NEW STRATEGIES IN CIVIL RIGHTS

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Pennsylvania Advisory Committee to the
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THE CHAIRPERSON: Good morning, ladies and gentlemen. Let me welcome you to this Forum of the Pennsylvania Advisory Committee of the U.S. Civil Rights Commission. We are sparse in numbers at the moment, but I expect as the day goes on that we will have a larger audience, if for no other reason than we have so many speakers who have to show up, presumably have to show up.

Seriously, though, I think we have important business before us, and I think that you will find, if you stay around, that you'll be intrigued and will find much value in some of the things that we are going to be putting before you today.

Let me introduce myself. I am Murray Friedman. In real life I am the Director of the Middle Atlantic Region of the American Jewish Committee, and for today, I am the Chairman of the Pennsylvania Advisory Committee of the U.S. Civil Rights Commission, and we have several members of the Advisory Committee here with us at the table. We expect more to arrive in the course of the day, but let me introduce them to you.

Dean Carl Singley of Temple is a member of the Advisory Committee who will be doing double duty

today as a presenter of the first item on the agenda today, which I believe you all have in front of you.

John Binkley is the Regional Director of the U.S. Civil Rights Commission, which means that he serves as the primary staff arm of the Civil Rights Commission in a number of states. I'm not sure exactly how many, but I know it includes Delaware and perhaps one or two other states.

Steve Mahon is a member of the Advisory Committee. He's from Pittsburgh and works for Westinghouse, and is in charge of the Equal Employment Opportunity section, more or less?

STEPHEN MAHON: Correct, more. More and more. Correct.

THE CHAIRPERSON: More and more of Westinghouse. Tino Kolapy is another member of the staff, and we have a court reporter here.

Let me just say a word about that, because we're into some very virgin territory here today, and it is important that we establish a record, because the entire purpose of these -- of this Forum is to try to open up some discussion and some new ideas in a field of work that many of us have been associated with

for a long period of time, and to some degree has grown a bit stale in terms of the way in which we try to do Civil Rights business in the United States today.

Let me speak a little bit personally, and I think also, it reflects members of our Advisory Committee, both those who are here and those who are not yet here or will not be here. Most of us have been very closely connected with the world of Civil Rights for a long period of time. I myself began my career in the south as a young Civil Rights worker several months after the Brown decision, and found myself harassed and ultimately driven from the south by those who did not agree with this kind of activity. And I could go down the line with members of our Civil Rights Advisory Committee; Carl Singley as a young activist; Steve Mahon; John Binkley. A member of our Advisory Committee is Morris Milgram who is the leading figure in integrated housing.

We are, I think all of us, very proud of our involvement in the Civil Rights struggle over the years, and believe that we help to make the country a bit more whole again, and some of us carry some scars of those battles in one form or another. So that we do not

intend, despite whatever you might read in the newspapers about the Civil Rights Commission and its leadership, etcetera, certainly in this particular wing of it here, is not prepared to let this country go backward in its prejudice and its responsibilities in this arena. I don't think there's any hesitation in saying that for the members of this Advisory Committee.

Having said that, we cannot help but be aware that many members of minority groups have not been able to take advantage of the American dream, even with the relaxation to some degree of the barriers that have stood in the way of realizing full civil rights, full equal rights and opportunities. Indeed, in some respects, the situation has grown worse. I think it's safe to say that while considerable numbers of minority people, women, have entered the mainstream of American life, huge numbers, and I believe it's safe to say growing numbers, have not; growing numbers have not.

This raises the question of whether traditional Civil Rights solutions, useful as they have been, are sufficient to move us into the next stage of the Civil Rights revolution. I want to underline that, whether traditional Civil Rights solutions that we've

all grown up with, those of us who have put some gray hair on our heads, can carry us fully into the next stage. I say this without in any way suggesting, you know, that we stop any of our activities, but I raise this question with you.

Now, in recent years, a number of ideas have been projected of a kind that are not now part of normal Civil Rights processes. Not all of them are new ideas. Some I would characterize as old ideas that are being refashioned to try to take advantage of the newer situation that exists in American life today.

The Civil Rights Commission, as most of you know, is not an action body. If you have a complaint on discrimination, you visit Lea Gaskins' wife, and you file a complaint and there will be investigations and action as amply demonstrated in the good work that she and others do, whether it be the State Human Relations Commission, Federal Equal Opportunities Commission, etcetera.

The role of the Civil Rights Commission, if I understand it correctly, has traditionally been as a kind of think tank for Civil Rights in the United States. It has played an important role -- don't ever

minimize the importance that ideas play in shaping people's behavior and shaping strategies and tactics. It has played an enormous useful role down through the years in the development of strategies. Certainly in the Sixties it had shaped much of the way in which government has proceeded -- I don't mean to minimize the role of activists and so on, but basically we are a think tank for ideas. And, so, the Pennsylvania Advisory Committee, over a period of quite a number of sessions and heavily influenced by both Steve and Dean Singley here, emerged with a program that is in front of you today, to take a look at some of these new ideas, if you will.

We will be listening in the course of the day to a number of people, most of whom are not yet here, who will be laying out some of these ideas, and if you will look at your program, they have fallen into three categories. Where the idea is particularly controversial, such as on the issue of vouchers for the poor, we have provided a debate. In other words, we're not backing anything at the moment. We are trying to open up discussion on some of these ideas so that, as I say, where the issue is controversial or we

reasonably believe it to be controversial, we are presenting both sides.

Our purpose is to encourage community discussion through the media, and I'm pleased to note that a representative of the Philadelphia Inquirer is here covering the Forum. We hope to encourage community discussion in this way. And most importantly I think, through our court reporter and the proceedings, we expect to present the findings, the ideas, the materials that will emerge during this day to the U.S. Civil Rights Commission in Washington. It is my belief personally that the Commission should be finding serious new ways to be doing Civil Rights business in the last half of the 1980's. I want to underline, it should be positive ways, and with this in mind, we are going to proceed.

Just a couple of announcements to make here. I've already mentioned that we have a court reporter who will be taking down what we will be dealing with here. We also have a very distant guest here from Australia, Mr. Hookey of the Australian Human Relations Commission, so that you can see that we are being observed from afar.

What are you doing here?

MR. HOOKEY: Well, Mr. Chairman, I'm visiting the United States and a number of other countries to study two things: In human rights and anti-discrimination bodies, the relationships between lawyers and other professionals, and secondly, the relationship between head offices and district offices in such bodies. And I'm particularly pleased to be here today.

THE CHAIRPERSON: Thank you very much. You couldn't come to a better city. This is a city that has pioneered on all levels -- weren't we, Lea, the first -- certainly among the very first local city commissions on human relations?

LEA GASKINS: We're the only ones amended by City charter.

THE CHAIRPERSON: Yes. You're very, very early in.

LEA GASKINS: Yes.

THE CHAIRPERSON: And much of the early Civil Rights legislation that was developed was developed on city and state levels here, so you're in the right place.

MR. HOOKEY: That's why I came.

THE CHAIRPERSON: All right. Now, I'm going to introduce Dean Carl Singley, an old friend as well as a colleague on many fronts. Dean Singley, as most of you know, is in charge of the law school at Temple University and has been counsel for the recent hearings on the MOVE tragedy in Philadelphia. He has a long and distinguished record in the field of Civil Rights both as a student activist and as a mature adult.

Carl will attempt to give us an overview of the evolution of the Civil Rights struggle, as I understand it, and the title of his remarks is "Strategic Paradigms --" I think you ought to do something about that Paradigms business.

CARL SINGLEY: I will. I'll explain it.

THE CHAIRPERSON: "Strategic Paradigms in the Black Experience".

Carl?

CARL SINGLEY: To the gentleman from Australia, I should tell you that I'm first and foremost a lawyer, and I guess one legitimate question that one might ask is what is a lawyer doing talking about Civil Rights issues, and the answer is, if you give a lawyer

an opportunity to talk, he'll take it, especially in those areas in which he or she is called upon to talk about those things about which they know very little, and this is no exception.

I will talk for just a few minutes about the topic, because Murray is right, academics have a way of trying to title their speeches or writings with high-faluting sounding phrases, and this, again, is no exception.

I was struck by two things that I saw in the media this morning that I think in a way captures the essence of my presentation by the way I change my thrust. Since the last time we talked, I decided that I wanted to talk about something a little bit different, but I will talk about paradigms, but with particular emphasis on what I'm calling the power of politics paradigms, which seems to be the most influential approach to Civil Rights that's influencing our thinking right now.

I saw on the Today show a review, sort of a retrospect of about ten minutes on the freedom rides, and the Montgomery to Selma marches, and there was Julian Bond as if Julian has been here forever. He

sounds the same, as articulate as usual, but he's getting older. In addition, they had the mayor of Selma, Alabama on that television program. And what struck me about that program, they were looking back twenty-five years at places like Selma and the south to find out whether or not we have made any significant progress on the Civil Rights front over those twenty-five years. And that, I think, is what I would call a little bit later on the direct confrontation or the protest paradigm that was often used as a strategy by us during the struggle.

And then, on the front page of the Philadelphia Inquirer, there is an article on the failures of the city's minority Set-Aside Program. And I have to tell you, as a person in the city government who at the beginning stages had some involvement in that process, whether or not the account is accurate, and I suspect that it probably is, I have to tell you that I was deeply disappointed. Today is the second of a two-part series, and the most favorable thing that you can say about that article is that in some respects the program is simply not doing what it was designed to do. I mention that, because that's the result of a

second strategy that we've employed in our history in this country, and that is what I've called the law reform or Civil Rights strategy, and that is an effort to improve the conditions of minorities through legal strategies.

Just a word before I get into the basic outline about this notion of paradigms. About twenty years ago a historian by the name of Thomas Coon wrote a book called "The Structure of Scientific Revolution". And in that book, Mr. Coon, who was a historian and whose emphasis as to the history of science developed the idea of a paradigm, and by paradigm, he meant essentially a cluster or setup prospectus that were widely shared by people who were in a given field or fields of study. For example, I would assume that at one point in time virtually most people in academic circles believed that the world was flat, and so that was the dominant paradigm, that most people who essentially did research and simply accepted as real and as correct that prospectus about physical or scientific phenomenon.

Essentially, then, a paradigm is a cluster of ideas around which there are people who believe very

strongly in the correctness of those ideas. The problem is that these paradigms tend over time to change as new ideas come onto the scene and people test out the full range and parameters of an old paradigm. The older paradigm shifts and a new paradigm comes in. So, I have essentially adapted the notion of paradigms in looking at the experience of black Americans in this country over the last 200 years. And in so doing, I have concluded that we have gone through four, and we are perhaps right now in what you might call the preparadigm stage for a fifth approach to solving our problems.

The first paradigm or strategic paradigm is what you might call accommodation and conciliation, and that was basically the approach that we adopted through much of our history in this country up until about the turn of this last century. And perhaps the most well known spokesperson for the idea of accommodation and conciliation was Booker T. Washington. And if you recall, in the militant Sixties, we used to call him an Uncle Tom, and if you recall, basically, what Booker Washington was suggesting was that you had to get along. I mean, while the country was oppressive, lynches were commonplace, the rights of minorities, blacks in

particular, were violated in a wholesale way, and his philosophy was basically that we have to be conciliatory and we have to make accommodations to the political reality within which he found himself.

If you recall, he gave a speech in 1896 in Atlanta at the Atlanta Exposition in which he suggested that blacks cast down your buckets where you are. He felt that we could be as separate as the fingers on one hand and yet unified. I think his approach was to suggest to white people that we don't want to marry your daughters, we don't want to live in your neighborhood, we don't want to be close friends of yours; we simply want to have some of the good life that America has to offer. And he was criticized during that time by what I like to call the Harvard boys, W. E. DeBoise and William Michael Trotter, who were radicals of the day and who felt that his approach was not one that was destined to improve the conditions of blacks in this country, but ultimately, to maintain blacks in a position of disadvantage.

So, that was basically what I would like to call the accommodation and conciliation strategic paradigm. Again you have a lot of folks -- Booker

Washington, in spite of what you might have been led to believe, really was the foremost black leader of his day, and he wrote substantial speeches. And basically, if you wanted to get some of the money from the northern foundations in the south, you had to go through Booker T. Washington. That's the answer.

So, I think it is safe to say that up until about the beginning of this past century, the dominant approach to Civil Rights was the accommodation and conciliation approach.

Now, when you talk about a paradigm as being dominant, I'm not suggesting that there were not other competing paradigms. In fact, at the very same time that Booker T. Washington was advocating that we be conciliatory in our approach, he was secretly funding the various litigation efforts that were going on in the south to improve the conditions of minorities, which leads me to the second paradigm, what I'm calling the law reform or Civil Rights paradigm.

Really, the heyday for the second approach was during the Thirties, Forties, Fifties and Sixties. And the essential thrust of this approach was that we could gain the right and the advantages and full

equality through litigation. And so, you have the professional school desegregation cases and the public school desegregation cases culminating in Brown versus The Board of Education as a clear example of this particular paradigm.

In addition, you have various Civil Rights legislation passed during this time and various programs such as Set-Aside legislation and Affirmative Action programs and the like that were the result of this law reform Civil Rights strategy.

The third paradigm or strategy was what I call the direct confrontation or protest strategy, and it had many dimensions to it. For example, in -- one example, for example, would be the riots of the Sixties. 1965 was a clear example of the Watts riot and then, subsequently riots in New York, Detroit and other major cities. That was a strategy; not always a planned strategy. In fact, the riots by definition were spontaneous. It was thought that there were Civil Rights leaders who were sympathetically trying to make use of this unrest and dissatisfaction, but direct confrontation had on one end the kind of violent reaction of people in urban areas to their disadvantaged conditions and on the

other end, you had the freedom rides, the sit-ins, the bus boycotts and the like. And that is what you might call the direct confrontation and protest paradigm. Interestingly enough, you will notice that those particular strategies that were developed and refined by black Americans are now being used with a significant amount of success by other minority groups as well.

And the fourth paradigm, and the one that I consider to be the dominant paradigm for the late Seventies and early Eighties is what I would like to call the power politics paradigm, and I'll have a lot to say about that in a moment.

So, essentially, we have had four basic approaches to the issue of Civil Rights and full equality for black Americans; accommodation and conciliation. There's very little of that, by the way, right now, althought there's some that might advocate that the national political climate is such that black Americans better be quiet for awhile. I doubt if that will take hold ever again.

Secondly, the direct confrontation and protest approach is seldom used. Probably, the only example of it I would think would be the series of

demonstrations at the South African Embassy, as an example, and maybe some of the approaches taken by college students on campuses in an effort to encourage divestment of holdings in South Africa. But I think it's safe to say that as a strategy, the direct confrontation, particularly the protest approach, are not widely used by black Americans right now.

The law reform Civil Rights strategy is not used as widely. In fact, my point about the Set-Aside legislation and the difficulty that it appears to be having in the City of Philadelphia at least is causing some of us to have some reservations about the ability or the value of that strategy as an ultimate solution. I'm not giving up as a lawyer. I have to believe that ultimately the law is going to be a solution to many of these social problems. But I have to tell you that at this point in time, I do have some reservations.

And, then, finally, the one that I'd like to talk about for the remainder of my time is what is called the power politics strategy. As many of you know, Jessie Jackson's race for the presidency in 1984 is the clearest example of what that strategy is all

about.

There is a fifth strategy, and I think we're in the preparadigm stage for this fifth approach, and I think that's what you might call the economic self-determination approach. Increasingly, black political leaders and black leaders from across the spectrum are beginning to talk about economic independence and economic self-sufficiency. So, you hear it from people as diverse as Bill Gray, as Louis Farakhan, as the National Conference of Black Mayors, in which the suggestion seems to be that politics as a strategy is simply a means to economic development and economic independence.

Now, I hope what you've concluded in each one of these things is first of all that what I've done is not terribly original. And as is true of what most academics do, very little in the way of ideas is original under the sun, so that our hope is that rather than coming up with new ideas, that we can bring new insight or new twists or at least some currency into old ideas.

But if you look at the writings of Garvey, for example, if you look at the writings of Booker

Washington, again, you will see that a very major component of their philosophies was the notion of economic development and economic independence. So that in effect what I see us doing is coming almost full circle in some ways in that there's a lot of talk now about economic independence, and I think long-deserved, because I don't think a people is going to get any respect unless it can provide economically and otherwise for themselves and for their own communities.

So, let's talk then about the current approach which I've called the power politics. By the way, all five of these paradigms or strategic paradigms have the same basic sets of goals, and you might suggest that the macro goals were integration, which is what we have been working for for the last several hundred years in this country. And for a period of time, at least, there was some talk about separatism. Marcus Garvey was a believer in it and then Black Muslims in the early Sixties and middle Sixties thought that it was really a futile quest to try to fully integrate black Americans in the mainstream of American society, so it would indeed be more desirable then to separate and form a separate nation. And you had something even

called the Republic of New Africa based in Detroit, headed by a lawyer and his brother that thought that maybe several states in Mississippi could be dedicated to black Americans.

But it's safe to say that the approach right now seems to be almost exclusively one of integration, that very few people in very few organizations and very few serious intellectuals are seriously advocating the notion of black separatism any longer.

Again, the objectives of all of these strategies have been basically the same. We've had the basic goal of integration and then, we've had a series of macro goals then described as things like full equality, equal access. Black pride was a phrase that we used. Black power was another phrase that we used. And the problem with all of those objectives of the movement is that we don't know whether or not we've achieved them. It's as if when you looked at an episode of the Jefferson's, when the maid first found out that George Jefferson really had this penthouse apartment, she said, "Why didn't somebody tell me that we had arrived," and exactly when we arrived is something that's hard to know. Have we arrived because Temple University

has a black dean, when there is one black dean in a white law school out of 177? Some would point to a Carl Singley and say, "We have arrived." Yet, there is only one black dean out of 177 law schools in the country.

When you get a black astronaut, when you get a black Miss America, not one but two black Miss Americas in one year. Have we arrived when you have black mayors who run the major cities throughout the country when in fact the black Americans in those cities are in poverty that's in many ways worse than twenty years ago? So, in any event, the suggestion is that we have to continue to think about different approaches to our problems, yet understanding that the problems continue to be deeply rooted in our community, and we have to continue to push for a dialogue in our community to explore different ways.

Now, quickly, if I can sort of go through this power politics, which is really the issue that I am very much interested in, because I am fearful that we don't appreciate the limitations of this approach. Right now, we are sort of in the heyday of the power politics approach in the urban cities, and I don't think

that enough black people are looking at the limitations and the shortcomings of this approach in the longrun.

There are several factors that gave rise to this power politics approach. One is the conservative political shift in the country. Whether folks know it or not, Republicans have been elected in four of the last five national elections, and some would say that the election of a Democrat was really a fluke, a Watergate-related fluke. Whether that's true or not, political scientists and others can make that determination. But the reality is, perhaps, that there has been a shift over the last twenty-five years in the political mood in this country, and that shift has been largely in a more conservative direction.

At the same time, we have had increased black political participation in numbers that are unprecedented in this society. In addition, people have basically been frustrated with the protest actions and the Civil Rights strategies, and felt that politics was likely to be a much more useful way of advancing black interests than the traditional strategies that were utilized in the past.

And there are several assumptions that

underlie this power politics strategy. The first one, and again, they're assumptions because they haven't been tested, and I have my reservations about the validity of some of these assumptions, but one is that in the black community there is a unity of interest, and that black Americans can be counted on to act according to that unity of interest.

A second assumption is that the one asset to be found in the black community is the raw numbers and that there is significance in the number of black voters who can be garnered and galvanized to vote on behalf of a candidate or to vote against a candidate or to not vote at all. And I think the election of black mayors gives some truth to that assumption.

A third assumption is what you might call the reward and punishment thesis. The hope is that blacks can punish those politicians who do not advance our interests or we can reward those who do. I'm not sure that that happens at all.

And, finally, an important assumption of this approach is the assumption that political power ultimately leads to economic power. So, it's not unusual to hear that minority Americans, blacks in

particular, in major cities where the key elective offices are controlled by black people are asking why is it that the economic conditions of the black middle class and the black lower class have not been improved given the fact that we now have the significant political power. So, the underlying assumption is that black political power can indeed be converted into black economic power. Obviously, what you have to do is put a big question mark behind that assumption.

Booker Washington, in that speech, talked about casting down your buckets where you are. I'm going to take that phrase and use it in the context of power politics. I would like to suggest that black Americans should not be discouraged by the fact that ninety percent of black Americans voted against President Reagan, ninety percent of those folks voted against President Reagan. No other group is this society voted in such a lopsided fashion. No other ethnic, religious, racial group voted in the same kind of numbers. Seventy to thirty, I believe it was. I want to look at ninety for you, because Murray suggested the Jews did, but the distribution was seventy to thirty. No other group voted in such overwhelming numbers against Reagan and

for Walter Mondale. Now, I think, to take Bob Woodson's phrase -- Bob you'll hear from a little later -- that means that either black Americans are the brightest folks in the country who saw something that the rest of the country didn't see, or we are the dumbest. Now, you have to decide that.

The one reality, though, is when you vote in those kinds of numbers against a person who wins, then that person feels no obligation to you at all.

Now, I would say a lot of black Americans walked away from 1984 very much discouraged. First of all, a lot of people voted for Jessie and we placed a lot of our hopes and aspirations in one man and in one strategy; and in some ways, the one party, the Democratic Party. We said they mistreated Jessie at the convention in San Francisco. We voted ninety percent for Walter Mondale, and he lost by one of the largest vote margins in recent history.

Now, rather than being discouraged by that, what we should do is cast out our buckets where we are; that is to say, our strength in the black community will be in the urban areas, in the cities and

in the state elections. So, rather than worrying about whether or not we can shape and influence national elections, we ought to worry about shaping and influencing local and state elections. For example, Reagan's election had an interesting impact on the Democrats and the Republicans. The Republicans walked away from that as arrogant as possible, because for the first time, they had explicitly tested the thesis that no president would be elected without significant black votes. And as a consequence, what they did in a way that was less subtle than Nixon's so-called southern strategy, they said, let's see if we can win without these black people, and they did. They won well without black people. So, one consequence is that the Republicans walked away smiling and arrogant and in a way, suggesting that maybe if they are concerned about the issues of black Americans, it's only because they're concerned about how history will view Reagan's presidency rather than a sense of obligation to black Americans.

