to use the money in their IRAs to buy their first home. This will bring us closer to our goal of **one million new homeowners by 1992**. And we're increasing funding for housing vouchers for low-income renters, so that public housing isn't their only option. We're offering incentives for public housing residents to move out -- and move up -- into the economic mainstream -- and into the American Dream. //

People want to hold a share in their community, to feel a part of the neighborhood. Each community in America is different, and its residents know what's best for themselves -- what the best options are for programs and services. So we're restructuring programs to broaden choice at the local level. Our strength as a nation lies in the strength of our communities -- the sum of our neighborhoods and families, our hopes and dreams for the future.

Of course, vestiges of the past remain. Hatred, bigotry, and racial discrimination still exist in America. Where legal remedies work, we are refining our civil rights laws. [1991 Civil Rights bill insert to come].

But the sixties are over. And so is the civil rights debate. That debate has been won -- won by those who decided Brown vs. the Board of Education. // Won by those who enacted the Civil Rights Act of 1964. // And the Voting Rights Act of 1965. // And the Fair Housing Act of 1968. // There are plenty of civil rights laws on the books -- and plenty of lawyers in courtrooms getting paid to argue over them.

I know a lot of lawyers. Some of my best friends are lawyers. But put them in a courtroom, and lawyers don't teach anyone how to read, or create jobs, or rebuild a neighborhood. Lawyers don't give a lost soul the will to live one more day. //

And neither do civil rights statutes. //

It's time to secure the opportunities promised by the civil rights in this country
 The only way to give the destitute, the frightened, the unemployed any hope is through opportunity. Our aim is to

empower people by removing barriers -- to make it easier to get an education, to own a home, to start a business, to raise a family. To have some security in life. To live the Dream.

This ideal of opportunity is our Administration's agenda for America. Every man and woman in this room is a member of the movement. It lives in the heart of every person who wants to be free to live his own destiny. It lives in the freedom of man and mind. It lives in the American Dream. The great poet Carl Sandburg wrote that "nothing happens unless first a dream." ~~Our~~ ^{has come} mandate is to make the dream a reality -- ~~and the time for action~~ ^{to make something happen} ~~is now.~~ ^{is here.} ~~to make it happen~~ ^{is now -} ~~is now.~~ ^{opportunity}

We face a new Century -- a new American Century -- and our moment in history ~~has come.~~ ^{is here.} ~~The time has come to fulfill~~ ^{is now -} America's destiny as a land of opportunity for all.

With God's help and yours, we cannot help but succeed. God bless each and every one of you. Thank you.

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Grant/Cawley
February 21, 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 making a difference in the lives of others. Every man and woman here this morning believes in the power of the individual, and is bolstered by the notion that America is the land of opportunity. For 200 years, America has been the home of democracy and free enterprise, the birthplace of the American Dream. **Opportunity in America is the envy of the world.**

From its start, the story of America has been the story of opportunity. Throughout American history, men and women have pioneered the frontiers of liberty for all humanity. Our Founding Fathers created the foremost Bill of Rights in the world. Abraham Lincoln broke forever the chains of human slavery. The suffrage movement made the promise of democracy a reality for women. The founders of our public schools unleashed the potential of an educated citizenry by introducing free education for all. The leaders of the civil rights movement unshackled the oppressed and disenfranchised by guaranteeing equal rights for all Americans.

But the story doesn't end there, with these heroes from our history books. There are just as many "new American heroes" today, many of them in this room. What they share with their

predecessors is an abiding faith in the dignity and pride of all men, and the courage to beat the odds. It's called leadership by example, and it's what makes America great.

They are the ones making history -- propelling us into the Next American Century -- by empowering people. Take a look at George Waters and Aaron Bocage, who are giving high-school drop-outs a fighting chance by giving them nuts-and-bolts experience in small business. Or Detroit's Reverend Lee Earl, pastor of the 12th Street Baptist Church, who turned around a neighborhood devastated by crack, using unemployed citizens for manpower to rebuild and resell houses. (education example/public housing?) [Or right here in Washington, John Raye and his group, the "Majestic Eagles," known as the "incubator for new entrepreneurs."]