The Democrats, on the other hand, are walking around bewildered and confused. They have an identify crisis of major proportions. They don't know what they want to be. They are in a hopeless and a

hapless quest for new faces and new ideas. They had two meetings within the last week; one in Washington of the new direction Democrats, and one in Atlanta of the you have to be red, white and blue in the south in order to be elected. Now, I think the Democrats are trying to figure out what role black Americans will play in the future, because we are what you call in the Democratic Party special interest, and there's a belief that the only party that can be elected nationally is a party that can move straight to the center. So that my prediction is in 1988 you will not be able to tell a Democrat from a Republican. They will look alike, talk alike and sound alike, and for black Americans, that's not going to leave us very much in the way of choice. I think we are probably being perceived as more dispensible to the national cause than probably some other groups.

Now, why am I talking about this? We ought to say the hell with those parties. That's my suggestion, and that should be the core of this new power politics strategy.

Reagan believes in decentralizing policy-making from the federal government and allocating

essential policy-making to the state and local governments. That is a boom. That's a wonderful opportunity for black elected officials and black Americans. Here's an opportunity to shape and influence policy-making at the local level. That's not what the President intended, but the reality is, rather than being discouraged by the defeat in 1984 and others, we should take advantage, and in a sense, cast down our political buckets where we are.

I think that there are some limitations to this new power politics strategy. One is that politics is only one source of urban political power, and it is as if we think if you get the political power, you have the rest of the power. That's simply not true.

Another limitation is the fragmented and unpredictable nature of American politics. It is incremental as a rule, and in some ways, the change that takes place is incremental. Black elected officials, though, who are the beneficiaries of this paradigm are confronted with several challenges. One, they have to educate all voters to the economic and political realities of political life. Wilson Goode, Tom Bradley, Andrew Young, Harvey Gant in Charlotte,

North Carolina, Coleman, Young and the others, they have to use the same limited revenue base to deal with the serious problems that their predecessors had to deal with. It's not as if when blacks get elected, they get new money. They have to either get it from taxes or through government subsidies of one kind or another. So that what our black politicians have to do is, they have to educate all of the voters to that reality, black and white as well.

A very difficult challenge is to manage black voter expectations. After being out of power for many, many years, once we elect black elected officials, we expect things to change overnight, when in fact, they simply cannot change overnight. And, then, there is always a concern about the so-called white backlash, so that black politicians have to be very, very careful, and they are often reticent to take positions that might in a sense trigger the so-called white voter backlash. Think about the reaction of the Northeast. Some would say to the election or at least the attempted election of Bobby Williams, some say it was a result of a Democratic city committee that was in shambles; others suggested that it was simply a backlash to the increasing

black political influence in the City of Philadelphia.

Another challenge that the elected officials and black folks who embrace the power of politics approach have to confront is racism. Now, the question is, is America as racist as it was twenty-five years ago, or is it less so. Is racism the major factor contributing to black disadvantage or is it less significant. Is race declining by comparison? I don't know the answer to any of those questions, but I can tell you this: There is racism in entrenched non-political institutions that shape and influence the ability of black elected officials to function. There is racism in the media and its portrayal of black elected officials. There is racism in police departments and unions, and in businesses in the corporate communities, and black elected officials have to confront that reality when they get the reins of power.

And, another challenge to black elected officials is in gaining control of those effective -- what I will call the effective instruments of power; the boards and commissions, and the advisory bodies that don't have a residency requirement, like the City Planning Commission, the Philadelphia Industrial

Development Corporation, the Philadelphia Agency for Industrial Development and the like, the Urban Affairs Partnership, the Philadelphia First Corporation. These institutions are non-political institutions, but wield tremendous influence over the destiny of this city. So black people who believe that you simply elect black people to office and you have a solution really misunderstand the true nature of power in an urban area.

And very quickly, they confront, in addition to those things, they confront the problems that all elected officials confront in urban cities, deteriorating urban structures, population shifts and decline, an eroding revenue base, "Don't raise my taxes," the flight of businesses and jobs from the cities to the suburbs and to the sunbelt, and crime which is ever present. So that you have a situation where black elected officials have to decide whether or not it is safe to be tough on crime. Especially now, there should not be a dilemma. I think a black elected official could be very comfortably tough on crime given the fact that black communities and minority communities tend as a rule to be primary victims of much of the urban crime, but then, that's one of the dilemmas that a black elected

official confronts. The abandonment of the public schools by whites and by middle class blacks who are the beneficiaries of all of these strategic paradigms, myself included; the deterioration of the housing stock in the urban areas. I mean, it's not as if once we gain the power, we have the ability to build an unlimited number of houses. So that I make, as a part of this paradigm, some suggestions. I think that black leadership is in transition as a part of this power politic paradigm. So that we need, and as Murray talked about it a little earlier, we need to have more debate. We need now the kind of debates that they used to have at the turn of the century between DuBoise and Booker Washington. Those debates were crucibles of leadership for many of the political leaders that followed them. And we need to rekindle the debate over some of the following issues: We need to talk very candidly about the plight of the black poor in this country. We have to be prepared to talk in an open way about the causes, and it's not enough, folks, to say it's racism and finish the discussion. It's much more than racism. For example, Julian Bond, about a year and a half ago, appeared on television in an effort to criticize the

President's spending cuts, said that Ronald Reagan is killing black babies. Now, that might -- I'm sure that there's some logic to that argument, but I think that we're entitled to get from Julian Bond a much more sophisticated analysis of how the cuts in domestic spending impact on black infant mortality. I think we have a right to have a public discussion about that.

Somebody suggested that Mr. Reagan certainly could not be responsible for the unwed teenage pregnancy that seems to be a serious problem. In fact -- well, he's not responsible for very many pregnancies, I will say that.

What else we need to do is, we need to talk about the limits of this power politics approach, that there are really some limits to this strategy, and we have to decide when we've reached the limits to using power politics as a dominant strategy. It is one of currency right now. We are using it in all of the major cities where we have numbers. You pay a price, and there's a risk attached to power politics as the approach. We have to systematically link politics to economics, and we need to talk about how best to do that. Is the best way to do it by having black elected officials

advocate minority Set-Aside programs, for example, or Affirmative Action programs? Is that the best way to link political power to economic power? We should discuss that and have more dialogue on it. We need views from across the spectrum in the black community as a part of this debate, not simply coming from politicians or law teachers or the like, but from people from all walks in life in the community who have ideas and perspectives about the plight of black Americans. And I think, as you will see from the rest of today, there will be different spokespersons from different organizations who will have different ideas as part of this dialogue.

The point is, we really do need to rekindle this dialogue that I think is missing. We have to reject the notion that the problems of the black community are monolithic. They simply aren't, but there are different strata in the black community with different problems, and the solutions to those problems may be different; that is, the problems of the black poor in Philadelphia may be different than the black poor in a small town in Mississippi, and we need to think in terms of regional approaches and regional agendas and

regional strategies.

And, also, as a part of that debate, we need to reject idealogical labels; that is, I'm not sure that it makes much sense for black Americans to get into a thing about calling somebody liberal or moderate or conservative or neo-conservative. I'm not sure that those labels adequately desribe our people. Whether you're talking about Tom Sole, for example, or Walter Williams or Willy Wilson from the University of Chicago on the one hand, or Benjamen Hooks or John Jacobs or Julian Bond or Jessie Jackson or Louis Farracon, I don't know whether it makes much sense at all in our community to get caught up into this business of idealogical labels if the effect of that labeling is to truncate the discussions that ought to be taking place.

Now, what ought to happen is that people from across the spectrum ought to be encouraged to present their ideas, and if we don't like them, we ought to reject them. But they should have an opportunity to present those ideas in an open forum in which an effort is made to talk about the diversity of problems that our community confronts.

I also think, as a part of that rejecting

of idealogical labels, I think that black Americans ought to reject party labels as well; that is, Linden LaRouche, for example, figured out a way to make a mockery out of a party label in Chicago in the State of Illinois by electing people from a -- who call themselves new Democrats. I think we should have some discussion about whether it makes sense for blacks who are not members of -- who are not elected officials to be members of any political party at all, but simply to vote their interest, depending on who the candidate is and what ideas that candidate advocates.

I think that this idea, this last idea that I'm suggesting about disregarding idealogical labels in the dialogue and rejecting the notion that party labels have any significance at all in terms of thinking about black problems, that rests on the idea that virtually every one of these black people that I've alluded to and other black leaders basically support the same ideas in terms of advancing the conditions of black Americans. The differences are really over strategies, and I don't see why we can't differ over the best possible strategies, but if this notion of independence that I'm advocating is really

significant and if it's going to work, then we need a way to educate black voters in terms of how it works. They do it in some small places. They split the tickets during general elections, so that they vote for some Republicans and they vote for some Democrats, and they vote for independents. Blacks in Philadelphia have a long tradition of independence of that kind, and not simply in Charlie Bowser's race, not simply in Lucian Blackwell's race, but dating back over 100 years, black Philadelphians have been independent and willing to consider approaching politics from an independent standpoint.

I think this power politics strategy is only going to work as long as no party assumes that it can take black voters for granted; that is to say, you have to move us. You have to come to us and show us why we should support you, and you can't do it simply by saying your daddy was a Democrat and his daddy was a Democrat and we all ought to be Democrats.

Now, I think that what we also need in our community is we need some research organizations. What I'm talking about is something not unlike the Joint Center for Political Studies in Washington, but I

think we need them on a regional basis, because much of the social policy formulation and many of the discussions that are taking place about social policy right now are being dominated by groups like the Manhattan Institute and the Heritage Foundation. In fact, one of the most influential books in the Reagan administration is a book called "Losing Ground" by Charles Murray who is based at the Manhattan Institute. And Mr. Murray basically develops a fairly eloquent argument that the great society programs and the social spending programs of the last two decades have been unsuccessful, to be charitable. And I understand that the key leaders of the Reagan administration read that book, accept its major premises, and are using that book and others as a justification for the major spending cuts.

So, that's on one extreme. You have ideas being generated from the more conservative ideas industry on the one extreme, and then, on the other extreme, you have the ideas industry that's dominated pretty much by the liberal and the traditional Civil Rights organizations. And I'm suggesting that that's not necessarily good as well or any better, because if the effect is to continue to promote ideas and

strategies that we know are unworkable or have no chance at all of succeeding given the current political climate, then we need to think about these problems in a very different way.

Now, I want to underscore that point, because I think it's important. It's not enough for us to criticize the policy proposals of the more conservative organizations, but we need to ask hard questions as well about the policy proposals and recommendations of the more liberal ideas organizations. If the effect is that they are advocating programs that we have found simply don't work, or they are pushing ideas that simply have no chance of being adopted given the current political climate, and I think that as a part of this power politics strategy, that we have to see America as it is right now, rather than how we would like to see it in the future or being nostalgic, remembering the good old days of the Civil Rights movement. The only America that matters is this America, and we have to get it developed in ideas industry that's prepared to look at strategies and approaches to Civil Rights that factor in these current realities.

And I think that those organizations, and

I think they ought to be based in universities and places like Temple, for example, and other universities in the area, but the thought really is that there should be a partnership, then, between those people who are the practitioners of the power politics strategy; that is to say, those black elected officials, and black intellectual leaders; that is, they should come to those leaders, if we can find them, to seek ideas and proposals that have some reasonable chance of dealing with the serious problems that confront black Americans.

I think we have to clarify through these research organizations the real issues that ought to concern us. I really think that we've spent too much time in public discourse talking about Affirmative Action programs; not that I don't that they're important. They're exceedingly important, but if you think about it, those Affirmative Action programs that we are going to fight to the death to preserve no matter what the failings appear to be, those programs have not significantly improved the conditions of the masses of the poor -- of black poor in America. That is the reality. The beneficiaries of this new voter strength and the beneficiaries of those Affirmative Action programs have

been essentially middle class blacks who had an opportunity to take advantage of those situations created, and the black politicians have been the beneficiaries of this new political awareness that we find in the black community. So, we need to talk not simply about Set-Aside and Affirmative Action, and indeed, apartheid in South Africa, which is probably the greatest human tragedy of our time. But after all of the public discourse, after all of the public debate over these two trend issues, the reality is that black Americans are trapped in ongoing, self-perpetuating cycles of poverty and despair. So, in this public discourse, we need to get beyond the trend issues, and these institutes need to help us figure out what we ought to be talking about.

A couple of more points. In order to do this, all of this is supposed to be connected, because I have an outline so it means it's connected, in order to do this, we have to expand the black leadership base. We cannot rely on exclusively black political leadership. We are one of the few groups in this society -- if you ask people, name ten black leaders right now, I bet you eight of the ten would be political leaders, eight of the ten. Name some black political leaders, they would

say eight or ten. Now, some of you may know that I gave a speech in defense of the African-American Hall of Fame Sculpture Garden in Fairmount Park, the forty acres without the mule, and somebody said, "Singley, why don't you give that speech, and do you really think that in your lifetime, you will see -- vulcanize the park and want to do all of those things." And my answer is, I think that a monument, not necessarily that one, but a monument to black achievement is really important, because people have to understand that there are blacks who have achieved in areas other than music, athletics and in politics.

So, one of the things that we need to do is expand the black leadership base beyond politicians. I don't want to be critical of politicians or demean them, but they have conflicting fidelities. Politicians have to be elected every two or four years, and as a consequence, their personal political agendas may from time to time vary from the collective agendas of black people. It's not that we can't trust them; it's just that we have unreasonable expectations. If you believe that a black elected official can be counted on at all times to advocate the interest of black people, they

simply can't, because politics, by definition, is the art of compromise, and they will make those compromises that are necessary for them to continue to do what it is they do for a living.

So, we need more than just politicians in the base. We need to force some strategic alliances across the spectrum of leadership organizations in the black community. Any organization that's advocating an idea that has the potential of improving the conditions of black Americans ought to be an idea worth considering. So, nobody should be excluded from this effort simply because we may not like them.

If this power politics strategy or paradigm is to work, I think we need to do several things. We have to build and develop coalitions with other groups. We can't do it by ourselves. Our numbers are simply not that strong, and for black Americans who -- you know, if you live in these urban areas, it's easy to believe that black Americans represent a significant number of people, but take a ride up to Wilkes-Barre, for example, just get in your car and go up to Wilkes-Barre, or drive across the country the way I did with my family a couple of years ago, and you will be shocked at just

how insignificant numerically minority, and blacks in particular, are in this great melting pot. So the reality is that for this power politics strategy to work, we have to continue to build coalitions and develop those coalitions, revitalize the old black/Jewish coalition. And it doesn't have to be an ethnic coalition necessarily. It can be a coaltion of interest.

I think we have to talk about developing desirable leadership attributes. We shouldn't protect and defend our leaders just because they are our leaders. We have to tell them when they are wrong and when they make mistakes, and if they are incorrigible, we have to reject them, which is a part of encouraging constructive criticism of leadership, so we probably ought to cut the politicians out of this dialogue or the would be politicians, those guys who want the person's job. We shouldn't let that person talk at all, but those people who have cushy tenured positions at universities who wouldn't give them up for politics, and listen to those people.

I think, in order for this power politics strategy to work, we have to monitor the ebb and flow of the political tide. We have to look realistically at

what's happening on the political scene locally and nationally, and understand those trends and factor those trends into whatever our strategic considerations are. We can't be using strategies from the Sixties, political strategies from the Sixties in the 1980's. They simply won't work. It's silly and it's foolhardy to do that.

I have three more points. He wants to ask me questions. He wants to debate.

The leadership has to be non-sentimental. You know, I don't think people should be locking hands and singing we shall overcome. We did that. That's fine. It's nice. Sing it to your kids, but I just think that what we need from our leaders are we need principled, pragmatic, hard-nosed, non-sentimental leadership, and we're not getting enough of that.

And, finally, we need to get in these leaders for the strategy to work, a vision that looks beyond the limitations of the present to the opportunities of the future.

Thank you.

(Applause.)

THE CHAIRPERSON: That really was a magnificent address, Carl, and a very brave and very

forward-looking address, and I congratulate you on that.

We have about an hour and a half for the next portion of the program, and I thought I would cheat a little bit and permit a little bit of questioning or comments on that rather extraordinary statement, Carl, and so, can I beg your forebearance for a few moments? I think there will be time enough, because there are only two of you on for that next hour and a half.

Incidently, before you begin, why don't you identify yourself.

ROBERT DEE: My name is Robert Dee and I represent the Anti-Defamation League.

I agree with just everything you say. Would it be possible to have a copy of your speech that I can circulate at least to my executive board of my organization?

CARL SINGLEY: In fact, if I can sit down at my computer and really write it out, it will come out in the next issue of the State of Black Philadelphia, the Urban League's publication.

Any more questions or comments?

THE CHAIRPERSON: Yes, I have one. I was

fascinated by your four or five paradigms, the conciliation motto, the militancy motto. Several people I've been looking at most recently, in fact, as recent as last night, I was listening to Julius Lester, and I've just finished reading a book called "Jessie Jackson and the Politics of Race". And they are suggesting that another paradigm has emerged, and that is elements of the black community spearheaded perhaps by Jessie Jackson are developing a concept of a separate black nation. Mr. Farakhan, for example, is coming forward with the idea of a separate economic development, usually around cosmetics, for some strange reason, and that it is also identifying this separate black nation that these people are advocating, identifying with Third World peoples around the world in a kind of anti-western mode, which would, obviously, throw them against the people of Wilkes-Barre and all that vast majority that you're making reference to.

Is that not a force that is beginning to emerge as another paradigm of black strategy?

CARL SINGLEY: I laughed when he mentioned Julius Lester. He wrote a book some years ago, "Look out Whitey, Black Power is going to get your Momma".

Even he understands the differences in paradigms. I think that's what I would call the economic self-determination paradigm that I described is in the pre-paradigm stage. I think there is a feeling that is relatively wide-spread that one of the possible sources of solutions to the problems of black Americans is to be found in economic independence. There's a lot of push from people across the political spectrum in that direction. I'm not sure that it's the politics of race necessarily, but it's a reality that there are numerous communities in this country who understand in a way that black Americans apparently don't fully understand that one of the things you ought to do is get your economic house in order, and the belief is that by the development of black business, minority entrepreneurs, and in one sense, you hire other minorities. Small business tends to be the major employee of significant numbers of people; not just in minority communities, and I think the thrust of that paradigm is the development of black businesses.

It shouldn't be a surprise that it's in the cosmetic industry. Blacks probably spend a significantly greater portion of their income on related

cosmetic and related beauty care products than probably any other group. So that would seem to me to be a natural source of economic development.

The question of linking with other Third World countries, I'm not sure that that's as much of a problem as some might think. There was some talk years ago about the possibility of getting money from Arab countries, for example, and other places, and the reality is that -- and Joe James and others can talk about it -- it is still very, very difficult for a black business in this country to get major money by way of loans from commercial institutions. It continues to be very, very difficult.

And just one quick other point, one of the unfortunate things about the aid programs and government contract programs involving minorities is that there is a level of dependency, and many, many minority businesses will tell you that when they make an effort to break the dependency by seeking out contracts from other than the government sector, that they find that those same commercial institutions that were more than willing to provide them with funding as long as they were on the government contract route, seemed

significantly reluctant to do so when those businesses are trying to break away from that dependency on government contracts.

THE CHAIRPERSON: Can I follow up on that quickly? But if indeed the thrust is toward, let's say, Third World countries, for example, Farracon's economic program is based on a five million dollar loan from Khadafy, that's not going to go over real strong in the Wilkes-Barre, to say nothing of Philadelphia and other places. If, indeed, it connects with some of the revolutionary forces that are taking shape around the world and then throws itself against the thrust of that American foreign policy that seems to be the dominant one at the moment, won't it result in a continued isolation when you're invaded against?

CARL SINGLEY: Let me just say that five million, and I don't know whether that's a correct figure or not, given a multi-billion dollar economy in the black community, we really are talking about a multi-billion dollar economy, that that amount of money by comparison is of no consequence. Its consequence, I think, is its political implications and how some people would draw from that all kinds of general

conclusions about the trend that this new economic equity approach or this economic self-determination approach is taking, I don't think is representative. I think that most of the spokespeople for this new paradigm really are people who are going about trying to form businesses and seeking economic independence through the same routes that are being taken by all other Americans, and I think it's unfortunate that this one incident gets the kind of prominence that it gets if the effect of it is that people might be a little more reluctant to support the concept. I just don't think that Khadafy-Farracon link is in any way representative of what's happening in the diverse black business communities.

JOHN GREEN: John Green from the Urban Coalition, not to be confused with Urban League. I found your comment about broadening black leadership very interesting. It has been my experience that the people, black, with the where-with-all; that is, the financial independence, the intellect to provide that leadership have been somewhat reluctant to play the role for one reason or another. It seems as if black politicians are willing to speak out to take various stands on

issues, but other blacks seem to be reluctant to do so.

Do you find that there is a change in their attitude, upper class blacks, educated blacks, professionals?

CARL SINGLEY: I think it's changing. I think what the blacks you refer to have to remember is that they are by and large beneficiaries of those changes that took place in the Sixties. We got a black dean at Temple. I'm the beneficiary of that; not directly, but indirectly. So that people who hold positions of prominence and influence and who can afford to not care really do have an obligation to put their intellectual and other resources on the line in order to provide a solution to the problem. I don't think it's happening, because it's very easy to simply not do it, you know, it's very easy to just devote your time and energies to improving your individual situation as opposed to agonizing over someone, and it really requires some agonizing. But I would hope that organizations such as the Urban Coalition, not to be confused with the Urban League, which strikes me as more economic development oriented than the Urban League, will continue to provide some leadership in that direction.

JOHN BINKLEY: If I follow you, the power politics paradigm which you're now presenting --

THE CHAIRPERSON: This is John Binkley from the Commission on Human Relations staff.