Theirs is a movement 200 years old, as old as the American Dream, a dynamic defined by what Jefferson called "the American mind." This movement is sweeping our country today, with a strength of force which will propel us into the 21st Century. It is movement driven by the power of the American Dream.

But America has not yet fulfilled its destiny as a land of opportunity for all its people. We will not forget those who have not yet shared in the American Dream. We know who they are: the hopeless and the homeless. The friendless and the fearful. The destitute and the desperate. The unemployed and the unemployable. The ones who can't read a simple sentence, much less write one. What they all lack is one thing: Hope.

For what is hope in the American Dream -- if it isn't wanting to be part of something larger than ourselves? If it isn't creating a better life for our children than for ourselves? If it isn't controlling your own future?

For most people, these aspirations mean enjoying the good life -- having a place you can call your own, raising a family, holding a stake in the community, enjoying the good life.

13 January 1991

MKG

MEMORANDUM FOR MARK LANGE

FROM: JENNIFER GROSSMAN

SUBJECT: CIVIL RIGHTS/EMPOWERMENT (ADDITION)

I. ANECDOTES (MORE) HOUSING

A. **REV. LEE EARL** *Taking back the neighborhood*

"The 12th Street Baptist church is the oldest, largest and most prominent church in the Pilgrim Village, a residential neighborhood in northwest Detroit. Over seven years ago, it was not uncommon to hear gunfire from surrounding 'crack' houses and street corners during worship services. Members of the congregation often witnessed drug dealers openly making sales as they entered or left church. And on Friday evenings during choir practice, the cars were lined up in front of the 'crack houses' offering curbside service...Right in front of the Church, murders frequently occurred."

"Led by Reverend Lee Earl, the pastor of 12th Street Baptist Church, the community united behind an innovative plan to reclaim their community from the drug pushers and the seemingly endless cycle of poverty and despair. They formed REACH, Inc., a non-profit community development and community service corporation and began a three-pronged assault on the problem of drug abuse, related crimes and poverty."

"First, they bought up 'crack' houses in their neighborhood and evicted the drug dealers and users...Second, they began rehabilitating the houses using community residents with construction skills as supervising engineers. Unemployed workers were trained as construction crews. Finally, they sold these houses to decent, drug-free families often allowing them to use their rehab labor as the down payment.."

"Rev. Early cites one house..'Today, there are crews inside renovating (house) 1814 that are former drug dealers and drug users. But they are not in the house selling drugs or using drugs. They are in that house getting paid to fix it up...This house used to wreak terror on our neighborhood. Today it represents the control of the neighborhood; it represents a place to work; and eventually it will represent a place for a family to live and to begin a life of ownership...The final step in REACH's housing program is the sale of the property...We modify the interest rates and we can adjust the number of years of the mortgage so that the

people who normally would not qualify can now have decent, affordable housing."

"Most recently, REACH took over a restaurant abandoned by previous operators because of drug-related crime, renovated it and is returning it to service as a centerpiece of a previously decaying business corridor..(Lee): 'With the profits earned, we can reinvest in our youth and our children; we can inspire others to get involved in business ventures within the neighborhood; we can attract the investment dollars that boost our tax base; and revive our self-esteem, and enjoy a good soul food dinner in the process.'"

"Rev. Lee concludes: 'Not HERE You Don't!' says that our community has the strength, it has the wherewithal, it has the resources to determine what will and will not happen here. We want the continued opportunity to determine what will.'"

B. **DOROTHY GROSS PERRY**

"Maybe the more than 200 Liberty City, Florida, youngsters who have been a part of Dorothy Gross Perry's Singing Angels can't rap their way into better lives--free of drugs and despair; maybe it's just enough that they have something positive to believe in."

"For more than 14 years, 48-year-old Dorothy Perry has dedicated her life to the children of Miami's James E. Scott public housing development."

"There are currently 35 young people participating in the program, and another eight or so seniors from the neighborhood...Each day they meet after school in Perry's home, where after homework, they take part in study groups, play acting and rap sessions about things that youngsters are confronted with--including drugs and crime...The kids also have designated days where they learn other useful skills such as sewing, cooking and test-taking. Perry holds Bible study every day. She is firm in her belief that by offering children positive and constructive alternatives, you can help them grow into productive adults."