JOHN BINKLEY: Your paradigm on power politics stems from the flow of the application of laws and the legal steps, the legal reform we went through, correct?

CARL SINGLEY: I think, in part.

JOHN BINKLEY: And when we come to power politics, of course, there has to be voter registration and voting to implement that, and you seem to dwell heavily on your urban centers where there's been successful electing of urban mayors and other representatives both at the local, state and federal level, and I wonder if we could dwell a little more on the application of the voter registration and voting in, say, rural Mississippi where one congressional district that I'm familiar with, with over fifty percent black population, and I think over fifty percent black registration, have failed two times in a row to elect a black congressman. And I just wondered if you've given some thought to the broad application of that. Do you have subparadigms?

CARL SINGLEY: I'm sure they're there. I think you're right. The observation is a good one that I didn't mean to imply. In fact, significant improvements on the voter registration side did indeed take place in the south. As I heard this morning, the mayor of Selma, Alabama, who is white, suggested that Alabama has the highest number -- second highest number of black elected officials in the country. Probably the other state would be Mississippi. The likelihood is that it would be Mississippi, so I think you are right in the observation that one consequence of the law reform paradigm was the removing obstacles, at least legal obstacles to black voter registration and black participation. And one consequence has been the election of significant and not so significant elected officials all across the south.

I do know of the congressional district that you've talked about. That is one of those unusual and interesting situations. Old habits die hard. There are people who have the right to the vote and the franchise, but for a whole host of social and even perhaps economic reasons, have decided not to make maximum use of that franchise. There was a boycott that

just ended after thirty-five days in a small Mississippi town where the black population is well over fifty percent, and the school district itself is ninety percent white, a very small town. But they were unable to get the school board to appoint a black superintendent, and they had to resort, sort of, to the direct confrontation approach. In spite of the numbers, voting-wise and the like, they had to resort to the selective buying campaign or the economic boycott in order to get that school district to appoint a black superintendent.

But I think that in the south that it continues to be a problem in other than the major urban areas. If you look at the black mayors in New Orleans, Atlanta, in Birmingham, Alabama, in Charlotte, North Carolina, all of which are major cities, I think it's just a matter of time before a black congressman comes out of Mississippi, probably the Jackson area. I think it's just a matter of time before even Jackson, Mississippi gets a black mayor.

THE CHAIRPERSON: A quick question now, because I don't want to shortchange the next people on our schedule.

JOHN GREEN: Just in reference to what you

just said. In forming coalitions, are we to think about electing whites over blacks?

CARL SINGLEY: The answer is yes, but that's going to require a level of security and sophistication that I don't think we have right now. And there may come a time when black voters can see that it is in their interest to support a white candidate more than a black candidate. That has happened in the past, but not in a deliberate kind of a way, but for reasons having nothing to do with advancing the interests of the black community. I think that we are a somewhat distance away from that before we'll feel comfortable enough in our new found political strength to make that as a conscious choice.

THE CHAIRPERSON: Thank you very much.

As Dean Singley has indicated, this paper will be appearing in the Urban League's State of Black Philadelphia, I think it's called. Do you have any idea how long that will be?

CARL SINGLEY: A month, probably.

THE CHAIRPERSON: Right, so that I certainly would like to reread that paper to cogitate a bit more on the rather seminal ideas that are laid out

there.

The next portion of our program, as you can see from the document in front of you, is given over to a discussion of Urban Enterprise Zones: Implications for Civil Rights. I think one of the interesting aspects about the Urban Enterprise Zones and we'll hear a good deal more about it from our specialists who are here, is that it fulfills one of the ideas that Dean Singley laid before us, which is that strategies be developed that tend to bring people together across political and idealogical lines, and that's the thing that interested me so much about the concept of Urban Enterprise Zones.

The figures on a national level who are most heavily identified with the Urban Enterprise Zones approach are Congressman Bob Garcia of the Bronx, who represents a heavily Puerto Rican area, Congress Jack Kemp, who has been well known and identified as a conservative Republican leader, and Congressman Bill Gray of Philadelphia.

Now, Carl, wouldn't you agree that that's an interesting combination, if it could be put together across the land, suggests some rather interesting

coalitional ideas.

In any case, we have with us today the senior economic development specialist of the U.S. Department of Housing and Urban Development by name of Patrick Mulligan who will lay out the conceptual framework, the idea itself, and then we will ask Joe James, who is the Deputy Director of the Philadelphia Department of Commerce, who, to my amazement, is running -- responsible for running three of them in Philadelphia. I didn't know until seeing Joe James that, indeed, we are in some phase of implementing an urban enterprise program. So, Mr. Mulligan, would you come forward and share your thoughts with us.

PATRICK MULLIGAN: What I thought I would do is give you a sketch of the history of enterprise zones and what has been happening. I'm not sure how familiar you are with just what has been discussed and what the debate has been and where we stand right now on enterprise zones. So, I'll confine myself to doing that and let Joe James, who has a lot of practical experience in administering enterprise zones in the city deal with the specifics.

By way of introduction, enterprise zones

is the most recent proposal by the Federal Government to deal with the deterioration of citiies, the disinvestment and blight of our urban centers.

It is proposed by the present administration as an alternative to the various grants and loan programs that we've seen down through the years, and if you're familiar with the budget process, you'll be aware that the various programs and the various funding for these programs have been dwindling recently and are on the list of -- many of them on the list to be terminated.

You're familiar probably with the old Urban Renewal Program, the more recent Community Development Block Grant Program, which was the successor to urban renewal, and the Urban Development Action Grant Program, which was the economic development aspect of our department. But you also have the Economic Development Authority, the Small Business Development, SBA, and their various programs. So, there are a number of these that are in existence and many of them have been slated for termination.

The Enterprise Zone Program, then, would appear to be the Administration's attempt to replace

these. The basic theory behind it is that it provides incentives, mostly tax relief and regulatory relief or at least relaxation. The private sector, businesses, would be enticed to locate in the dilapidated areas of cities, thereby not only stop the blighting process, but also create an economic -- a better economic environment by providing jobs and improving the business climate in that area.

Instead of relying on public funding and public assistance, the basic theme of the program would be to rely on private investment, and hopefully, by providing the incentives that they've discussed, that the private sector would be encouraged to respond to things like lesser taxation and lesser regulation from government.

While the idea of enterprise zones of that approach is not new, various versions of it have been tried, not only in this country, but in other countries as well. It is only recently that it has been developed as an organized plan and focused on certain areas as a means of recovery.

The history is relatively young, therefore, starting as is presently proposed in about 1980.

As a matter of fact, it was one of the proposals of the campaign of President Reagan. And it was adopted from a program that has been tried in the United Kingdom. It was established there in 1978 and at present, I think Britain -- between Britain and Northern Ireland, there are about fifteen enterprise zones in the United Kingdom and with apparent success. It was introduced in Congress in 1980 by, as you mentioned, a coalition of Congressmen Kemp and Garcia. Subsequent bills were introduced by various congressmen, among them Congressman Watkins, one by Congressman Coyne from our area, and also by Senator Danforth in the Senate; again, by Congressmen Kemp and Garcia in 1981. They again introduced a revised version of their bill.

The first bill from the administration was introduced by Kemp and Garcia again in 1982. It was introduced in the Senate by Senator Chaffey. It was generally similar to the previous proposals and the basic ideas would be these; It would be available only to distressed cities, simply meaning that the city would have to meet certain standards of distress which they presently meet for purposes of participating in the Urban Development Action Plan Program, which would

be most cities in the country. Twenty percent of an area that would be selected for an enterprise zone would have to be at or below the poverty level. Generally, all bills have a population cap of various sizes on the areas to be chosen. In addition, seventy percent would have to be -- seventy percent of the population would have to be at incomes less than the median income. Businesses would have to provide most of their services in the area and have at least ninety percent of the tangible assets in the area.

The proposal would be for, initially, twenty-five zones per year for three years, which would be a total of seventy-five zones in a three-year period. There would be no direct aid from the Federal Government. There would be no direct grants or loans. That's just not a piece of the legislation. That is a basic theory of the program, that if it's going to work, it's going to work because the private sector is interested enough in making it work.

The capital gains tax would be totally eliminated for businesses locating in the area. Investment tax credits for depreciation of property and for construction would be provided. Varying percentages of

tax credits for wages paid to qualified employees and for the numbers of employees employed by those businesses would be provided as well.

So, there are varying degrees of relief, tax relief proposed and not too much information on the regulatory relief, except that certain regulations would be preserved that were not proposed initially to be, but things like equal opportunity, that type of regulation would be preserved as it now exists.

The bill was passed in 1983 by the Senate, but no action was taken by the House. In 1984, there were no hearings. The bill was again introduced by Senator Dole in August of '84, but once again, no action was taken on it. Senator Hart, in the meantime, introduced a similar type bill and mentioned that he would not limit the number of zones to seventy-five; he would have a much larger number. The bill was not introduced in '85, and mainly because -- and it's fair to say that the whole idea of Federal enterprise zone legislation is somewhat stalled because of the problems in balancing the budget and in getting tax reform. And it's probably safe to say also that until there are substantial resolutions of those problems, that the bill

may not get bipartisan support or votes. It does seem to have support in theory, but until the problems of the taxes, the budget balancing and tax reform are solved or at least substantially solved, it doesn't appear that there will be any movement on it.

Just last month in April, Senator Regan introduced an enterprise zone bill that is similar to the administration bill now in existence.

So, there's been considerable and continues to be considerable effort on the part of the administration and Congress to pass an enterprise zone law. In the process, there has been considerable debate pro and con. That may be one of the better things that has come out of what has gone on.

The strong argument in favor of enterprise zones, of course, is that it will allow the private sector to do what it should be doing anyhow, to get involved in the renewal of the areas that are considered dilapidated and that are -- that so much disinvestment has taken place in. It won't cost the government anything in the form of direct funding, so that will be a reduction on the need to provide revenue as is now being done, and also, hopefully, it will be

possible to eliminate some of the existing programs if the enterprise zones are successful.

It's seen as a fresh start to an unsolved problem. The local control of the program, the adaptability of it to local conditions is seen as a strong argument in its favor. Tax relief is considered to be one of the more successful ways of encouraging business to locate and to expand in any area. Tax credits will ensure the necessary capital will be available.

Some of the arguments opposing it are that tax incentives are marginally valuable and may not be sufficient to counteract the cost and the difficulties of locating in distressed areas of cities. Also, one of the strong arguments against it is that it may result in the relocation of jobs into these areas to take advantage of the benefits, rather than the creation of new jobs by new construction or expansion. An argument against it is that it will create unfair advantage for new businesses in the zone over existing businesses or businesses in the adjacent areas and likewise, for workers, because it would theoretically -- there would be some tax relief for the people who would

be employed in the new businesses; also the fact that relatively few areas, at least in the administration's present proposal, would get enterprise zones or would be assisted is seen as an argument against it.

Its opponents also claim that it will cost the government revenue, and, of course, it will, and also, that existing tax benefits would reduce the incentives to go into zones; that businesses have sufficient tax incentives right now to locate anywhere, rather than going to a zone with the additional benefits to be provided.

Because of the continuing debate and the lack of movement on the part of the Federal Government, and we do not have at this time an enterprise zone program, the states have gone ahead and taken action to do the same thing. They've taken matters into their own hands. At the latest count, thirty states have enterprise zone programs. Most of them have been legislated. It may have been that the states got on the bandwagon at the early stages of the federal debate in order to be ready when federal legislation was passed, but in any case, the state program has kind of taken on a life of its own, and from all of the reports that we

receive, and my department has been trying to track the success of the state zones, they seem to be quite successful.

While they vary widely, the different versions of enterprise zones in different states, most of them have the basic theory of the enterprise zone program. Most of them target a limited number of zones and have some population limitation and also, a competitive process for selection, and the selection criteria generally measures distress, unemployment, poverty level, that type of thing in the area. They are providing a range of incentives, some of them fairly generous; some of them not too generous. The number of zones in states varies considerably, from, I think, six or seven in Connecticut, to over two hundred in Louisiana.

The programs as they exist are being run by the state agency, the existing state agencies, with very limited staff. The program in Pennsylvania was not legislated. It was initiated by administrative decree, I believe, but it is, nevertheless, as effective and apparently as successful as most of the other state programs.

Most of the states consider the enterprise

zone program to be one of the more important economic development initiatives in recent years, and in many cases, the most successful. It appears that the very creation of the zone or zones has focused attention on the specific problems of those particular areas and the needs, and has focused the energy of the local government on doing something about those areas, and that seems to be the major reason why they are successful, but there may be a lesson there in itself.

The zones that, from our perspective, that appear to be most successful, are those that have been marketed the most strongly. The zones that local government have developed a good analysis of and done a good marketing program on seem to be the ones that are the most successful.

In our region, which is the five-state region, Pennsylvania, Virginia, West Virginia, Maryland, Delaware and the District of Columbia, all of them, except West Virginia, have enterprise zones. Now, West Virginia feels that it has similar legislation on a state level that will encourage business to do what enterprise zones are encouraging them to do. Delaware is not specifically enterprise zone legislation, but it

does have a Blue Collar Jobs Act that it claims does the same thing.

So, overall, all of the states in the region have some form of enterprise zone initiative.

In Pennsylvania, and Joe can speak to this more specifically, there is no tax relief provided. What the State of Pennsylvania has done is provide planning grants and assistance grants to different types of zones, so that they may initiate resolving loan funds and that type of thing to plan and help the businesses get started. They also have a policy of providing a percentage of the resources of the state targeting them to the zones; such things as site development grants, heater loans, Pennsylvania capital loan fund programs, and also the Pennsylvania Minority Business Development Authority loans. So, what the state has done is to say, we want to make sure that where there are enterprise zones, a percentage of the resources of the state are focused or targeted towards that zone. Joe can give you some idea how that works.

Also, the state is available and makes available its staff to provide technical assistance.

From the point of view of Civil Rights,

from my observations and from what I've read, there has not been any debate or any mention of Civil Rights specifically as far as the zones are concerned. It is obviously conceivable that because zones will be operating in the areas of most distress and for that reason, quite often in areas where there is a concentration of minority residences, that it will have -- could have either a beneficial or a negative effect on their rights depending on how it's operated. But, specifically, there has been no debate that I am aware of on how it may affect the Civil Rights of the residents in those areas.

THE CHAIRPERSON: Joe?

JOSEPH JAMES: Good morning, ladies and gentlemen. I'd like to first thank Murray for the opportunity to speak with you this morning. I must admit that the idea of connecting enterprise zones with new strategies in Civil Rights and connecting that to the United States Commission on Civil Rights has been an interesting one for me, but I believe there are some connections that are both of benefit to those of us who run these kinds of programs and to the communities that we're concerned about preserving and increasing

opportunities for.

As Murray indicated, I'm Deputy Director of Philadelphia's Department of Commerce, and I have responsibility for overseeing the enterprize zone program and other neighborhood economic development initiatives that the City gets involved in.

I'm particularly pleased this morning because one of the Civil Rights efforts that I believe Martin Luther King was involved in, certainly as he approached his demise, was the one relating to economics and increasing and empowering the economic ability of the minority community in this country. And, in fact, without economic means, many of the Civil Rights opportunities that are created are simply not available in a real sense.

But the City's efforts to revitalize older industrial neighborhoods are concentrated in the American Street corridor, Hunting Park West, West Parkside. These are three parts of the City of Philadelphia. These three areas have been designated and jointly funded as enterprise zones by the City and State, and contain over seven hundred businesses providing employment for over thirty thousand people. They are

located in Philadelphia's neighborhoods. American Street and Hunting Park are in North Philadelphia. West Parkside is in West Philadelphia. A variety of business and community development programs designed to enhance the economy of these areas has resulted in about thirty million dollars in new investment and the creation and retention of nearly forty-eight hundred jobs in 1984 and 1985 combined.

By the way, the programs that we have operating there are really geared to existing firms, to maintaining the firms that are located in these neighborhoods, and I hope I say this more than once today; when you talk about having the ability to effect whether or not you can have a job, some of that has to do with whether or not the job is located close to you, close to your neighborhood where you or your neighborhood association can have some influence over whether or not local people get hired. And I'm going to talk some about partnerships or coalitions that are formed between the business community and the residential community in these areas where they're finding that they have some common goals that concern the quality of life, crime, security, encouraging not only

investment and business opportunities, expanding businesses, but also improving the residential climate and other quality of life factors.

Such jobs in Philadelphia that are close to people who need jobs is more than just a symbolic statement. It's important to have some ability to influence the employer, encourage the employer to hire people from the area. Certainly, if you live in an area where there are no jobs, it's much more difficult to extend that influence. I always talk about the efforts of the City in the past were given the very similar benefits applied to businesses across the city; in effect, we were encouraging some firms to move out of the more distressed areas to move into areas of the city that were not as distressed, and in many cases, not adjacent to locations of which people who needed jobs lived in.

The primary goal of the enterprise zone program is to provide and manage resources to support the retention, and creation of jobs in these zones. A strong linkage, as I mentioned earlier, is created between the business and residential community, and we employ something called a Business Service Center, which

is a combination of business and community people serving on the board who provide assistance to businesses in the area, help strengthen the business association, strengthen that entity that the community can then work with and deal with in order to encourage job placements. And also, one of the components of the Service Center is a job bank which reaches into the community to find who needs employment, what their skills are, what skills they lack in some cases, make referrals for job training and other kinds of assistance that can be provided to them, and then make the ultimate connection to a real private sector job in that neighborhood where that's possible.

This Business Service Center also works very much on the quality of life issue within the zone. I have brought with me copies of my presentation this morning, and on the second page, there is some demographic information about each of the three zones. The point that I want to stress is that each of the zones in Philadelphia, a high proportion of the residents are low and moderate income individuals. A very high proportion between forty-six and eighty-eight or eighty-nine percent are minority individuals. In fact, it's a

very important factor to the minority community in Philadelphia.

Just to give you a little bit of background about the enterprise zone program as it operates here in Philadelphia, I'll give you some history. In 1982, the State of Pennsylvania, through the Department of Community Affairs, proposed a statewide economic development initiative called the Enterprise Development Area Program. This was the predecessor of what is known as the Enterprise Zone Program. This program was designed to provide state and local resources to revitalize inner city and rural distressed areas. The City made application and received a grant of two hundred and fifty thousand dollars to initiate the Enterprise Development Area Program. We have matched those state resources with an allocation of about two hundred thousand dollars of Community Development Block Grant funds. The representative that was here from HUD was stressing the elimination of certain programs. Let me say at least once today that a number of the federal programs that help us in economic development are critical and remain critical to encouraging development, not only in distressed areas of Philadelphia, but

in some of the stronger parts of the City. We need programs like UDAG and Community Development Block Grant funds. We need federal assistance.

In 1984, the state changed the name to the Enterprise Zone Program and set aside an appropriation of two and a half million dollars to be awarded on a competitive basis between the seven municipalities with existing programs. The City of Philadelphia was the most successful applicant and received eight hundred and twenty-five thousand dollars that year.

This Enterprise Zone Program is really a key element in our overall neighborhood economic development strategy. These three areas are positioned to receive enhanced economic development programs from the state as indicated by the previous speaker. The state has seen fit to prioritize requests coming out of the zones for a variety of state programs, whether they be economic development or housing or education, so that the state increases the priority of applications either from the City or from the community out of these areas in order to target a greater proportion of state dollars to these areas, and also, to coordinate those dollars as they are spent in that area.

The program has served as a catalyst to bring together business groups and residential organizations within the enterprise zones to find solutions to common problems. The Commerce Department operates, funds or coordinates a number of programs within each enterprise zone which are designed to foster increased job placements for area residents, promote overall business and community development, and enhance the overall quality of life, as I said earlier.

I'd like to describe these programs in the context of these three goals that I mentioned earlier. First, in order to effectively increase job placements, it is important to know who is in need of a job. We therefore fund an enterprise zone job bank in each of our zones. These job banks are operated by our community-based enterprise zone organizations. In Hunting Park, for example, that organization is the Neighborhood Enterprise Corporation. On American Street, it's the Lighthouse, and in West Parkside, it is the Parkside Association. We've also made sure that these job banks are linked to our employment and training programs at the Private Industry Council or better known as PIC. Each enterprise zone organization is

therefore also a PIC referral center, reaches out into the community for people who need employment and need training to gain employment. With our enterprise zone organizations, they've made over two thousand placements, many of them with firms in the zones, and have made more than two hundred qualified referrals to PIC training programs. This relationship with the Private Industry Council is a relatively new one. At least two hundred referrals to training programs have been relatively recent.

Second, our enterprise zone organizations help us promote overall business and community development in the zones by serving as a Business Service Center, which I mentioned earlier. One of the activities of the center is to increase membership in the business association, prepare a directory of firms, publish a quarterly newsletter, and help promote the zone. The enterprise zone organization also helps zone firms solve local problems. These efforts have been very helpful in creating the kind of relationships -- I keep stressing that. This organization helps solve problems for businesses. The businesses in return approach that organization when they have openings that

they need people to hire.

In addition, the efforts of the enterprise zone organization, the Commerce Department, and its delegate agencies, Philadelphia Industrial Development Corporation, Philadelphia City-Wide Development Corporation, provide a variety of financial incentives and financial assistance that are superior -- I need to stress the word superior -- to those provided to firms on a city-wide basis. We have a zero interest loan program, for example, that provides up to fifty thousand dollars, interest-free, to industrial firms that are expanding or locating within zones. PIDC also offers its loans at lower rates to firms in the zones than are offered otherwise. We will soon be implementing a real estate reclamation program. That long title simply describes a program that is designed to reduce the cost of returning obsolete or dilapidated properties in these areas to productive use. One of the problems in the older industrial areas is that there simply has not been enough cleared space for firms that wish to expand in the area to be able to do so. Many times a firm that is growing leaves an area not because it doesn't like the local environment, but simply because there is not

enough space for it to expand. Unfortunately, it takes the jobs that it has with them. It takes that investment and places it somewhere else, hopefully in the city, but sometimes not even in Philadelphia. So, we have to make sure we can clear space and find space within the area so that firms that are growing, and there are many firms that are in these older areas that are growing, have an opportunity to grow in place and provide additional employment to the people living in that area; also, because we want to assure that the local community benefits in business opportunities in the zone. In addition to receiving jobs, we have aggressively implemented a program that is called the Community Economic Development Corporation Program, and in that program, we provide assistance to community-based organizations that are located in zones that would like to either operate or participate in a business venture in some fashion. An example that I always point to is a project located in North Philadelphia on North Fifth Street in the heart of the Hispanic community. There was a commercial and office building that was in foreclosure. It served as a site for many community service agencies that were very important to that

community. It also was right in the center of the Hispanic commercial district, as I said, and could serve and had served as an anchor in that area. By working with the local community organization, a local bank here in Philadelphia, and by lending some city dollars at a low rate, we were able to provide an opportunity for that community organization to purchase and renovate, and now fully tenant that building. It is one hundred percent occupied and generates a positive cash flow; in other words, money that the community organization can now use for other purposes that it is involved with in helping that community. It has also retained a number of jobs in that area and a number of people in that area, and it also serves as a draw for that commercial strip. So, the community has played a very active role in both the ownerhsip, both in the benefit of receiving continuing funds out of a viable project and also, helping promote economic development in the neighborhood. That is one of several examples of how the community is factored in. When you talk about Civil Rights, we're talking about the minority community having the ability to directly benefit in a financial way by some of the efforts involved.

Just to sum up the efforts over the last two years agin, thirty million dollars in public and private investment. Forty-four firms have either started up or relocated to our zone. Forty-eight have expanded, and sixty firms have been encouraged to stay as opposed to leaving.

Skipping back just a second to my most previous comment, Bob Woodson is going to talk some about community-based organization involvement later today. Bob is a very strong supporter of the concept of enterprise zones and supportive of the fact that the local community should be a very active partner in that effort.

Getting back into the issue of quality of life, it is important to stabilize and improve the business environment or the climate in which these businesses are operating in these zones. I mentioned earlier the issues about crime, issues about physical appearance, the issue of whether or not transportation is good into the area so that people can have access to the jobs is very important. We're very mindful of the goal to improve the quality of life in our zones and have initially concentrated on issues of security and

physical appearance. We've introduced a Security Rebate Program to encourage firms to protect their real and personal property and their employees. This program provides for rebates for such security improvements such as fencing, lighting, guard rails, and also helps to encourage firms to cosmetically enhance the appearance of the neighborhood that they are located in. We are expanding this program to include town watch programs this year, again playing on this partnership to be developed between local and residential in the business community.

I mentioned the Real Estate Reclamation Program. That also has the ability to improve the physical appearance of the areas, and if you've ever been to any of these three areas, you know that the physical appearance can be as much of a discouraging factor to new businesses moving into the area as any other factor could be.

One other element of this environmental concern has been our clean-up program, and it's been very successful in terms of working with the community, business and government agencies to improve the appearance of the zones. We've institutionalized the clean-up

effort and will have that occur in a major way at least once a year, also exploring ways to have continuing efforts to work with the neighborhood to keep the area clean.

Another very important factor is to try to get city government to coordinate the way it delivers services to these areas. We're working with the Managing Director's Office, the Mayor's Office, and the Service Division of the Commerce Department to try to improve city services that are provided to both businesses and people that live in those zones. In fact, we have tried to create something called coordinated neighborhood development districts in which the City's Housing Department is also made part of this effort, so that we are trying to coordinate housing improvement in a way that maximizes economic development.

Just to give you a rough example of that in the area that we're trying to implement this program first, at the intersection of 29th and Dauphin Streets in North Philadelphia, we've just put in a new five million dollar shopping mall, yet there's about three hundred or so vacant housing structures adjacent to that mall site. So, it's critical that we work along with the

Housing Department to try to improve the housing stock as well as the commercial area which we've just about completed. We think that's beneficial to not only making the economic development effort more successful, after all, it certainly will add additional families to shop in the shopping mall if those houses are occupied, but also will give a kind of physical appearance to the area that really will encourage further development and give everyone the perception that something has really happened in that area.

Another part of this coordinated delivery of city services involves the Health Department, and maybe it's an issue that you might be concerned with here at the Commission on Civil Rights. It turns out that the very same area has the highest rate of infant mortality in the city, and while it is not within enterprise zones, I want to share the concept with you. One of the things we've learned is that the Food Assistance Programs, the Food Stamp or WIC Program for Women and Infant Children and some other programs that are really targeted to pregnant women and young children has not been marketed particularly well in that area. In fact, even though there is a brand new health center,

the program is not currently offered there. We've been working along with the Health Department to try to market that program. And not only does that improve the quality of life, but it also provides additional income to the supermarket, because up to forty dollars per month per person will now be subsidized in terms of purchasing power which will help the sales at the supermarket.

It's those kinds of ways that local government can help coordinate its efforts to make some of these programs work, in particular within enterprise zones.

In closing, I'd like to give you an update on the status of state and federal enterprise zone programs. The City of Philadelphia continues to seek additional state and federal resources to encourage this expansion of zones. We are particularly encouraged, after much lobbying on our part, that the Governor has proposed eight million dollars in enterprise zone tax incentives as part of the Commonwealth 1986-1987 budget. Pennsylvania currently does not have tax incentives as part of the enterprise program. This proposed two-part tax incentive would encourage development in enterprise

zones. It would establish a four million dollar fund to encourage local municipalities to abate local property taxes which we currently do in Philadelphia, to encourage economic development or the development of new structures or rehabilitation of structures within the zones. The nice part about this is that in an era of shrinking dollars coming to the city, the state would, in effect, be returning dollars to Philadelphia for any abatements given to enterprise zone firms. We are very pleased with that.

In addition, there's another four million dollar tax credit tied in with the Neighborhood Assistance Act, which is a state legislation, that would provide tax credits for private investments made to rehabilitate existing structures in the zones. In an effort to enhance possibilities for a federal enterprise zone program, and I want to stress again the earlier speaker's comment, there is not a federal program, in spite of a lot of discussion and talk. Since 1980, we do not have any resources from the federal side to help us -- that are directed to enterprise zones per se. But in an effort to enhance those possibilities, I attended a meeting of the American Association of Enterprise

Zones on March 7th, and participated with state and local officials in engineering a resolution to encourage President Reagan to use an executive order to quickly provide federal support for enterprise zones. As was mentioned, federal enterprise zone legislation has been bogged down in Congress for years. I want to, again, stress that there's a need for many of the existing federal programs and incentives within the zones; that the proposed tax and regulatory relief will not be enough, in our opinion. This executive order would support the efforts of the, at that time, twenty-eight states that currently had an enterprise zone program, and it could be, in effect, neutral in a budgetary sense simply by targeting and coordinating. You'd be surprised the federal agencies that are simply not aware of or not actively involved in working together within a specific area to assist enterprise zone efforts. If that was done, without spending an additional federal dollar, that would be a tremendous benefit to us in Philadelphia. So, we urge the President to take an executive order that would simply organize the federal departments that are currently in operation to be more helpful and to be more coordinated with programs

operating in the zones.

And, I would also urge the U.S. Commission on Civil Rights to be supportive of that effort and to join with us to press for continued state and federal resources.

As stated earlier, our main accomplishments to date have been to foster a partnership -- I want to stress that -- a partnership between business and residents of the zones in efforts to find common solutions to common problems and to focus the attention of government, business, and community groups on the city's three enterprise zones. We look forward to increased resources from the state and enhance benefits for our business and residents to continue the momentum created during the past two years in our program.

I'd be glad to take any questions.

THE CHAIRPERSON: Before we go forward, let me point out to you that we will be breaking in about another ten or fifteen minutes, and I want to call your attention to the afternoon program which I think will be really very, very stimulating. We will have with us Bob Woodson from Washington, who is an extremely stimulating person, describing some of the private

efforts that are under way, and then we will have several people coming in from Philadelphia who -- or the Philadelphia area who are engaged in certain private efforts; for example, by way of coming attractions, I want to call your attention to Miss Liller B. Green, who is running a private school in the Germantown area made up predominantly, almost primarily of minority group youngsters in which ninety-three percent -- did you hear that -- ninety-three percent of her students are going on to college. So that I simply want to urge you to be back with us at that time.

Now, we have about ten or fifteen minutes for questions, comments, so I wonder if some of you would want to address any questions to either of the two speakers on the Urban Enterprise Zones.

JOHN GREEN: Joe, you mentioned the link between the enterprise zone businesses and the community. Is anything being done with the public schools or vocational schools where you can get people who are not in a real degree of urgency to make money, but would like to take an entry level position or salary in order to develop a long-term career?

JOSEPH JAMES: Before I answer that, I

want to introduce Mike Gallagher from my staff. Mike is the enterprise zone manager here in Philadelphia. He's going to help me answer some questions. But we have tried to create relationships with the local schools that are within the zones, and we think it's a very important relationship. We have incorporated the Summer Youth Program where we've been able to, to help locate youth and firms that are in the zones during the summer. We have found that after creating that kind of relationship, in many cases upon graduation, students have been hired as full-time employees.

Many of the positions that are available in the zones are entry-level positions. We're very encouraged by that. A lot of the placements that have occurred by the job banks that I've mentioned have been direct placements into companies at the entry level. There might be more opportunities that we need to explore, but we have touched in that area so far.

THE AUDIENCE: We've met several years ago. You didn't mention in your talk the super fund that the state has for industrial development bonds. I personally have found it to be a useful tool.

JOSEPH JAMES: I didn't mention it

specifically, but I did allude to the fact that the state has a variety of programs that it targets in some way to enterprise zones. There was an economic development bond issue that provided a large amount of resources. There's been some problems with that program in making it work not only here in Philadelphia, but across the state. There are some changes also included as part of the Governor's new budget that should make it a little more workable. As I mentioned earlier, the state does give priority to request to use that program and many others that are coming out of the enterprise zone areas.

MALINDA SILER: You gave an example of benefits gained by the enterprise zones, and you pointed out that a super factor would be gaining additional monies through the WIC Program. Would you mention some of the other types of jobs that are located in the enterprise zones in the different kinds of industries?

JOSEPH JAMES: I'll let Mike help me with that one. But let me distinguish the supermarket example. It is not located in the zone, but the concept that I was trying to put forward was that there are a variety of ways that local government and the private sector, the state government and the federal government

can coordinate a variety of programs that they have in operation today in a way that can be supportive of development in neighborhoods. It takes an extra initiative, an extra phone call, maybe an extra two or three meetings from people in departments that you think have no connection.

The supermarket issue that I referred to, one of the benefits that we're going to get to because of this what we call coordinated development approach, that means talking to different departments in the city to see what they can contribute to a particular neighborhood, is that the Health Department is going to really push the WIC Program. That's good for the neighborhood in terms of the infant mortality problem, but it's also good for the economic development project, which is the shopping center, and the primary tenant there is a supermarket, because it's going to help increase sales, and we're concerned about maintaining sales in that area.

Mike, if you could just give us some examples of the other jobs that have been created.

MIKE GALLAGHER: Well, as Joe mentioned, there are over seven hundred firms. These areas were

industrial conservation districts, especially Hunting Park West and American Street, and we did a survey on the leading firms, and it was metal fabricators, steel processors, meat processors, garment fabricating industries, and the important thing about that is that we often hear about the change in Philadelphia's economy from a manufacturing base to the service sector, and obviously, that change has taken place, but we don't want to forget about the manufacturing base, because it is a viable base that actually provides the constitution and backbone for our neighborhoods. And if we focus all of our attention on the services and write off the manufacturing base, we're doing a disservice to the community.

The three services are the main ones out there, but there is a large variety of smaller firms with ten, fifteen, twenty employees that target their jobs to the neighborhood people, and it is a scale that we have to focus on and we have to put our resources on or else we're spelling doom.

We're going to have Center City development and we're going to be surrounded by tremendous blight.

MALINDA SILER: Are the jobs essentially white collar?

MIKE GALLAGHER: No, they're essentially blue collar. We have targeted placements through Mercy Vo-Tech out in Hunting Park West. We have brought a person in, a young fellow or young woman, and they have trained them to the type of business they're involved in.

MALINDA SILER: Are they doing their own training?

MIKE GALLAGHER: Sure, through tax incentives.

JOSEPH JAMES: I want to make a comment on what Dean Singley said about this issue of a separate economy or a separation in terms of the black community. Without speaking positively or negatively about that concept, I can say, with some authority, that it takes a long time to develop entrepreneurs, whether they're black or white, and for this country or these particular communities to wait until there have been enough black entrepreneurs developed is, in my opinion, a mistake, especially if you go for the fact that there are a number of businesses in our zone, some very small, some

as large as Tastykake Baking or Schmidt's Brewery that are already in place and are located basically in the black community, and that it's important to create the relationships, the communications dialogue, the ability to work together so that the business and residential community see it's in their best interest to solve problems and work together. Once those relationships are formed, the firms in many cases are willing to hire local people and provide direct, tangible benefits to that community.

THE CHAIRPERSON: Could I ask this question maybe of Mr. Mulligan? I'm concerned about the physical layout of the land. This seems to have a potential for crossing the political spectrum. Are we dealing with an idea that people are paying homage to, but not really getting behind? Is it just cosmetic or is it real in terms of a serious and national political thrust that might get behind this?

PATRICK MULLIGAN: My perception is it is a national thrust. It may have come from a conservative approach from doing what enterprise zones are supposed to do. It does seem to have gained strong bipartisan support, and a good example is the coalition

of Congressmen Garcia and Kemp introducing the legislation. They are from opposite ends of the political spectrum. It does seem to have wide support, but the House is not willing to give in on any revenue cuts. If there is a tax reform act or a budget balancing problem going on -- that's my perception of it.

JOSEPH JAMES: I think it's a broad belief that the basic concept is a sound one, and especially if that concept is broadened to go beyond tax benefits. I think part of the political problem is that the Reagan Administration has linked the enterprise program with other cuts in programs, and the House has not been eager to go along with that. I would just hope that there would be some way of the administration moving forward, and I believe there is an ability to be supportive in a budgetary neutral way in everyone's interest.

The twenty-eight to thirty states that are currently implementing the program are showing success. I think the comment that Pat made earlier about the issue of encouraging local government to look at a specific part of its city that's in trouble and to begin to focus on ways to improve that part of the

city is helpful. I think the states have made a real commitment to put resources, and the State of Pennsylvania does not, as I said earlier, does not have a Tax Incentive Program at this point. It's been one of providing grants and loans and other forms of direct dollars to solve some problems occurring within the zones and encouraging businesses to expand there. That's about all I can say on that.

JOHN BINKLEY: Mr. James, earlier you referred to, I think, an association of enterprise zones administrators or a group of some nature. Is that mentioned in your statement where we can get the identity of it?

JOSEPH JAMES: It's based in Washington. It's mentioned in my presentation, but there's not an address there. But I believe you can find it in Washington. If you need to get that address, let me give you my telephone number.

JOHN BINKLEY: We've got that. The association has a staff?

JOSEPH JAMES: A very limited staff, yes, it does.

THE CHAIRPERSON: Let me then thank you

both, gentlemen, for an extremely helpful, useful remarks. As we've indicated, this will be going into the record and we will be recommending to the U.S. Civil Rights Commission looking more seriously at strategies such as this, and I would probably say to my colleagues here, I would be very much interested in the question of whether we can recommend for the Civil Rights Commission to support or develop some support for an executive order. It seems to me the Civil Rights Commission is painfully in need of positive kinds of programming to demonstrate its support for progressive forms of change related to the Civil Rights field, and I would hope to be able to discuss this with staff and colleagues here.

JOSEPH JAMES: Just one other point is, even the proposed federal legislation, including that which has been put forward by the administration, has talked about a very active role for local community-based organizations to play in any zone program, and I think, when you look at the issue of Civil Rights and the ability to really put some meat behind implementation, that's a benefit for the community. That kind of inclusion of the community is a very important part of the program. I'm sure Bob Woodson will talk about that.

THE CHAIRPERSON: I hope you'll return this afternoon to be with us with Bob Woodson.

Thank you. Class is dismissed until one o'clock. Please come back and I think you'll have an extremely exciting afternoon in front of you.

(Luncheon recess.)

THE CHAIRPERSON: Let me welcome you to the afternoon session of the forum that is being sponsored by the Pennsylvania Advisory Committee to the U.S. Commission on Civil Rights. My name is Murray Friedman. The meetings this morning and this afternoon seem to be moving with different clientele for each session. This morning we had a very interesting series of presentations, one by Dean Carl Singley of the Temple Law School in which he dealt with the issues of Strategic Paradigms in the Black Experience. He meant by that the different kinds of strategies and approaches that have been used in attempting to improve the black condition in the United States.

In addition, we had a very interesting session that featured the matter of Urban Enterprise

Zones and I am pleased and delighted that Patrick Mulligan, who is one of our presenters, remains here for the afternoon session.

Our discussion this afternoon will revolve around two major, so-called new strategies, the first being The Role of Intermediate Institutions. I should explain to the audience here, since it is a very small audience, that -- and this will be repetitious for those of you that were here this morning -- that our purpose is to compile a record for the U.S. Commission on Civil Rights representing the views of the -- or at least the ideas that the Pennsylvania Advisory Committee have tried to generate in the area of new strategies. It is our purpose to gather together the statements and the discussion to compile them into a document that will then be presented to the U.S. Civil Rights Commission in Washington.

In effect, I think what we will be saying to the U.S. Civil Rights Commission is, we've been accustomed to doing Civil Rights business in a certain way for many, many years. That way has been very effective, has worked. We have nothing to be ashamed of and much to be proud of in the Civil Rights

and tactics that we have developed over the years, but it may very well be that in the coming years we may have to look at issues involving minorities in ways somewhat differently and to develop tactics and approaches, strategies, if you will, that will attempt to grapple with the problems they possess today in a manner that was not done in previous years.

Secondly, I should indicate to the presenters here today that we have representation from the press here and one of our purposes is to also generate community discussion of new Civil Rights strategies so that it is our hope that the public itself will begin to interact with these ideas and we can light some sparks as we go along.

Now, it gives me a great deal of pleasure then to begin the second half of our program, The Role of Intermediate Institutions. Now, that's gobbly-gooky kind of language, I know, and I know that Bob Woodson will translate that into English so that it won't sound like it came out of a graduate course in sociology or something. I am very pleased to introduce Bob Woodson to you. Bob is a friend, as well as a colleague who, along with several of his mentors; namely, Peter Berga,

introduced me to the concept of intermediate institutions almost a decade ago. I will not attempt to explain. I'll let him do this.

The program itself that we have set up for you between now and three o'clock will attempt to, first, lay out the concept which is Bob's role, and then to show you how three people in the Philadelphia area are using this concept, are activating it in our own community, and it will be for you to measure and try to understand what they're trying to do.

Perhaps I'll simply mention all three now and then let you all go as soon as Bob Woodson is done. After him, we will have Liller B. Green, the Director of the Ivy Leaf School in Germantown, and I can't help but mention to you that it is my understanding that this is a school that's primarily peopled by minority group children -- I'm not sure how far they go in terms of grade levels -- but where some ninety-three percent, she told me in one of our conversations, go on to college, and I'm impressed. I'm very impressed with that.

Secondly, we have Aaron A. Bocage, who is Senior Partner of EDTEC. That's an acronym for Education, Training and Enterprise Center over in the Camden area;

and then Patricia Coulter here from INROADS in Philadelphia, which has to do with training of youngsters.

So, why don't we start with Bob, who heads the National Center for Neighborhood Enterprise.

Bob?

ROBERT WOODSON: Most people bring some biography to whatever they write and say, and I'm no different from anyone else, but I am from Philadelphia. It's my home and my folks still live here, so it's a pleasure to be back here.

I'd like to just touch on some of the concepts that are outlined in this whole approach that is identified in this little booklet. It's called To Empower People: The Role of Median Instructions to Public Policy. I came to this experience as a practitioner growing up in Philadelphia who's been concerned since the early Sixties in the Civil Rights days that with all of the marches and all of the demonstrations and all of the changes that have occurred, that poor blacks have not benefited from those changes. An article written in 19 -- I believe it was October 9th, 1965 by Bill Raspberry, who was then a reporter for the Washington Post, said, and he quoted some of the Civil

Rights leadership of that day in Washington when they said despite all the gains of the Civil Rights movement, that poor blacks were not benefiting and that race-conscious policies would not help them, that their problems were basically economic and, therefore, more must be done to enhance their economic well-being. And so that in spite of this knowledge, then, I think that the leaders of that time looked to the poverty programs that were emerging as one way of extending the gains of the Civil Rights movement to those people who are mired in poverty, even though the poverty program was designed by twenty-one white liberal males,, did not involve any of the leadership of the Civil Rights movement of that day, and these programs were devised and implemented. As we look now twenty years and the expenditures of one trillion dollars, which represents about a twenty-five fold increase in the amount of federal, state and local dollars that are going to meet the needs of the poor, we find that one-third of the black community is in danger of becoming a permanent underclass at a time when there is a slight expansion of the black middle class in those making middle class incomes, so that the salary gap is between a black couple both who are working

and their white counterparts it's just about negligible. At a time, those in the bottom rung in the black community, that gap has not improved over time.

So, obviously, even with the poverty programs in the Civil Rights movement, our resources are not reaching. In fact, I have written extensively on this and what we have done, even though inadvertently, have created an industry out of serving poor people. The City of New York, for instance, spends about fourteen point eight billion dollars annually on meeting the needs of its one point two million poor people, or one-fifth that city's population.

Seventy-four cents of every dollar goes to social workers, psychologists, counselors, all those who serve the poor, and only twenty-six cents goes directly to the poor over which they can exercise any control or choice or option.

So, this arrangement that we have flies in the face of certain realities that were revealed in the research that we and others have done several years ago about poor people. When they are faced with a crisis, the first institutions that they turn to are friends, relatives, their local church, ethnic subgroups,

Masonic organizations; in other words, institutions within their immediate environment. The eighth institution that they turn to are professional service providers. So, in light of this reality, we tend to deliver services to the institution of last choice of those in need.