"It isn't always easy for Perry to work with the young people in her public housing development. More than once, she has been given eviction notices by the local housing authority, including one for simply running a program out of her home. As a result, one local newspaper ran the headline, 'Drug Dealers In, Singing Angels Out.'"

"Throughout the existence of her program, Perry has operated almost exclusively on money she raises from selling dinners or other items that the kids can sell door to door. But

even with a minimal amount of support, Perry bombards the kids in her program with discipline, love, respect and a sense of self-worth."

C. **REUBEN GREENBERG**

"In the eight years since he took over the port city's police force, reported crime is down 40 percent. That includes murder (down 57 percent), rapes (down 31 percent) and burglary (down 53 percent). The city of 80,000 is also enjoying its lowest number of armed robberies in 25 years. And all of this was accomplished using existing resources and manpower."

"When Chief Greenberg took over the force in 1982, Charleston was plagued by open-air drug markets and the violence that comes with them. The city's public housing projects were particularly hard hit."

"'Simply making the arrest would not and could not be a major way of dealing with street-level drug dealing,' he says. 'Even if the person got the death penalty, we were no better off than we were before. There was always someone to take his place. The idea was to make these areas no longer profitable places to sell drugs.'"

"Instead of using four or five officers in elaborate undercover operations, Chief Greenberg put uniformed officers on foot patrols. With a cop standing 40 feet away, few people would even stop to talk to a drug dealer. Staying in business meant moving to a new location, which is just what the police wanted."

"'Moving not only made it difficult for their customers to find them, it often meant infringing on someone else's turf. As one drug dealer told him, 'You can get killed trying to move someplace else.'"

"Chief Greenberg says that some 30 percent of the drug dealers his officers have displaced have gone out of business altogether."

"It's a matter of taking back the streets."
--Washington Times, November 6, 1990

CHIEF GREENBERG: "Our criminal justice system has been described..in many, many places as being really a non-system, disjointed, convoluted and non-functioning. And the reason for our system being described in this way is very simple, that it just doesn't seem to work."

"In order to assist us..we added some weapons to our arsenal, instamatic camera..And when these people would come by a second time, we were pretty sure that they were there

for the purpose of trying to make a drug contact, we would take their photograph."

"So in order to make [the officers'] days of standing alongside the drug dealers more pleasant, we decided to clean up the areas, by picking up paper, trash, debris...We got prisoners out of the jail, and by luck some of them had been imprisoned for street-level drug dealing, and also by luck, some of them had been dealing in those same areas in which they now were brought out in order to clean up. And it was very interesting to see the relationships in the neighborhood where people had seen people weeks or months before loaded down with various gold chains and all kinds of apparent wealth, now wearing an orange jumpsuit that said, 'County Jail' on the back of it, back in the same area, but this time with a paintbrush, painting out graffiti and picking up trash."

--Federal Information Systems Corp., November 5, 1990

D. **SHELBY STEELE**

Shelby Steele is an English professor at San Jose State University in California.

"In theory, affirmative action certainly has all the moral symmetry that fairness requires...And I would never sneer at these good intentions...Yet good intentions can blind us to the effects they generate when implemented."

"..after 20 years of implementation I think that affirmative action has shown itself to be more bad than good and that blacks--whom I will focus on in this essay--now stand to lose more from it than they gain."

"The 1964 civil-rights bill was passed on the understanding that equal opportunity would not mean racial preference. But in the late 60s and early 70s, 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."

"By making black the color of preference, these mandates have reburdened society with the very marriage of color and preference (in reverse) that we set out to eradicate."

"Too often the result of this, on campuses for example, has been a democracy of colors rather than of people, an artificial diversity that gives the appearance of an educational parity between black and white students that has not yet been achieved in reality...a full six years after admission, only 26 to 28 percent of blacks graduate from college."

"I think one of the most troubling effects of racial preferences for blacks is a kind of demoralization. Under affirmative action, the quality that earns preferential treatment is an implied inferiority."

"What this means in practical terms is that when blacks deliver themselves into integrated situations they encounter a nasty little reflex in whites, a mindless, atavistic reflex that responds to the color black with negative stereotypes, such as intellectual ineptness."

--The New York Times Magazine, May 13, 1990