So, what we sought to do in our research is to look at these institutions that poor people tend to turn to, to find out why they do so. Instead of going into low-income communities as traditional service providers do and study failure, we go in and study who loses, who has five children and on welfare, two are in jail, two are prostitutes and one on drugs, and we try to find how many more people in that environment share that same experience, and then we try to cure them, and that's what the service industry is all about.

What we do by contrast is go into those same communities and identify the mother who was abandoned by her husband at age twenty-one, left with five children, and at the end of a twenty-year period, has sent all five children to college and sent herself to two years of college, and ask ourselves how did someone achieve what she did under the circumstances that others could not achieve, and then we bring those people together

in smaller groups to try to study success among low-income people and the institutions. And these institutions that they turn to are called intermediary institutions because they stand between the individuals in their private life and the larger bureaucracies of public and private life; the big church, the big union, the big government; that these institutions stand between and help that person to mediate their own personal life with those. Middle class people that have money hire their mediating institutions; that is, if you have trouble with IRS, you hire a tax lawyer, or if you're being sued, you hire a lawyer. In other words, if you have the means to do so, most people will hire individuals to function as intermediaries to deal with large bureaucracies. But if you're poor, you don't have the means, or even sometimes the information about where to turn to, so you have to rely upon someone within your own environment that has more information than you do and has enough sophistication to help you mediate those larger bureaucracies.

But what we also found is that these intermediary institutions identify as indigenous to those communities, also represent a source of innovation

in public policy. To my knowledge, they have never been the subject of public policy until Peter Berger, a conservative sociologist, and Richard John Newhouse, a liberal anti-war Lutheran minister, came together from the various political positions to try to analyze these institutions to determine what role have they played or could they play. So, five of us were commissioned to write books, and I did so as a practitioner, and so for five years, I went back to some of those organizations that I had helped around the country to try to find out why people turn to them, bring them together in smaller groups, and then try to analyze what are some of the barriers to broadening the use of these intermediary institutions, and a more difficult question and challenge, how do we make more constructive use of them.

Some of the barriers that I found tend to be -- for instance, in professional licensing. We know that I wrote -- in my first book, I analyzed and studied Sister Fahta's program and wrote the first book on the House of Emoja, and I identified twelve other people like her around the country who were very successful in intervening in and stopping youth gang

violence. I also studied people who have been successful in teaching children, as Liller has done. Some of those children have been abandoned by the public school system, but yet people within their own communities devised their own means and techniques of teaching children. But now there's Sister Fahta, for instance, and others around the country who wanted to start a program as a business. They would say technically Sister Fahta couldn't qualify to do what she's doing, because she doesn't have a degree in child education or in social work. And the women that I've identified around the country that have considerable experience at raising children under very difficult circumstances could not qualify under most states' rules and regulations to open a day care center because they don't have a degree in early childhood education. But a person twenty-two years old, a graduate from a university, could come into their same neighborhood and open the day care center and do so without any parental experience, and I'm not against professional certification.

The question is and the policy consideration is, is certification synonymous with qualification, and I question whether it is. But those are the kinds of

barriers, and also what we have been studying relates directly to Aaron's program, and that is, too often, we have looked at services to assist the poor strictly in terms of, that's it, service; welfare, food stamps, special job training programs, when in fact if we looked around the country at every ethnic group's participation in the economy, it is not dependent upon how many Civil Rights laws are passed, aid them or government support.

Japanese-Americans have the highest median income of any other group in America, even whites, and thirty percent are in business for themselves. And you can see the correlation between business formation rates and any group's participation in the American economy. Eighty percent of all new jobs in the American economy are not produced by IBM or Xerox; they are produced by small businesses that start. If you look at blacks, only eighty percent of us are in business for ourselves, and half of those don't hire anyone. So that what we are suggesting by this is that it is most important to begin to analyze what are those factors that account for any group's participation and how do we gain greater access to the economic landscape.

Another fuzzy area that may be afield

from what I've been asked to address is this very, very spurious relationship between political power and economic power. I come from a city that is seventy percent black; the City Council, all the commissions, the school board, and there have been twelve major urban development projects in that city involving billions of dollars. But you can walk from one end of our major business area to the other, about eighty blocks down Wisconsin Avenue, and you'd be hard-pressed to find two black owned businesses in a city that is seventy percent black. And I think that is because a lot of the leadership of the city comes out of the Civil Rights experience and they employ what they know when they're in office, so that when an issue of empowerment is confronted with an issue of Civil Rights, Civil Rights always wins, even though one sometimes is used to undermine the other.

For instance, City Bank wanted to come in to Washington, D.C., and Washington, D.C.'s existing banks do not loan money to low-income black areas in a black-run city. They don't give money to small businesses that are critical to any group's participation. They don't give mortgage money. So, City Bank was going

to come in to the city and open a branch, and they appealed to City Council, with a promise to make mortgage money and money for business loans available to those areas that had been neglected by the existing banks.

Well, the existing banks mobilized for the first time and appealed to City Council, and said, City Bank has investments in South Africa, so, therefore, you shouldn't let them in. City Council agreed and voted not to let them in. Poor blacks in the northeast, southwest sections still don't have mortgage money, because --to do the kind of things that Aaron and others are doing.

So, in summary, it seems to me that mediating structures represents to me the kind of vitality, the kind of innovation, the kind of resourcefulness that people living in distressed communities have exhibited over time, but their accomplishments go ignored by the larger body politics. Every time someone surfaces that is doing something like Sister Fahta, we dismiss them by saying, "Oh, it's because she's a charismatic individual," or, "It has no general application to the whole society. It's cute, it's interesting, yes, it has helped people, but I don't think one can

generalize from it. It's not adaptable to other circumstances, even though it was never tested."

And, then, on the other hand, you have an unwillingness to look at what are some of the economic and financial barriers that enable those existing mediating institutions that exist in this room to expand and exploit their potential. For instance, the National Center convened about fifty independent neighborhood schools like Liller Green's, for the first time in this country brought them all from Indian reservations, from California and Texas, we brought them together for the first time. They met. There are thirty independent schools in Philadelphia; fifty in Chicago, all over. So, they can begin to exchange among themselves some of the -- some of them in the same city didn't know about their existence. And what we found in our study of these two hundred and fifty independent neighborhood schools just boggles the mind in terms of what they've been able to accomplish in terms of teaching children that others have given up on and doing a fine job with kids who were considered average.

So that mediating institutions represent for me and for my colleagues and others one of the

richest resources that this country has, particularly for addressing the needs of low-income people, but unfortunately, they continue to be outside of the national debate, that people like Aaron and Liller, and others who are accomplishing great things are seldom the source of study. Our academic institutions and major -- the federal government spends about thirty billion dollars annually on social science research. You can comb the literature; you won't find very many studies that study the success or lack thereof of independent schools. You will not find among the research any assessment of the economic development projects that Aaron and his partner have designed to meet the needs of high-risk kids, the throw-away kids. He and others have made them productive.

So, it's just fascinating that we have this rich resource. We have policies and programs that are supposed to meet the poor, but you got the problem and the resources on this side of the continuum and the solutions and the people who are in need of these solutions on this side, and, therefore, this is the kind of discontinuity that continues to abound.

In my city of Washington, D.C., for

instance, when we realized that we had a teenage pregnancy crisis, what was the response? Well, it was the usual response. We have a Blue Ribbon Committee. Of course, that Blue Ribbon Committee recommends that we have a task force funded by the city. Then, we have, for every problem, a program; for every program, a bureaucracy; for every bureaucracy, a budget. And now, we've got hundreds of thousands of dollars for professionally trained people to go into these communities and counsel these wayward young ladies, when, in fact, we've got people who are manning mediating structures through their own voluntary efforts who have made it possible for five hundred and eighty kids from one public housing project of four hundred and sixty-four units over seven years to go on to college. Teenage pregnancy in that one public housing development dropped almost in half in four years and yet, the mayor and the people in power never went to her and others like her who have demonstrated through their actions that they can solve problems that have defied solutions by the traditional approaches. But instead, we keep funding things here and ignoring the reality that exists here, and so that mediating structures become critical if we are to devise

solutions to social problems in the present and in the future.

You all saw This Vanishing Black Family. Let me just say what distresses me most about it, black teenage mothers have become the latest hustle. Bill Moyers, at the end, will get his Emmy. Leon Dash, a black reporter who lived one year among low-income black teenage mothers and asked them questions that he would never allow his own daughter to answer, he will get his Pulitzer. And now, a black economist at the University of Chicago, Charles Wilson, just got funded by the Ford Foundation, the Carnegie Corporation, to send Ph.D. students by the hundreds into the black community of Chicago to gether more data. They will get their Ph.D.'s, and at the end of it, everyone will be celebrating the problem and getting money from studying the problem and getting money for providing the social equivalent of Laetrile to the solutions, and the people experiencing the problem will continue as they have in the past, and those, like the people represented here this afternoon who will follow me, will continue to struggle hand-to-mouth to do the astonishing things that they do. Until that kind of equation changes, I don't see very much hope

for anything happening.

So, I'm pleased to have been invited to be a part of this deliberation. Thank you.

(Applause.)

THE CHAIRPERSON: I'm not sure how to proceed here. We can go immediately into these individuals who are working in this area, or do you want to take a moment or two to discuss the conceptualization? Shall we go directly into the specifics? Let's do that.

Liller? For those who came in a little bit late, Miss Green is the principal, Liller B. Green is the Director of Ivy Leaf School, a private school in Germantown who has had an unusually successful experience in educating minority youngsters.

LILLER GREEN: Thank you very much.

I couldn't help but agree with Bob as he discussed the fact that lots and lots of things are studied, but there is very little attempt to really study success stories in the black community.

I was recently appointed to become a member of a twenty-one panel study group, and we studied for the past year elementary education for the United States Department of Education. I was the only minority

member in that study group. As a part of that group, we had to present position papers, and members of the study group, along with staff persons from the Department of Education, made site visits at various schools throughout the country. We did have members of the committee along with some persons from the United States Department of Education to visit Ivy Leaf School, and their evaluation of the school was that it is of excellent quality and they were frankly quite surprised at the level of work that was being conducted there. They reported this back in our subsequent meetings.

The interesting thing, however, is that we had members on that committee from Harvard, from a Harvard Research Department, and from University of Pennsylvania -- University of Pittsburgh Research Department, and as I read material that had been released later, I found out that the United States Department of Education gives very large sums of money for research. And I said to the members of the committee, now that you see that this school has been extremely successful for twenty-one years in educating blacks, it would be good if you would study the results of this. The persons from those universities told me, "Well, I

don't make the decisions as to what is studied, so I don't really think that we will get the chance to study your school." And I think this just proved to me very conclusively that they had no intention of studying the school, that they have already selected what they're going to study, and regardless of the success that they found and regardless of how much is said about what can be done in aiding minority youths, that they are going to continue studying something, I guess, over in a little tower and with a lot of theory, and not apply it to what is possible to do.

With that in mind, I will tell you something about the school and I was invited to share with you some of the things that have been going on in our community.

Ivy Leaf School was founded by my husband and myself twenty-one years ago, 1965. We started with seventeen children and a staff of two, operating out of two classrooms. We started with just nursery and kindergarten.

The school grew very gradually over a period of the twenty-one years. We now have almost seven hundred students. We have a staff of sixty-five.

We operate out of four buildings with forty classrooms. Our students have been excelling the entire time we have been open. They are accepted at colleges all over the country. They are sought after by some of your very expensive and prestigous private schools, such as Springside, Abington Friends, Chestnut Hill Academy, Baldwin. These schools have all been in touch with us requesting that we refer our students when they graduate. Our school goes up to the eighth grade.

The president of the school last year received three full scholarships; one to Springside, one to Baldwin, and one to Philips in Massachusetts. That was a nine thousand dollar scholarship. She accepted that, and that full scholarship has been renewed for the following year. She just completed one year at Philips Academy.

The entire purpose of our school is to offer an outstanding education to the youngsters that we serve. It is all black. We serve about one hundred first graders every year. Many of them come through our preschool program, but some do not.

By the end of first grade, in most instances, the one hundred children are on an above

reading level, and you might say, well, that's because they're hand-picked. They're not. We accept any child into first grade that applies and the parents can meet the tuition, so that what we are basically saying is that if we can do it with the limited funds that we have, that we feel that some of the services we are offering could be offered perhaps through the public schools, although I know they have their own special needs, but we're serving many of the same children that the public schools serve, and we are not in competition with the public schools, but we do feel that there are some things that we are doing that could be shared insofar as methods and procedure is concerned.

Our students are taught from the age of two and three quarters. We begin the academic training so that they have academic periods each day and then they have their play periods each day. It is a mixture. Our children that are three, if you have the opportunity to visit our nursery, you will see that all of our three year olds know all of their phonetic sounds and their letters, and some have started on the next step. That's our first step in teaching reading. We play games, but we teach it every day and it's done in a

loving fashion so that it is not stressful, it is an enjoyable experience. If you watch children in front of television, you know that they can learn almost anything that's presented to them, if it's presented to them in a positive, warm and considerate manner.

By the time most of our children are four and five, some of them are in reading books at the age of four and many are in reading books at the age of five, and we're talking about reading on the first grade level.

We have very high aspirations for our children as they pass from one grade to the next. We are currently nursery through eighth grade. And because we have very high goals and because they are carefully planned and because we work very hard to keep a strong sense of self-confidence, our children generally perform on a very high level.

Now, of course, you always have a range, but I would say -- we use the California Achievement Test beginning in first grade. In mid first grade or at the end of first grade, we begin to give the test. We give it every year. Between ninety and ninety-three percent of our children pass the California Achievement

Test on an above-grade level, and this is every year, so that we feel we are offering a very significant service. We have offered this service to hundreds of black boys and girls over the past twenty-one years, and we are now beginning to find out, informally, because we don't have the money to do a research, that these students have excelled as they have moved from our setting into other settings. Parents come back and tell us and students come back and tell us.

So, it is very difficult, very demanding work. We work with an extremely limited budget, but we will continue to offer the service as long as we're able to.

(Applause.)

THE CHAIRPERSON: This is Aaron Bocage of the EDTEC, Education, Training and Enterprise Center in the Camden area.

AARON BOCAGE: I'm very grateful for having the opportunity to be here. As Bob mentioned, it's not the norm that people like myself are invited to discussions like this. In fact, in the great Civil Rights debate, it's extremely rare and unusual that someone whose primary background has been in non-profits,

especially working with kids, and especially working with the kind of kids that we work with, repeat offenders, is thought to have anything to add to the great debate. So, I appreciate the opportunity of being here and I appreciate Bob's leadership in broadening the debate and looking at some other options.

I basically have three points that I would like to make. I brought along a slide show that shows some of the things we've done with young people in Camden. Before I do that, I just want to introduce you to the first point.

The first thing I'd like to say, and it's a point that Bob has been stressing all along, is that solutions to the kinds of problems we're looking at often don't come wrapped in the kind of wrapper that we expect them to. When we approach Civil Rights problems, we approach unemployment, youth unemployment, we approach the depressed nature of our cities, looking for the standard kind of solution that we often miss things that are solutions, because they don't look like what we thought they should look like.

Camden, New Jersey, is, as you all probably know, a very depressed city. It's a city with

upwards of two-thirds of its population on some form of fixed income. I think most people tend to think that the solutions to the problems in Camden are going to come in the big business wrapper, the solutions are going to be to attract the next GM Saturn plant or to attract another Campbell Soup or to address the issue of racism in trade unions.

The fact of the matter is that if you really believe that in Camden, you're sadly mistaken. Camden is not going to attract another Campbell Soup. They're very lucky that they didn't lose it when the others ran. It's not going to become the next Silican Valley, and for the kids we work with, it really doesn't matter if racism and the trade unions were eliminated tomorrow. It really would not make any difference whatsoever to the black and Hispanic kids we work with. I think the solutions are going to come in some different wrappers. And if we could add something to the discussion, perhaps it would be to offer some examples of how some non-traditional agencies and approaches can offer something to this discussion.

So, I'm going to show the slide show and my hope is that as we watch it, we don't think of it, as

Bob said, as just a nice little -- isn't that nice, they're doing some nice things in Camden and they're good people, and good for them. But then maybe there are some implications for what we're doing on a wider scale.

Let me show that. It's only about five minutes.

(Slide show presentation.)

AARON BOCAGE: Let me tell you about the first year we decided to do this. We had been talking about it for a long time, and finally decided that we should do it or stop talking about it.

THE CHAIRPERSON: Who is the "we"?

AARON BOCAGE: The Juvenile Resource Center. My partner and I basically founded it about ten years ago. We are now in the private sector. We decided to go ahead and jump in. We opened the lunch box. We had no money. We had no right or reason to be into it, except we felt it was the right thing to be doing. We opened it up, and quite frankly, the first year was a disaster. Every possible thing you can

imagine going wrong went wrong. We had social workers in charge of the operation, and I'm a social worker by training, so don't take offense, but we shouldn't have had them running a restaurant. A kid would steal, and the guy running it would want to counsel him. That's not what we wanted done. We ended up, the bottom line was we lost twenty thousand dollars in the first year, and at first look, it seemed like a real disaster, and most folks, when we talked about that, said, well, at that point, we would have folded up the tents and run. We looked at it, though, what that twenty thousand dollar investment bought. We started looking at the number of kids who got trained, the amount of salaries paid, the taxes those kids paid on those salaries. Since we're in the food business, we generated a lot of business, which we did by policy spent in Camden, bread, milk and so on, so we put money back into the local economy, fifty thousand dollars just on vendors. We generated sales taxes. We began to look at it in a different light. We said, there's more to this thing than we originally thought, and the twenty thousand dollars began to look like it was a bargain, especially when you look at what twenty thousand dollars buys in the standard government

CETA or JTPA training program, which is not very much.

The other thing we found is, as illustrated by a kid whose name is Fernando, Fernando is a kid who was a classic career criminal and attitudes to match. His attitude was, I will steal it from you. If you don't lock it up, I will steal it, and just didn't care. Something happened with Fernando in the business when a lightbulb went off and he finally saw the connection between what he was doing, his actions, and how he behaved, to what went in his pocket legally. He was a different person. He became a businessman at that point. He started looking at everything that way, how can I make more money; what can I do to get more customers in. He went from being a kid who was basically illiterate, I mean, a kid who -- it was painful to watch this kid take an order, ham and cheese, fifteen minutes, customer is walking out the door, people in the back crying. Six months later, this kid was on an adding machine, and his biggest gripe was that other people didn't know how to do sales taxes and why couldn't we get better employees, when you add six percent on. How are we supposed to run a business. And that's where his head was. He actually got upset with us because he

felt we could be doing a better job, but he was going to put us out of business. That became his goal. He was going to go to his family, try to get some money and open up a place.

The point is that that kid was changed forever. He now looked at his environment a little differently. We didn't change his environment. We really didn't do anything to change what he had to face. He still had to face the same kind of issues, same prejudices and so on, but he now had something to help him face that environment.

So, we got very turned on to this idea and decided that this was going to be a major push of what the agency did in the future, and it has been to date.

The second point I'd like to make is that poor cities like Camden have a lot of resources that tend to get overlooked. Bob certainly has harped on the fact that non-profits like the Juvenile Resource Center, which is very small, very poor, in debt, a board that is not powerful or wealthy, a little agency is now running three businesses and contributing to the economy. When we look at poor cities like Camden, there

are certain things that all poor cities have. One of them is a lot of non-profits. It seems like the more poverty you have, the more non-profits you have.

The second thing that seems to be in the same relationship is churches. Camden has a lot of churches per capita. The other thing that every poor city has is a school board that's fairly wealthy. People don't look at it that way. The City of Camden, right now, there are all kinds of pollutant maneuvering going on around in the city budget, people are fighting and very serious pollutant battles going on. The City's budget is about fifty million dollars. The school board budget, which nobody even thinks about or cares about, is eighty-five million dollars. I guess what I'm saying is that we sometimes fight our battles in the wrong places. We maintain that those are three sources of economic development that are often overlooked.

If you look at all the non-profits in Camden, if all of them did what we did with the Juvenile Resource Center, it could be one hell of an improvement in the local economy. If all the churches did nothing but dedicate themselves to buying from minority firms or hiring a minority firm or helping to create a youth

business, with all the talent in the church and the money and the skills, the people come and sit in church every Sunday, if that talent pool just took one kid and said, we're going to put this kid up in business and teach him, think about the impact that that would make.

The school board has got to be educated to start looking at themselves as a source of economic development. Camden, with all of its unemployment and with all of its welfare problems, with all of its unemployment problems, buys its food from Cleveland, Ohio. They spend two million dollars to have food come in that's flash frozen, and the kids don't like it anyway. They throw half of it in the trash, and if they were looking at themselves a little bit differently, why not hire fifty welfare mothers. It's an ideal kind of situation, part-time work. Kids can get fresh food. They can begin to earn some money. There's tremendous potential for everyone to benefit, but that institution doesn't look at itself as having that kind of role. Even if it costs more to do it that way, the kids still get better nutrition, you get a better buy for your dollar, and the offshoots of the taxes generated would be tremendous.

So, we have to start educating not only the kids, but some of these institutions that they have influence, they have authority and power, and they're not using it.

The third point very simply is we have to educate our young people better. My partner took a walking tour of Camden about six months ago, and came back in the office shaking his head and said, "I don't believe it." He walked up and down the major -- whatever major is in Camden, the major business areas and said, "You wouldn't believe who runs all the businesses in this town." Camden is ninety percent black and Hispanic. He said, Vietnamese. You walk in these stores and it's Vietnamese, Orientals running the businesses. And these are not people who came in the country who were generals in the Army and took money out of the country with them; they came in the country poor, facing speech barriers, cultural discrimination, facing all kinds of problems, but here they are in Camden showing up and they certainly got no influence downtown. They very quietly came in and the whole family is in there working fourteen hours a day. Kids are right there after school taking it all in, being a part of it.

But the big issue is that we got to deal with kids' minds. We've got to teach kids better in terms of how to participate successfully in this economy. We decided two years ago, this is George Water and I, left the Juvenile Resource Center. We became conscious of this issue and we decided this is what we wanted to do for at least the next couple of years is to preach this word and help folks set up businesses and also, to try to get kids better educated. We started looking for material, what kind of things can we use to teach kids to take advantage of what's going on.

In Camden right now there is the beginning of an urban renewal taking place. There's some excitement among certain people about what's going on in town. Properties that were for sale are disappearing. There's development plans for the waterfront. There's just new excitement in the air around people who know what's going on. Kids in high school should be tearing the doors down to get out here and get a piece of it. The fact is that they don't even know what's going on. They don't know what enterprise zone means or how they can get a piece out of it. They have nothing to do with getting into the union, but there are ways for them to

make money off of it.

So, we set out looking for curriculum material, there must be something out here that all these kids ought to be taking in school. We found very, very little, but we basically found two kinds of things. One is Junior Achievement, which you won't find caught dead in a place like Camden. No one wants to get their hands dirty with those kinds of kids. The other is a program out of Ohio State, which was funded by a big grant from the federal government, and when you look at it, it's nice looking and impressive, but when you read it, it leaves you with one impression. Unless you're extremely bright, it leaves you with the feeling, this is not for me. That's exactly what you come away with, this is not for me. This is either for the rich kids in the suburbs or white boys. I don't understand this.

So, we decided that we were going to develop it ourselves and became entrepreneurs, put the houses up with our own money, hired writers, put together a twelve workbook set of materials aimed at getting kids to understand about business opportunities, but also doing it in a non-threatening way. We tell kids, you can make money anywhere. We believe that. In

this country, the sun doesn't hardly come up unless money passes hands. It doesn't matter if you're in a housing project or you're on a farm, there are ways to make honest money. And a lot of this is stuff that we grew up with. My partner and I always kind of laugh and say, you know, we came up. We would probably have been on the unemployment rolls. We never had jobs; we never had CETA, but you made honest money. You'd cut somebody's grass and you did this and you did what was just natural. Something has happened between the generations where kids -- I'm convinced, kids are not lazy, but they just don't know how to look at something and see an opportunity and take advantage of it.

So, we put this thing together, and it's our goal to have this thing all over the place. We were pleased with it when it came out and excited about it, and among other things, we said, we're going to get rich. Every school and everybody in the world is going to jump on this thing and want it. Well, we certainly haven't gotten rich, and the schools are very difficult to sell it to. School people will tell us, it's not basic skills, so I don't want to hear about it. If this isn't a basic skill for these kids, I'm not sure what is.

So, we've got a real selling job, an education job to do with them. They don't see this as a basic skill. To me, it's as basic as anything in terms of teaching kids how to survive.

I think I've probably taken more time than I should. We remain committed to it. We believe very strongly that you have to give people information and give it to them in a way that they can use it. We don't think, and it's not our intention that we're going to have hundreds of thousands of young entrepreneurs running all over the place, all over this country. That's not what we think it's about. What we do think it's about is opening kids' eyes. Once you open people's eyes to opportunity and show them how they can take advantage of it, you also open their eyes to responsibility, and at that point, kids stop being a liability and start being a contributing member of society.

Thank you very much for your time.

(Applause.)

THE CHAIRPERSON: My next panelist is Patricia Coulter, the Director of INROADS, in Philadelphia.

PATRICIA COULTER: I am very pleased to

be here with you this afternoon and I'd just like to say thanks to Steve. May I?

STEPHEN MAHON: Right.

PATRICIA COULTER: And Murray and the other members of the Commission for inviting me here today to tell you a little bit about INROADS. And I find that when the word INROADS comes up, it's usually one that people will say, "Oh, INROADS. What is that?" So, if to date, you don't know anything about INROADS, I guess part of our purpose here today is to tell you what it is and to also tell you how we operate, what it is that we do, why our concept is a unique one, and to talk a little bit about what our success has been.

As I've heard from a few earlier presenters, when we think of success, you hear so much in the media, you read and see on T.V. about what's going wrong and all of the bad things that our kids are doing, and it's very rare to hear about such institutions as the Ivy Leaf School and the Juvenile Resource Center, and to hear about the positive things that are happening, the success that is going on.

I think that one of the thrilling things for me in working with INROADS is that I am working with

minority students who are highly motivated and who really want to succeed and want to do something with their lives, and that is very rewarding when you think that all of the kids don't want to do anything with their lives.

So, let me tell you a little bit about INROADS and perhaps in your discussion of The Role of Intermediate Institutions, maybe there's some role that INROADS can play, perhaps a small role, in those strategies.

There are three areas that I'd like to cover. One is to give you -- tell you our mission and a little bit about our history, to talk about our recruitment process, exactly how we identify students and corporations. And, then, thirdly, to talk about our success measurement, and I've given you a handout and I'll tell you what you have in your hands and cover some of that information a little later on.

The mission of INROADS is to recruit talented minority youth and prepare them for leadership positions in corporate America and in the community. INROADS is a national career development organization, and we have been around now for some sixteen years. We

started back in 1970 in Chicago, and we have developed a corporate readiness process that is one whereby we identify students who are graduating from high school, their senior year of high school, or who may be in their freshman or sophomore year of college, who have an interest in pursuing a major or a discipline in business or a more technical area in college, and who think that they would like to know more about business and industry. I say, think, because at that age, most young people don't really know whether they want to be a senior vice president of Westinghouse or some other corporation.

So, we're looking at potential at that point and leadership qualities, and I guess, a track record, an academic track record of the young person at seventeen or eighteen years old.

We were founded in Chicago in 1970 and actually founded by a business executive who felt that there was as much talent in the black and brown communities as there was in the white community. In fact, Frank Carr, our founder, was greatly influenced by the teachings of Dr. Martin Luther King, Jr., and in conceiving the whole idea of INROADS, he intended to begin to bring about some parody in the senior levels of

corporate America. He felt that certainly minorities had the talent, but that traditionally minority talent had been diverted into the fields of education and social work, and not into business and industry. So, Frank's initial idea was to divert that talent, because it's not that minorities are just now becoming talented people. That's always been a given.

INROADS is totally funded by corporations and we have grown since 1970 from the one city and twenty-five college interns and seventeen corporations today to twenty-six U.S. cities, fifteen hundred and sixty-five college interns and seven hundred and thirty-one corporate sponsors.

To talk briefly about Philadelphia, we've been in business here for five years. We started here in 1981, and that year we also had seventeen initial corporations who sponsored twenty-four college interns. Philadelphia has been one of our more successful cities at INROADS in that we have experienced significant growth over our five-year history.

Last summer, we had forty-three area corporations sponsoring a hundred and nine college interns, and this year, we are expecting to have fifty-

three area corporations sponsoring a hundred and thirty-five college interns. So, we have been, in fact, the fastest growing city in INROADS history. I think the business community here, as well as the educational community, are to be complimented because it is those two entities that help us do what we are about, and INROADS is certainly a partnership that is bringing together various organizations.

Secondly, let's talk a little bit about the recruitment process in INROADS. You've heard me mention corporate sponsors and the fact that we are totally funded by corporations. In all of our cities, we don't receive any government funds. We exist on corporate contributions and corporations actually pay to our organization a fee for sponsoring interns. And what INROADS does is recruit young people with the potential for success in management in these corporations. We have an approach that is one of early education, so rather than waiting until they're graduating from college and then challenging them into careers in banking or finance or what have you, INROADS is backing it up all the way to the senior year in high school, taking the students as they are coming out of high school and

moving into college, providing them -- actually matching them with a local corporation in a career-related internship. So, we are looking very early on and people say to me often, isn't that a little early to decide whether someone is going to be an engineer or a banker or an accountant? We say, no, that is not too early. We find out that many of the students come to us and they think that they would like to be these things. "I'd like to be an engineer. Well, I don't know that much about it, but it sounds like it would be a good career for me. I have good math skills. My counselors told me about it or I've met an engineer," or what have you. It's a very good age, in fact, to expose young people to the types of careers that are available.

If there is one key word that INROADS brings with it, it is exposure. We are exposing young people to careers in business and industry. We match them with a corporation and then INROADS will provide for those students training and developmental activities. And the training is a very, very big part of what we do, because in our training, we are taking these young people and teaching them, I guess you might say, the ropes of business, what is actually going on there so

that they don't complete college and move into a corporate setting and experience cultural shock because they didn't know that in business one must work hours other than nine to five, or that they didn't know that there is a certain code of dress that is appropriate in the corporate environment, because in the textbooks that they study at Drexel and Temple and the other schools, those types of concepts are not mentioned there, so no matter how competent they may be coming into the work setting, if they don't know some of the unwritten rules, then they may be limited somewhat in their success or maybe I should say not necessarily limited in success, but it may take them a little longer to reach that pinnacle of success than if they know these unwritten rules going in. But INROADS is really providing an edge for minority students to move a little quicker into the corporate mainstream.

The training is very, very significant to the development of the young person, but in addition to training, we are also providing supportive services to the student throughout the year, so that in the summer our students are working in corporations, and they work regular jobs, go in early in the morning, and they work

through the evenings, and in many instances on Saturdays, on weekends. They're involved in INROADS training seminars and workshops where they're learning various things about communications skills, time management and money management and all these types of activities.

Then, during the school year, we are right there with them to monitor their academics as they go through college, because one of the things that we have found that we identify a very bring young person coming out of high school, may be number one in their class, or number two, and what have you, and they come out of a school in Philadelphia and they go to Drexel or they go to St. Joe's or to the University of Penn, and all of a sudden they realize that, gee, you know, everybody else is ahead of me. I was smart in high school. I was the best in my class, but all of a sudden I am one of very many, and other students seem to be ahead of me.

I had a student that is one of my success stories that I'll tell you about quickly. I met this young man at Bartram High School in 1981. He's one of the original class that I recruited here in Philadelphia. He was number one in his class at Bartram, a very strong

student; had been accepted to the University of Pennsylvania on a full scholarship in engineering, and he was very proud and pleased, and his family was pleased that he would be entering Penn in engineering, and he was selected by Bell of Pennsylvania for the INROADS internship. He liked it there and really had a great first summer. In September, he went to Penn and I visited him, because we visit our students throughout the school year on a monthly basis, and at the end of September, I went over to Penn to visit with Barry, and he and I met and sat and began talking, and he was very frustrated. And I was in a counseling role, you're trying to figure out what is it that's bothering him and trying to pull different things from him, and finally, he burst out and he said, "You know, I was not prepared for college." He said, "I don't know if I belong here. I don't think I belong here." And all of a sudden I could see all of the pride that I had seen back in June when he graduated from Bartram and being number one, with all A's, coming out of high school, feeling so proud and pleased, to hear a few months later he was very frustrated and depressed because all of a sudden he's feeling as though he doesn't belong. And part of what he

was going through is very, very natural, particularly for a minority student who moved into some of the more competitive and larger colleges and universities where they find all of a sudden that they're competing with other students, non-minority students, who are coming from the best academies and from the best schools in the country. So, all of a sudden Barry realized, "I've got a lot of catching up to do."

At that point, it became part of our counseling and support system to say to Barry, "You don't have anything to worry about, because you can do it, number one, but it's going to take extra work from you. You're going to have to look at a situation, analyze it." The first thing we had him do was move on campus. He was trying to commute. So, he was going home and taking care of his family, coming to school and trying to study engineering, and he had a lot of different things that he was trying to juggle and still make it in college. So, we began to come up with some techniques or some strategies that he could apply to help get through the academic rigors of the University of Pennsylvania, and particularly the field of engineering.

So, Barry is just a small, little story, because he did successfully complete Penn and just last year, he accepted a full-time position with the Bell of Pennsylvania Company, and he is right now in their management training program, which is designed to move those young people with potential into fast track management. So, he's doing quite well now and I'm very, very proud of him.

But I told you that little story just to demonstrate the importance of the support as these young people move through college. You just can't give them a summer job and think that that is going to answer all of the questions. There's more to it than that. There must be that follow-up, that follow-through, and in our organization, we identify students very early, coming out of high school, following them through college. For many of them, I feel like I've watched them grow up, because I see them come out of high school fairly immature and then I see them enter the professional work world, and it's a very, very rewarding experience to watch them grow in that manner.

In our recruitment, as we look at identifying students, we go into all of the area schools.

We're not limited in terms of the types of schools that we can recruit from, so we do recruit in public schools, private schools, parochial schools, suburban schools. In fact, we really comb the area looking for talented minority students.

This year in Philadelphia, we received three hundred and eighty applications. I'll tell you a little bit about the competitiveness of our selection process. We gave presentations to about six hundred or more students this year, received three hundred and eighty applications. We invited a hundred and twenty-eight of those students to be a part of what we call our talent pool, and these students are from all over the Delaware Valley and they are selected to interview with area corporations who are providing INROADS internships for some sixty-two internships that we have available. So, it is a very, very competitive position for students, and I guess for anyone that gets into our talent pool. Probably their first lesson in business is that it is competitive, and they realize right away that, oh, gee, yes, I'm very good and I'm top of my class, but at that talent pool career weekend, they're probably sitting beside someone else that was at the top of their class

at another school, and they realize very quickly that they will both probably be competing for the same position.

But it is a very real concept and one that we want our people to begin to know more about. So, for the sixty-two that will be selected this year, and they are right now in the interviewing process, they will join the students returning from last summer and that will give us our total of a hundred and thirty-five students for INROADS this particular year.

INROADS does have standards, and once a young person is selected for an internship, in order to remain throughout the four years, they must perform well on the job and in school and in college. So, we do monitor them both on the job and in college, and we do have standards that may be a little stiff, but we, again, feel that we are a training organization. And in training these young people for the world of business, and particularly corporate America, we find that those demands will come upon them later, so we want to begin to indoctrinate them at this point as to what to expect.

In your hands you have our latest annual report, and I'll just call your attention to a couple of

things here, and that is a little bit about our success measure, how we measure success. I mentioned that we're totally funded by corporations, and we find that our success rate is fairly high and that may have something to do with why we are now in twenty-six cities across the U.S. But on the highlight page, you see the very first block of blue graphs, our college component in '85 and you can see the growth rate over the last five years. We did have seven hundred and thirty-one sponsors in '85, fifteen, sixty-seven interns, and the next two columns are very important to us, because this is how we measure success. We graduated a hundred and sixty-seven interns in 1985, and one hundred and twelve of them were hired by INROADS sponsors. So, that makes us almost seventy percent successful in '85. Since we've been in existence, we've been between sixty and eighty percent successful, and that we feel is probably the key to this particular concept working. These young people are moving into full-time positions with their companies. I also put in your packet our alumni employment roster, and this is just for the northeast region of INROADS, which consists now of eight cities, but only three of those cities have graduated students.

So, you'll see Pittsburgh, Philadelphia and West Virginia. Those are the only three cities of the region states who have graduated students. And you can see some of the types of careers that these young people are moving into. Many of the companies are local Philadelphia companies or many of them are from Pittsburgh, because that's the oldest city in our region, and probably, with Steve being here today, I'll give Westinghouse a plug, but Westinghouse is one of our largest corporate sponsors nationally, and I believe the largest sponsor in the Pittsburgh area.

So, our success is measured by students who go with their sponsors upon college completion.

The other piece is just for your information, just to give you spare reading time or whatever, to hear a little bit from the INROADS students themselves, what they think about INROADS, what it means to them, because we find that it's more than that summer work experience; it's really teaching them the ropes of corporate America, and I guess, in very succinct terms, INROADS is teaching minorities respectfully how to play the corporate game, because we find that that is very important for them to succeed in that arena.

I thank you again for having me here and will be happy to answer any questions that you have.

(Applause.)

THE CHAIRPERSON: We've really put a lot of stuff on you in the last hour or so, and I thought that this might be an opportunity to ask some questions or to comment or to maybe even rough it up a little bit with several of the people here who have been presenting this concept of Intermediate Institutions and the specifics of how this has been implemented.

I'm going to start it off first. Keep in mind that I'm suggesting you address your questions to Bob Woodson, Miss Green and Mr. Bocage and Miss Coulter, but I'll start off with the first question.

Miss Green, on this Ivy Leaf School, which you've indicated is so successful in terms of bringing minority group children into higher scoring on testing and in terms of college admissions or at least school admissions, is this a result of the special techniques you're using, or is this especially characteristic of the clientele? In other words, are you getting upper class, wealthy kids who generally do better?

LILLER GREEN: We have a mixed population

at Ivy Leaf School. We have a number of children from professional families. We also have children where several members of the family are pooling together in order to be able to --

THE CHAIRPERSON: Why don't you come up here.

LILLER GREEN: The tuition is one thousand, six hundred dollars a year, paid on a monthly basis, a hundred and sixty a month. A question was asked about the school population. We have a mixed school population. We have a number of children from professional families. We also have children from families that two or three members of the family are pooling their resources in order to send the child there, and we also have a few children that are receiving some type of assistance. I don't know the number of children in each category, because we do not have a research study, and we don't take that time to look at the economic background, so that I can't give you, you know, a full picture, but we do have a mixed population.

THE CHAIRPERSON: Any other questions? Ben?

BENJAMIN STAHL: I assume that non-profit

groups and other groups are dealing with a non-specific population of minority children in Philadelphia to come up with good results. I've learned things. My concern is what they learn in terms of new methods, new approaches, new philosophies, etcetera, can be applied to the mass of students in Philadelphia and Camden and every other city, and how they get motivated and how they get on track. There are things that were accomplished. I heard a report over the weekend of a high school, whose name I forget, which had the advantage of having a rich alumnus come up, and it's a typical high school with fifty, sixty, seventy percent dropouts in a low income area and so on. He said, every student that finished that high school, he would give a full-time scholarship, and the dropout rate is now zero. These kids now have the motivation.

My concern here is, how would you have done it with a non-profit institution? I'm on many non-profit boards, so I support their role in our society. How can that be applied to the mass of students in our school system without the underriding tone that I've heard that school districts are lousy, school boards have too much money, we got to get rid of them, and are

proposing a new alternative for the public schools.

LILLER GREEN: First of all, what we are doing is not in competition with the public schools. I feel that everyone can learn from someone else. I think there are things that public schools can learn if they looked at other resources. They receive lots and lots of tax money, and I think that that money could be used to broaden the base and to approach the work with our children in a different manner.

I just told you that I was a member of an elementary education study group, and everybody agreed that what we're doing is really exciting and serving a very important need. There was no effort to say, well, let's look broader. Let's see if we can -- is there any way that we can examine the success story and broaden the base. And, we have finished our meetings now, so I think that's the end of it. That's an example. I'm certainly free, and I think this is what Bob was talking about. When you find the success stories that are going on, the power structure is not interested. That's the bottom line.

ROBERT WOODSON: Let me comment. We've got to look at the rules of the game. The winners and

losers in any situation are always against the rules of the game. If Aaron does not perform and serve the high risk kids successfully, he's out of business. If Liller does not successfully teach those children, the parents will not send their children there and she and her husband will be looking for jobs, and her sixty teachers will be pounding the pavement. If Pat Coulter doesn't do the job, if her success rate was twenty percent, business people are very clear, they will not continue to fund her. And so, the same with my organization, eighty percent of our funds come from private sources.

The point is, a lot of the existing institutions, including the schools, don't have to compete. They are not responsive to the parents who send their children there; they are responsive to the school boards. So, as long as their people supplying the funds at the corporate level and the government continue to fund them and they are a part of the budget allocation process and not responsive to the students, they're going to continue to get raises when, in fact, their performance fails, and this leads, probably, into Chuck's panel. But I find it fascinating that people closest to the problem or the opportunity probably know

more about outcomes, and teachers, as I debated Mayor Futrell last week, and I said, wouldn't you agree that public school teachers know more about education than any other professional group? She said, absolutely. I said, then, why is it that public school teachers send their children to private school in twice the number the general population? Forty-three percent of all public school teachers living in Chicago send their kids to private schools, and even a higher percentage of black teachers send their kids to private schools. Michigan, twenty percent of all public school teachers send their kids to private schools, when the general population sends only ten percent. So, that says more to me than any appeal to compassion or anything else.

So, it seems to me that in social policies, that we have got to change the rules of the game so that the money goes to the parents so that they can select where their children should be educated and then, let everybody compete for the parents the way the private market operates.

American business would never operate the way our public institutions do that serve the poor. It's like a football team that loses a game every season

and every year, and the coach gets a bonus and each team member gets a raise every year. So, what are we rewarding? It's a long way of saying that we've got to alter public policy so it's more market-like, so that people who perform and are successful in helping the poor will get rewarded and those who are not performing will get punished. Very simple principle. Try to apply it. You'll end up like Liller.

The Department of Education is like any other bureaucracy, it knows Liller Green's success, but there is no inclination on the part of the bureaucrats who control the research agendas in America to study her success. Suppose they found out that Liller Green's approach and other like her were more successful than the public schools, and sixteen hundred dollars ain't a lot of money, so that what would happen, though, because the rules of the game would have to be changed. So, it's better not to know.

PATRICIA COULTER: If I could add one thing on to that issue. This morning, Carl Singley mentioned the idea of expanding the black leadership beyond politicians, and he talked about that briefly this morning. And in our organization, small as it may

be in terms of the quantity of young people that we're serving, but part of the mission of INROADS, I don't know if you heard me clearly, we're preparing leaders for corporate America and the community, and that is very, very important to us, because what we find that we're doing in working with these young people and moving them into corporate responsible positions, we want them to become role models. We want them to be the ones to reach back and to open up some doors and to begin to make things happen in that arena for other minorities. So, I listened very intently this morning as he was talking about expanding the black leadership because it, in fact, could be leaders other than political leaders that we can begin to look to in the future, and we begin to name black leaders right now, as he said this morning, we'll probably come up with politicians as being our leaders. But the development of leadership becomes very important in our young people at an earlier age, and I think just looking at the different types of schools and organizations, our focus has to also be on that type of leadership development as they move along.

THE CHAIRPERSON: We are actually

beginning to impinge on the next session with this question, because as you know, the really hot potato issue that we're bringing to the table in the next session is the issue of private schools and vouchers for the poor, etcetera.

Any other questions? John Binkley.

JOHN BINKLEY: I'd like to ask Miss Green if she has contacts with schools of a similar nature around the country. Is there an association or a group? I know there are some fine academies. This morning, we were talking about an association of administrators that I've never heard of before. Miss Coulter comes from a group named INROADS, a national organization. Are you associated with one?

LILLER GREEN: Well, I think until Bob Woodson's neighborhood organization brought two hundred and fifty schools together, we were not aware of the other schools. I think it's because we operate on a shoe-string budget and we are young and struggling schools in comparison to your much larger schools, so that there is no organization at this point. I would hope that at some point in the future that we will be able to organize, because we could benefit from an

organizational structure in terms of buying insurance plans together and ordering supplies and that kind of thing. But there is no organization at this time.

ROBERT WOODSON: We are banging on the same corporate doors as Pat has banged on to establish such an organization, but it's a difficult struggle, because we are opposed by the NEA, by everybody who is supposed to be concerned about the poor. And some of our independent schools take only children thrown out of public schools and are able to teach them successfully. But it is a struggle to even get anyone to pay attention to these kind of efforts. So, we're trying. We hope to have an association of independent neighborhood schools, and we use that terminology to distinguish us from the private academies that -- see, one of the major criticisms is because those schools charge five or six thousand dollars, and Liller would say, she wishes.

LILLER GREEN: I sure do.

THE CHAIRPERSON: Well, I want to ask what I think might be a hot potato question and possibly even a political one. I've been very much aware of the fact that the idea of Intermediate Institutions and the

concept of using the volunteer talent and neighborhood talent cannot probably function only on its own. And it does need, sometimes, governmental support. How do you factor in the government in such effort, Bob? Do you consider government to play a role, or is it, you know, sort of virginal and pure that you don't go near the government thing? What's your reaction to that?

ROBERT WOODSON: As a pragmatist, I don't rule out any source of support. But our position is that we think there should be a declining government role, and secondly, the issue is not always whether government is in. It's how government exercises its responsibility. The government traditionally exercises its responsibility by directly supporting and controlling and credentializing and certifying programs that help the poor as we did in the poverty era. We think that what government can do constructively is what Liller pointed out. Government could use some of its research resources to study successes of these local mediating institutions, document that, publish it to the community at large and say that they are alternatives that are working. Government could also help to inform people about alternatives such as vouchers. I think government

can change the way it operates.

Thirdly, government at the local and state level could look at what are the administrative and legislative barriers to people helping themselves. As I said, certification, a lot of the rules that forbid volunteers -- the public school system. The problem is you got good teachers there, you got some good principals, but a lot of them are saddled with work rules imposed by non-educators, such as unions, about the use of the facilities. For instance, parents cannot come in and volunteer to paint, to clean up and become part of the public schools, because there are restrictions and limits to it; whereas, in an independent school, they do fund raisers. They come in and paint. They come in and fix up when something is broken. In other words, there is a sense of ownership. They can use their school facility for funerals, for weddings, so that the school becomes a part of the community. Try doing that in the local public school.

There was a time in our past that public schools could do that, and so that I think it's time for government to examine some of the limitations that policy imposes. Day care, for instance, eighty percent

of all the day care is done outside of the law because of the crazy tangle of zoning restrictions. You can have ten children of your own, but you cannot care for six children of your sister's without putting a fire escape on your house. Now, if you've got the money to put the fire escape out there, fine. You probably wouldn't be living in that community, or there's another zoning regulation that now you're commercial property and you can't put a fire escape up there. So, in Washington, D.C., under the existing laws, you can open a day care center between two topless bars in the commercial district, but not in a church, in a residential community. There's something crazy about that.

Government can do a lot about analyzing those kinds of barriers, publishing it, soliciting law makers to change it. So, there's a lot the government can do other than intrude in people's lives with bureaucratic approaches to their problems.

I'd just like to add before we leave that I think Pat's comment and what she's doing is very important and compliments the work of intermediary instructors even among low income people, because in the data that I saw, only one out of six whites who define

themselves as middle class work for government. Three out of six blacks who are middle class work for government, and that directly influences the limits that are on someone's wages when you consider in the private market there are no limits to where one can go up to a point, but at least the ceiling is higher. But in government, you're limited by, you know, your level and whatnot, so -- and seventy percent of all graduate degrees issued at black colleges, even today, are in education and social science when that only represents about three point eight percent of the future job market. So, our black colleges where most of our students are going, are running away from the economy, so that your efforts are very, very important to help move more of those young people into the private part of the economy, so I compliment your work.

PATRICIA COULTER: Thank you.

THE CHAIRPERSON: Thank you very much, Bob Woodson, Liller Green, Aaron Bocage and Pat Coulter. We're in your debt for some very, very fascinating insights into this whole process of developing new techniques for dealing with the problems of minorities and, perhaps, the poor.

I hope you'll stay around a little bit, because we're coming now to, perhaps, the most controversial of our aspects of the day, and that is the question of Educational Vouchers, Implications for Civil Rights.

Charles would you come on up here, and I don't know Mr. Morabito. Is he here yet?

(No response.)

THE CHAIRPERSON: We were hoping that we would have him with us. I hope he'll come in shortly.

Ladies and gentlemen, this is Charles O'Malley, who is the Special Assistant to the Secretary of the United States Department of Education, and he will launch us into a discussion of Educational Vouchers, Implications for Civil Rights.

I should point out to you that this is a grouping convened by the Pennsylvania Advisory Committee of the U.S. Civil Rights Commission, and we are compiling a record of statements here to guide the U.S. Civil Rights Commission in what we call new strategies for Civil Rights.

CHARLES O'MALLEY: I'm Chuck O'Malley, Executive Assistant to the Secretary for Private Education with the Department of Education.

What I'd like to do this afternoon is to briefly touch on my own background, talk about vouchers in general, talk about the role of my office, the Administration's Chapter One Voucher Proposal, a very brief profile of private elementary and secondary schools, and then the implications of our proposal on Civil Rights activities.

My own background, I taught and coached in Catholic elementary schools for about seventeen years, worked with the State Catholic Conference and worked as the Commissioner of Education's liaison for private schools with the Florida Department of Education for six years before coming up to Washington in my present capacity a little over three years ago. And, in that capacity, among my responsibilities are to try to promote a better and stronger relationship between public education and private education.

Personally, my children have gone to public schools in Florida, and my daughter is now in Mount Vernon High School in Alexandria, Virginia. My fifteen-year old son is in Bishop Byerton High School, an all boys Catholic high school in Alexandria, Virginia. Each of them serves my children's needs very, very

commendably, and there is no activity that I would undertake that I would willingly want to get involved that would hurt public education. We need public schools; we need private schools.

As far as vouchers in general are concerned, really when we're talking about vouchers, we're talking about parental choice within the community. It is the role of the people administering vouchers to provide the parents with some type of a chit or money, information about the program and, hence, how to select the schools, whether it's a public school or a private school.

There are different types of vouchers and different types of choice. There are various types of programs around the country. In the New England states, we have voucher programs in New Hampshire and Vermont where in many of the smaller districts there aren't any public high schools. The state pays the full tuition for children to attend private schools in the area. That's been going on for some twenty-five or thirty years without any types of major or even minor problems that we're aware of.

We have other types of choice programs

getting off the ground in Tennessee where the governor down there is pushing for an open enrollment, a choice type of program, where students can switch from one school district to another school district. Similar programs are being seriously pursued in Minnesota and in Colorado, and then yet we have the magnet school concept, which is another form of choice.

The Administration's Voucher Proposal dealing with Chapter One of the Education Improvement Consolidation Act, it's a compensatory education program, but what I'd better do there is to give you a little bit of background about the Education Improvement Consolidation Act. Actually, it was changed to the ECIA back in 1981. The original Chapter One was formerly Title One of the Elementary and Secondary Education Act, legislation passed by Congress back in 1965. There were several titles in that act. Title One dealt with compensatory education. Title Two dealt with the provision of audio-visual material equipment to public and private school children. Title Three dealt with creative and innovative types of programs. Title Six dealt with special education. Title Seven with dropout prevention and many other different types

of programs. Then, in 1981, with the change of administration, the Reagan administration consolidated many of the programs into the Education Improvement Consolidation Act with two distinct chapters. Chapter One is the old Title One program, and Chapter Two is a combination of several other different federal programs.

Chapter One deals with educationally and economically disadvantaged children. The formula used by school districts or LEA's varies from district to district and from state to state. Included in the criteria for determining whether or not a child is eligible for Chapter One services are things such as aid to families for dependent children formula, food stamp participation, the free and reduced school lunch program, and educational test scores.

Back in 1970 or actually in '65, when the legislation was first passed, the Office of Education used the 1960 census data to determine where there were high concentrations of educationally and economically disadvantaged children using these criteria. They selected target schools, public schools where there was the highest concentration of these children, and then they zeroed in, let's say, here in the City of

Philadelphia, there might have been twenty target schools, they zeroed in on those shcools that had the greatest educational needs or they might have cut it down to about ten schools, and the children in first, second and third grade would have been probably delegated or appointed as Chapter One, Title One children. Those children would be eligible to receive remedial reading, remedial math services, speech therapy, several types of diagnostic testing, and so on.

If a child attended a private school and lived in one of these areas, and normally would have attended one of those ten target schools, then that child attending the private school would be considered eligible for the Title One services. The allocations were made to the districts based on the total number of school-age children; not just the number of children in public schools, but the total number of school-age children in a particular community, and all of the school districts received their allocations based on that concept.

There are some five million children currently being served under Chapter One, and until the Felton Decision reached by the U.S. Supreme Court last

July, there were about a hundred and fifty to two hundred thousand private and parochial school children participating. The Felton Decision handed down by the Supreme Court said that the public school teachers who normally provided remedial services to private or parochial school children could not come on the private or parochial school grounds to provide these services. It did not strike the constitutionality of these private school children receiving these services; just that particular delivery mechanism.

The amount spent per pupil in Chapter One varies, and we're talking about the federal contribution for compensatory education. The figure nationally is about six hundred and seventy dollars for a Chapter One allocation for a child. In Philadelphia last year it was about five hundred and fifty; in Pittsburgh, it was about eight hundred and seventy-five. New York City was around eight, sixty. Buffalo was up to sixteen hundred. D.C. was about nine, eighty, and Chicago about five hundred and eighty dollars.

THE CHAIRPERSON: These are figures per pupil?

CHARLES O'MALLEY: Per pupil expenditures

for Chapter One. Now, this is over and above the state and local contribution to educate a child.

Now, with the voucher, the district would inform the parents, only those parents whose children were going to receive the services; not those that were considered eligible, but only the children who are actually to receive the Chapter One services, which is probably about a third of the actual number of children eligible to receive the services. Historically, no more than forty-five percent of eligible children have ever received the Chapter One services.

Then, the parents have several options once they've been advised by the school district that the voucher is in effect. They may, if they are satisfied with the program at their public school, just stay on and continue to receive the Chapter One services, or if they're satisfied with the program at the private school they're attending, they would just stay on and receive the Chapter One services. In other words, there would be no change.

If, however, they feel that a change of environment would help the child, then they have several options. They may go to another public school

within the district if the school board policy permits it. They may go to a public school outside their district, and the Chapter One voucher money would be used to offset the administrative and transportation costs. Or they may choose to go to a private school or parochial school and use the voucher money for the tuition.

So, taking a situation here in Philadelphia here with the voucher amount of five hundred and fifty dollars, the parents could use that five hundred and fifty to handle the administrative costs or transportation going to a public school outside their district or to apply it towards the tuition of a private or parochial school.

Now, there are individuals who say that the five hundred and fifty dollars wouldn't buy much of an education at a private school. Here in the Archdiocese of Philadelphia, there are two hundred and forty-seven parish elementary schools. Seventy-seven percent of those two hundred and forty-seven schools have tuitions less than five hundred dollars. Fifty percent have tuitions less than four hundred dollars. The national average for private elementary school

tuition, and most of the kids receiving Chapter One services are in elementary schools, so I'm targeting in on the elementary schools, the national average is about six, eighty-three of tuition, contrary to what many people believe about high tuition private schools. There are high tuition private schools, but they only constitute about eight to ten percent of the total private school world.

Once the parents have made their choice as to where to send a child, then the voucher is provided to the parents and the arrangements are made with the help of the local school district, the private school administrator, and then the parents.

The legislation has strong Civil Rights language and it is duplicate of the language that was worked out in committee by Senators Bradley, Moynahan, Packwood, Dole and Bradley, when we were working on our tuition tax credit legislation a couple of years ago. The original language that we had on our tax credit legislation did not satisfy Senator Bradley in particular and he and these other individuals worked very closely with the administration, with the private school groups and other agencies in strengthening the Civil Rights

language, and we have the same exact language in our voucher proposal.

A couple of -- well, let's have a little, brief profile about private schools. There are a lot of myths about private schools. There are over five million students attending private elementary and secondary schools, twenty-eight thousand schools, twenty-five percent of the schools in the country. One out of every fourth school in the country is a private school. Twelve percent of the students, one out of every eight children attending school is in private school. Two-thirds of all these children are in elementary schools. Three and a half million are in nine thousand catholic schools or fifty-six percent of the private school enrollment is in catholic schools, and they constitute thirty-three percent of the schools. The other private schools, we have the Lutheran, the Episcopal, the Jewish day schools, the Christian Fundamentals, Evangelical, Amish, Independent, the Alternative, Black National, Hispanic, Home Schooling and several other different types of private schools.

Another myth, only about thirteen percent of private school parents earn thirty thousand dollars

or more. Sixty-five percent of private school parents earn thirty-five thousand dollars or less. Forty-three percent of these parents earn twenty-five thousand dollars or less. Private school parents are not the wealthy, affluent types of individuals that the media sometimes would have you believe.

Sixteen percent of private school enrollment is constituted of minority children, and that is considerably higher in the inner city areas. With respect to the governance or regulation of private schools, only about half of the states have some type of a mandatory accreditation or approval mechanism. Only thirteen states have mandatory teacher certification requirements for private school teachers. Six of those either have exemptions for certain types of private schools or they say they cannot enforce the regulations or statutes. Thirteen states have no provisions at all for teacher certification for private school teachers.

Now, why Chapter One vouchers and what are the Civil Rights implications? The concept, although the state has a legitimate and important role in educating the child, we believe that the parent has the ultimate responsibility and should have significant

choice as to where and as to how that child is being educated and what that child is being taught. Low-income parents do not have that type of choice that the middle and upper income parents do have. The upper and middle income parents have choice. They can send their children to private schools or they can exercise the choice of station wagon by moving out to a suburb and sending their children to a, I guess you could call it a semi-private public school, but the low-income parent doesn't have that choice. Our proposal, we believe, increases the choice. It's not a perfect proposal. It doesn't give the complete flexibility we would like to see, but it is definitely an improvement and it does give the low-income parent the opportunity to free his or her child from an environment in which they are completely dissatisfied.

And where are we now with our voucher? We have forty-five sponsors, all Republican. We are looking desparately for Democrats and we have some key Democrats, moderate to liberal Democrats ready to sign on the legislation because of the social justice implications, and we believe it is a matter of social justice.

Three years ago when we came to Congress

with this legislation, we had two sponsors, one in each House. Right now, we have about twenty groups ranging from conservative groups to liberal groups and Civil Rights groups supporting the legislation. The National Association of Neighborhoods we hope will be coming on-board. That is not Bob Woodson's group; it's a separate group. The National Catholic Conference for Inter-racial Justice, a very liberal group, has come out very strongly in support of the legislation. The United States Catholic Conference, the Missouri City Lutheran Schools, all of whom have been in the forefront of desegregation the past twenty years. Three years ago, we didn't have any groups supporting the legislation. The only person going up to Congress speaking in support of the legislation was the then Secretary of Education, Terrell Bell.

We had our first hearing about six weeks ago and I think we came out fairly well. There was no vote taken, but I think people are taking a very good, hard look at the issue of choice. I know Pennsylvania State University is running a seminar this summer with about three hundred school administrators on the question of choice. A year or so ago, that type of an agenda would not have been conceived of.

We believe our legislation is constitutional. Our Justice Department has gone over it. Then, a Congressional research service, an independent arm of Congress has reviewed the legislation and they declared it constitutional. Our legislation is modeled after a tax deduction legislation that was upheld by the Supreme Court a couple of years ago, the Buhler Decision, and a recent decision by the U.S. Supreme Court the Witter's Case, seems to build onto that.

And that, in a nutshell, is the Administration's voucher proposal. You'll probably have some questions and I'll be happy to respond to your questions.

(Applause.)

THE CHAIRPERSON: As I indicated, this is the most controversial feature of our program, so we have made it clear that we would invite a person who was representing a group that looks somewhat askance at this idea, and I'm very pleased to report that we have with us Donald F. Morabito, who is the Assistant Executive Director of the Pennsylvania State Education Association, so he will have equal time to analyze this proposed legislation and the remarks that have just been made. And, then, maybe we can have a little bit of a

melee here, because I don't know of any subject that produces more heat. My wife is a guidance counselor in a public high school, and this is a rather animated subject around my dinner table.

Mr. Morabito?

DONALD MORABITO: I would prefer to limit my remarks to a few minutes generally stating the position of the union I work for and represent, the National Education Association and the state affiliate here in Pennsylvania, the Pennsylvania State Education Association, and perhaps, react to questions and comments that you might have. I would like to state a few basic points at the outset here that I think are important to emphasize.

This is, to us, in the teacher union movement, a question along two lines that must be examined very carefully and one that we continue to examine. The two lines are, first of all, the practical-political line, and I'll talk about that in a little more detail in just a few minutes here, but let me say this about that particular political line.

There seems to be, from our point of view, a number of related pieces of legislation being

proposed around the country in the last two, three, four years, perhaps longer than that in state legislatures as well as in the federal Congress. And while we shouldn't overlump things together or overclassify or overgeneralize about matters like this, there is a model education agenda that seems to include matters of home education rights. A couple of years ago, as was alluded to here earlier, proposals for tuition tax credits and now education vouchers.

From our perspective, and I'm speaking now still about the practical-political point of view, this seems to be several different ways of proposing aid to and assistance for parents who wish to do a couple of different kinds of things; one, educate children at home; two, get assistance for educating children in private schools; three, from a managerial or funding aspect, diminish the amount of aid that goes to public schools by cutting back on federal and state funds and channeling both federal and state money where possible to private or parochial schools. That's the first general comment.

Secondly, if you look away from the practical-political aspect and try to examine what to us

in the teacher unions is critical today; that is, the funding issue all by itself, one finds that there are various claims on both sides as to some of the figures that were just cited to you: The number of people who attend private schools, the percentage with respect to dollar income of families who send their children to private schools, and the difference between -- and it's a critical different that we must all keep in mind -- the difference between private parochial schools and private schools per se, based again on the levels of income of parents who send their children to these types of schools and what the effect of, for example, a five hundred dollar voucher or even a tuition tax credit of three hundred dollars would have for people who send their children to those schools.

If, for example, one were to accept the view of private schools presented here by the administration, you would be inclined to say, well, then, the harm may be minimal. Our facts and figures, which I want to allude to in a few minutes, are different from that. It's our judgment that ninety percent of the children going to parochial school -- or, let me put it another way, ninety percent of the parents who send

their children to parochial school are finding that kind of education is less and less available. I don't know the figure about the Philadelphia Archdiocese. My perception, living here the last six years, is that parochial schools are having a difficult time existing and maintaining what they do. And when one examines the dollar issue, one has to look at what these schools are providing. The second part of, if you will, this whole matter of funding private schools has to relate to what they are teaching. Today's society requires different kinds of education, and public schools, as well as private schools, as well as parochial schools, have been asked to change their curriculum -- their curricula dramatically over the last ten to twenty years. Let me be specific about that. You're all aware, I'm sure, of the changes that have occurred in special education. You're all aware of the things that are happening and have happened for several years to vocational education, and you've all seen the effect or heard of the effect with respect to educating handicapped children. These are all not just educational issues. They are matters of Civil Rights. When you talk about the implications for any plan like a voucher plan with

respect to Civil Rights, you have to talk about the special needs of special students in our schools.

The private schools, we have found, do not offer vocational education by and large. They do not offer specialty curricula in vocational education. They do not offer the kinds of things that, for example, in Pennsylvania, intermediate units are required to provide in terms of socially and emotionally disturbed children, learning disabled programs and those kinds of programs. If one is to take federal dollars and let's face it, that's what we're talking about here, and diminish the amount of general aid that goes to public schools, channel it to private schools, one is having an effect on Civil Rights by taking away from the possible kinds of instructions in the areas I just cited; special education, vocational education, etcetera, that are available.

Thirdly, I want to talk about the constitutional question for just a second, because I do think it's important to at least mention for your thinking. If public funds are used for private schools and if private schools are parochial schools, and if they are religious schools, and in that category I include

Amish, as well as Catholic, as well as Lutheran, etcetera, then the constitutional question of separation of church and state cannot be avoided. Now, again, without tracing a long history, again I'm sure we're all aware that there is a long history of Supreme Court cases on this issue, and up until the 1985 case from Minnesota, the Supreme Court had traced a series of decisions that allowed for specific kinds of aid to private schools restricting what was available. And our view of that Minnesota case is also that you still have a very definite bar on giving grants of aid, giving grants of money to students or their parents in private schools in the form, for example, of the proposal of a couple of years ago of tuition tax credits. Where we stand with vouchers under that decision, I don't think we're really sure at this time. But the constitutional question comes around to subsidizing in effect church-related schools, and I don't think that's an easy question to get around with any kind of program that puts money or allows credits or gives vouchers to parents who send their children to private schools. And, again, I say that you have to examine figures here. The material we have seen and the research we have done at

the national level indicates that eighty-four percent of private school students attend religiously-affiliated schools. And, we, therefore, with any general kind of aid to parents with students in private schools, would be effectively be subsidizing religious organizations, which is a clear violation of the First Amendment doctrine of separation of church and state.

Let me mention some other points that are not, at least to me, in the importance of the first three I cited. I do think, when you talk about an issue like this, you should be aware of the possible effects on the public schools in this country and in the urban public schools of this country. I don't think that anyone -- well, let me rephrase that. If our country's tradition has been free, publicly controlled education, and if we find over the years a pattern of diminished public support for those schools, and if as a result of any proposal, we are going to provide more money for fewer people, then we are going to ultimately damage our public educational system. Again, ninety percent currently of our school children attend public schools. If we are going to encourage people to send their children to private schools, it's going to be damaging.

That's a public policy question; not a constitutional or legal question. It is a matter of public policy that we need to examine carefully, because we would be changing the direction of our educational system in all fifty states.

Next, and this is a policy issue, all citizens through elected school boards or even in major cities appoint school boards by elected officials have a voice in controlling the public schools. If you tax all citizens to provide support to private schools, you are, in effect, removing or I should say removing the opportunity for citizens to have any voice over that educational system. And, again, that's a clear change in the public policy that this country has historically pursued, and we need to examine that.

Once again, if legislators decide to do it and if courts uphold that legislation, it won't be a legal and constitutional question. At this stage it's a matter of public policy that has to be looked at and debated before it is accomplished.

Finally, the whole area of economic policy in today's context would need to be examined very carefully. At a time when the federal deficit

is ballooning and when proposed cutbacks and cutbacks implemented at the federal level diminish public school resources and any other drain that would have an effect on educating kids, we would submit is bad public policy. Any proposal that has the effect of ultimately costing hundreds of millions of dollars is going to seriously affect the amount of money available to public school students and to the programs that I mentioned earlier; in particular, vocational education, special education programs, etcetera. So, to that extent, we would again argue that this is bad public policy.

Let me just raise a couple of final points here for your consideration and then, I'll try to deal with any questions. If the whole question of the kind of education available to America's students is examined and I would submit to you that it has been examined almost ad nauseum in recent years, and we have read report after report, I think one should think about the recommendations in those reports in terms of educational reform and the general topic of educational excellence, and put this question of vouchers into that application. We don't find in reading reports about the American high school or about the American public

schools or about the American educational system in general anybody recommending this kind of plan as a way to deal with whatever problems exist out there in the schools today. I don't want to deal with this lightly. We're limited in time here. I want to mention it and move on, but I do want to say to you that I think it's important and I think it's critical that we think about that. If people are studying what's going on in education in this country and if they're writing reports about that and they're submitting those reports to governors and presidents and Congress and state legislators, and they're not recommending this kind of thing, it behooves us to ask why. The whole question of funding and priorities and how we govern our schools enters into this.

Also, the matter of leaving educational funding up to the states and the matter of tax-supported state educational systems is something we need to take a look at from time to time, too. If various states have chosen to fund their schools in various ways, and obviously, they have, and support schools to different degrees and support different programs to different degrees around the country, there is a constitutional

reason for that, and there are practical legislative, political and financial reasons for that around the country. We would submit that that is done by constitutional mandate and over the years by legislative choice in the various states. Any proposal that has nation-wide effect that would impact on that needs to be examined in light of what the constitution says about how states will take charge of school and education. This, again, is a matter that we should throw out here for discussion and thought, and should not dwell on, but again, I want to say that in our view, it's an extremely critical one.

Finally, let me say this: We need to examine facts and figures here and sources for facts and figures, and I think we're having a record that we can enter materials into. If most students in private schools are not in expensive private schools, that has certain ramifications as discussed earlier for a proposal like voucher plans. If, on the other hand, they are, that has certain ramifications and we ought to at least be able to get an agreed upon base of data. I don't have a suggestion as to how we can do that. We need to all put facts and figures on the table and

examine the sources. If it costs X amount of dollars to send people to public schools and we can agree on that figure, and it costs X amount of dollars to send students to private schools and we can agree on that figure, then we can have agreed-upon facts and figures from which to approach the financial problem, and then we can argue the matters of constitutionality, legality and public policy.

I am arguing today, quite frankly, for, I think, a first step here, which is to have the federal government perform the job we all thought the -- for example, the Department of Education was to perform initially, and that is at least to give us an agreed-upon data base from which to work when we deal with questions like this.

I'll stop there and try to answer more specifically whatever questions you may have.

THE CHAIRPERSON: Thank you very much. I think we've had an excellent, excellent presentation; short, terse, to the point.

CHARLES O'MALLEY: I would agree pretty much with what was just said to you by Mr. Morabito, but I will try to hit a couple of points. First, the

proposal that we're looking at and most of the voucher proposals that are being discussed do not include any type of provisions for home schoolers. This is something that I think would be very touchy in a state legislator or a governor's office or the U.S. Department of Education were to take a look at home schooling in that way, first because we don't know how many home schoolers there are. It's a very difficult figure to determine.

With respect to the special need situation in private schools, again, he is correct. Most private schools don't provide the same types of special needs that the public schools do. Remember, we are limiting our proposal to Chapter One children. These are educationally disadvantaged children that we're trying to give broader opportunity to. Most of those children are in a Chapter One program. Very few of them are both in Chapter One and in Public Law 94142 programs, the Handicapped Act program. In speaking to Public Law 94142 in the Education of the Handicapped Act, when I first started with the Florida Catholic Conference as their federal program coordinator back in the late Sixties, one of the most impossible questions I had was trying to get Public Law 94142 services to

Catholic school children in the State of Florida, and we had a lot of those kids who were eligible for 94142 services and weren't able to get it. Unfortunately, the situation is not much better right now as determined by a study conducted by Dick Young about two years ago that pointed out that it's probably the least participated in program by private school children to the point where most private school administrators have given up trying to get services for their children. It's not that they don't have handicapped kids; they can't get the services to provide help to those kids.

The same with bilingual education. There are many, many, many thousands of bilingual kids in private and parochial schools around the country, Florida, California, Texas. There are more Hispanics in the private schools in California than there are in the public schools. Now, we're talking about a data base. The National Center for Educational Statistics, as it used to be called, now the National Center for Statistics has come up with some fairly concrete data about private schools, and the Census Bureau has come up with a population survey, and those are where I took most of my figures from as far as the family income is

concerned, tuition breakdowns. I've gotten it from the private school administrators themselves. We've spotted private school administrators in the major cities around the country and some of the small cities, and asked them specifically what their tuitions were. I don't want to get into, if I can help it, the cost of education in a private school, because to me, it's an unfair comparison. And I think it's extremely unfair to the public school. If the public school cost is thirty-two or thirty-six hundred dollars to educate a child, the private school cost at the maximum, and this is strictly a guess, because there is no accurate way of determining it, is somewhere around two thousand dollars, because they don't have the same types of costs that the public schools do. And my sympathy goes out to the public school administrators for trying to handle many of the problems that they are currently handling. But there are no buses for most private schools. That is not a cost as far as administration is concerned. A typical diocesan office in a Catholic school has about five educators in it compared to a central office in many of the major cities. So, I don't want to get into comparing costs, because I think it's an apples and

oranges type of argument.

We're talking about constitutionality. As I mentioned, the Congressional Research Service report came out favorable towards our legislation as far as the constitutionality was concerned. The question about the vouchers subsidizing church-affiliated or religious institutions is accurate. I think his figure of eighty-four percent of the students attending religious schools is probably low. The National Association of Independent Schools, which is the major umbrella group for the prep type of school, the independent school, has of the twenty-eight thousand schools nationally only nine hundred and thirty schools and only three hundred thousand students. So, the independent, high-tuition school is in the distinct minority in the private school world and the vast majority are Catholic, christian and Lutheran schools. Those are the bulk of the private schools in this country.

When you think of the aid, the federal aid, the state aid, local aid that is going to church-affiliated day care centers, different types of tax credit programs, to private and religious colleges, to religious hospitals and to religious nursing homes, it

seems strange that once a child puts on a uniform in first grade and takes it off in twelfth grade, that any type of discussion of aid is taboo, but that same person is subsidized by government from the time he's in the cradle to the time he's in the grave, except for the twelve years that he might be in an elementary school. And on that issue, I earlier mentioned that two-thirds of the private school children were in elementary schools, that means that most of those children go on to public schools. There aren't that many private schools around the country to absorb this number of children, which means that in many cases, we're talking about the same child who is wearing a uniform for a few years.

I don't like to talk about two separate student bodies, public and private. In many cases, they're one child and there's quite a bit of cross-over between the schools. There's quite a bit of cross-over among faculty between public and private schools.

As far as the diminishing of public support is concerned, there was a study started back in the early Seventies, and one of the preliminary findings was the Arlie House Conference back in about 1971. One of their findings was that in those

communities where there is a good relationship between public and private education, those are the communities that are passing bond issues and other types of public school financial programs. The State of Florida from whence I came has a very strong relationship between public and private education. Private school leadership recently came out with a public statement supporting Ralph Turlington, Commissioner of Education's goal. They've come out with press agents, they've come out with statements from the pulpit. Now, they'll do everything they can to help the public education because church leaders are primarily that, they're church leaders, and the bulk of their congregation have their children in public schools, and they would be foolhardy if they were to do anything to hurt public education.

Let me make just one more comment. The comments about draining on the Treasury, the Chapter One Program would entail no new funds. The Chapter One, the voucher program would just work off the existing Chapter One appropriation. A comment about the reports, the governor's reports, although not dealing with vouchers or tax credits, most of those reports did not address the question of school financing at all, but let

me end with this: The National Commission of Governors has a full-time person, Dr. Joe Nathan, who is working on nothing but the question of choice.

DONALD MORABITO: I can react from here with just a couple of comments. One, as I said before, when the Constitution allows the states to make educational decisions, one must examine a proposal like this in light of what's going on in the state we live in. In Pennsylvania, there is a home-school bill going through the legislature right now, proposed by Representative Frend of Delaware County, suburban Philadelphia, and it has to do with the right of parents to educate children in their homes, a right parents already have in this state, with permission from the local superintendent of schools.

My only point there was that these things are seemingly a part of a larger legislative agenda and they don't operate in a vacuum.

Secondly, those figures, and it's not good to get bogged down in figures, are significant because of what we're talking about in terms of what schools we're going to support with what money. At the risk of confusing, let me just point out some things. The average

public school expenditure per pupil now is around thirty-two hundred dollars, give or take a few hundred dollars. This data now is like a year old. Parents who receive vouchers to enroll their children in a private school, the -- if that occurs under any plan, you must take into account what the expenditure is in a private school generally as opposed to public schools, and you must take into account what the levels of income are of people who send their children to private schools as opposed to public school, and what the implications are of that. And when I say you must, I mean in terms of the topic of this conference, what are the implications for Civil Rights.

According to the United States Bureau of the Census, the median tuition level at all private schools in 1982, and admittedly, this is four years old, was a thousand, twenty-nine dollars. The median for church-related schools was less than that, it was eight hundred and twenty-seven dollars. Now, that alone does not mean a whole lot, because obviously it masks a tremendous range of expenses.

The National Association of Independent Schools, the organization mentioned earlier, says that

the average tuition of its member institutions is twenty-two hundred to thirty-one hundred dollars a year for elementary school students, and thirty-eight hundred to six thousand dollars a year for secondary students.

If under legislation you would make vouchers available to parents of both public and private school students, you'd have to think about the actual cost of attending a private school, which you could reasonably expect would be substantially more than the voucher. You then, by implication, reduce the choices available to poorer families who cannot afford to pay the supplemental cost. That's the implication of the amount of the voucher, how much the tuition costs at private schools in general versus public schools.

Without getting bogged down in that, I made argument earlier that under our current system with the Constitution leaving the decision of control of education up to the states, that means the amount of money spent, and in the '83-'84 school year, as of two years ago, the average range from two thousand, thirty-four dollars per pupil in Utah to six thousand, three hundred and seventy-eight dollars per pupil in Alaska -- now Alaska, of course, those are twenty percent inflated

figures at least because of the cost of living in Alaska -- what I'm saying is, that's because of the present setup constitutionally which allows the states the right to control their educational systems and the funding of education. Any proposal such as this would of course significantly alter that.

The implication for Civil Rights is that if you're going to provide people with aid to send children to private schools, and again, if we could ever agree on the number of schools and what their tuition costs are and all that sort of thing, you're going to in effect, from our point of view, offer more privileges to the privileged, because private school enrollment is highest among northern white and wealthy families. Private school attendance rates for students from families with incomes of twenty-five thousand dollars or more are about five times higher than the rates for students from families with incomes of less than five thousand dollars. They don't operate this in a vacuum. It's a reverse Robin Hood approach. Ultimately, you're going to aid the more well-to-do parents of private school students while undercutting the funding of public schools. The reason I mentioned the reports are that

that's directly contradictory to the recommendations of the National Commission on Excellence in Education.

Private schools get aid now, as was mentioned earlier, fifty-eight dollars per pupil, from various federal programs. To go back to what I thought were significant differences, only two point seven percent of all religious schools provide programs for the handicapped. Remember, I'm arguing that eighty percent of all private schools have religious affiliations. Only three percent of all non-public schools provide vocational education programs. Less than five percent of all non-public schools provide any services at all to economically disadvantaged students. And I think those are significant figures because they have ramifications. It means we're going to ultimately set up more privileges for the privileged, and we're going to create ultimately two tiers of schools in this country.

THE CHAIRPERSON: It's your turn. I should say this, Donald, that although the statement here is called Educational Vouchers, Implications for Civil Rights, I think the most immediate issue is the question of educational vouchers for the poor, which is now being proposed, so that would be a somewhat different

issue.

DONALD MORABITO: Well, yes. My point, though, however, was that -- and I recognize that. I understand the proposal. My concern, however, is how can you constitutionally provide anything for a class of people -- my whole argument is that you must ultimately look at all levels of income, all citizens, and people in both public and private schools, I think, in order to be constitutional.

THE CHAIRPERSON: This is the argument --

DONALD MORABITO: And as I said, ultimately if the law is passed and the Supreme Court upholds it, that's not the issue. It is the issue now.

THE CHAIRPERSON: You go, or are you all deadened by the torrent of statistics, percentages and the rest.

MALINDA SILER: You mentioned, I believe, and I might have misinterpreted several of your comments, that the educational vouchers could be used to transfer from a public school, one public school to another public school if the parent of that child felt that a change of environment would be better.

THE CHAIRPERSON: For the purpose of

this discussion, could we add educational vouchers for the poor, because that's what the issue is at the moment on the table. Is that fair enough, Donald?

DONALD MORABITO: Yes.

MALINDA SILER: What purpose would that serve?

CHARLES O'MALLEY: Let's take an area like Philadelphia. I don't know any demographs of Philadelphia, but let's say that there's public school fifteen, public school nineteen and public school twenty all within a same general vicinity, and public school fifteen is having some difficulties. The Chapter One teachers are not doing the job that they should be doing, or there is an environment in there in which the child is finding it somewhat difficult to learn, whether it's drugs or lack of discipline or whatever it might be, safety. But two blocks or three blocks down the road, nineteen has a principal like that man that was highlighted in Readers Digest, Clark, I think, the man with the bullhorn, who won't tolerate any type of fooling around or drugs or anything of that nature. There's a strong sense of discipline; there's a strong sense of community. The parents would like their children to go

to that particular school, and our hope is that the school board would allow that child to go to public school nineteen and continue to receive the Chapter One services over there.

If, however, there aren't any schools in that immediate area that the parents think would do the job, whether they're private schools or public schools, but there is a good public school in Delaware, and again, I don't know the geographics, I'm just kind of throwing names out here, but it's about a twenty-minute ride from that particular home, then, upon agreement, and this can be worked out and is being worked out in some states, the child could go to that public school and the state money could also follow it. There are a lot of logistical problems, grant it. But if there's another school district within the City of Philadelphia where the schools are better, then the child could go to that particular public school if the parent so desires.

So, the options are to go to the public school within the district or a public school outside the district, or a private or parochial school.

MALINDA SILER: Is that part of the five

hundred and fifty dollar voucher?

CHARLES O'MALLEY: Well, in Philadelphia, that would be the amount of the voucher, right, because that's what the Chapter One application is.

MALINDA SILER: That money could be used for transportation and other costs?

CHARLES O'MALLEY: Right.

JOHN GREEN: You mentioned a strong Civil Rights implication in the legislation. What is there in the proposal to prevent a school district from becoming racially homogeneous and then we have mixing after the academic work where the real interaction occurs?

CHARLES O'MALLEY: We're dealing with Chapter One children, and we're dealing with only about five million total Chapter One children as opposed to some fifty or fifty-one million children attending public and private schools nationally. So, it's a very small percentage of the total school population, and about fifty percent or forty-seven percent, I think at last count, of these Chapter One children were minority children.

If the parents decided -- the black

parents, for example, or Hispanic parents, decided they did not like the particular public school that their children were currently attending, they would look for the best school; not one that is, perhaps, an all black school or an all white school. They would look for the best school. The same thing would happen with a white parent who is in the inner city area or in a target school.

JOHN GREEN: I'm thinking about what has happened in cities where you had a desegregation program and you had private schools established for the purpose of avoiding integration.

CHARLES O'MALLEY: If there is court ordered busing, then it would be up to the federal judge in that case to decide if the voucher program could go in effect, and the judge would have to decide if the voucher concept would be workable in that particular community.

The second part of that is, because of the large number of minority children already involved in Chapter One, if they decide they want to go to a segregation academy and they're admitted, that segregation academy is no longer a segregation academy. Grant

it, there will only be a couple of minority children there, but dealing with the -- back when I was teaching in Fort Lauderdale, for example, back in 1963, I was teaching at a Catholic high school, there weren't any black children in that high school. We had our first student come in mid year in 1963, one child. Now the school is about fourteen percent black. Now, I don't know how rapidly the enrollment grew, but when I was with the Archdiocese of Miami, we worked out a program with a group called NARAD where for every minority child coming in as a freshman, we were able to get some kind of a scholarship for a graduating senior, and that certainly provided a good stimulus to that school to integrate.

I would see the voucher as breaking down some of these segregation academies, which I think is an ultimate goal of the administration. And, secondly, there aren't that many segregation academies left, fortunately. The bulk of the children attending private schools attend schools with open admission policies. Even the christian schools started out fifteen, twenty years ago in the South, now have very strong Civil Rights language in their membership requirements.

Pensacola Christian, for example, started out about fifteen years ago, was an all-white segregation academy. It's about twelve percent black right now. That's what I see happening.

DONALD MORABITO: At the risk of prolonging this particular point, let me just make two points. One, language with respect to Civil Rights, if passed, needs to be enforced. And as I said earlier, you cannot look at this thing in a vacuum. You have to look at what is the practical effect of it. If there is a voucher plan and if there is Civil Rights language, given the public statements of this United States Attorney General and the record of this particular administration, one has to at least think about whatever the language says how it will be enforced.

Two, again I would say, I think we have to keep in the back of our minds the fact that when you create a plan for a class of students, there is a constitutional question involved, and I don't think we should lose sight of that.

THE CHAIRPERSON: Aren't there so many programs, federal programs that divide people into classes; income levels and so on?

DONALD MORABITO: If you're arguing that there are forms of aid, yes, that talk about the particular needs of students. We're talking about a financial need, which is a different matter.

BENJAMIN STAHL: I'm a great believer in arguments on the table, but a new idea is not necessarily a good idea. Public schools of Pennsylvania have been here since the working man's party pushed it in 1932, and I think that it's a basic part of American democracy. And I think you have to give support to that concept, even though we're very critical of how this school system works and that system, that board of education and taxation, etcetera.

On this idea of vouchers for Chapter One students, it seems to me to be a new one. It's a cutback of vouchers for all students. I'm concerned, and I second the viewpoint that the new ideas coming from the Attorney General and even the Human Civil Rights Commission bother me as being retroactive steps in the field of Civil Rights. I'm concerned, if you move a foot in to get the voucher system, because it's narrow, it may be more acceptable. It's talking about the minority and poorer kids and so forth, and it's less

money. You talk about every student who wants a transfer gets five hundred dollars or a thousand dollars. That's a lot of money.

We've had in the last several years cutbacks in programs for Chapter One kids directly that affected them adversely, head start programs, school lunch programs, loans for college kids and so on. Is this to make up for that cutback of federal funds? Are these new federal funds? There's no cost involved?

THE CHAIRPERSON: They're using the same money that is presently going into the Title One programs.

BENJAMIN STAHL: Is there a guarantee that the private schools will be using that money for the purpose that it's now set up?

CHARLES O'MALLEY: Okay, let me answer that last question first and try to go back on the other two.

There is no guarantee that the private school will use the money for the same purposes, the Chapter One purposes, that Chapter One currently funds. The idea of Chapter One was not, however, to set up an institution of remedial teaching programs. The idea of

Chapter One was to find some way of providing compensatory education, a better education for children. And in some cases, compensatory education may not be the answer, but change of environment might be the answer, and if the child does better in school, whether it's Chapter One or through vouchers or through the parents moving to the suburbs, then I think that's really what we're after. We're not trying to protect an institution per se.

As far as the public schools in the State of Pennsylvania being part of the democratic process, the American democracy, before 1832, many states funded private and parochial schools. Private schools were the schools around the country. They've always had a good tradition of community service, and particularly in recent years here in Philadelphia and your major cities, the Catholic and other denominational schools have educated thousands of children not of their faith at a very low cost, in fact, at the scholarship level, in order to provide a community service.

So, the private schools, again, are still maintaining a very high level of contributions to American democracy.

And, lastly, when I got my job with the administration, I was a registered Democrat. I'm not an ultra conservation Republican. I was runner-up for the position back during the Carter Administration. I had the strong support of the Democrats in Florida, and sometimes I guess I get discouraged because I feel we're damned if we do and we're damned if we don't. We're putting forth proposals sincerely that hopes to help low-income, educationally disadvantaged children, and we're called hypocrites because some people feel that we're trying to pull something over somebody's eyes. But if we don't put it forward, then we're called worse. I say, give it a chance. As William Ransbury, the columnist said, give it a chance. It sounds like a good proposal. We're talking about low-income, educationally disadvantaged kids, many of whom are minorities. We're talking about giving them the best educational opportunity we possibly can, whether it's in a public school or in a private school. There will be no exodus from public schools. Most of the public schools are doing a good job.

Minnesota had a tax credit program in the early Seventies for three years, and the three years

of that program, these were tax credits going to private school parents, there was an actual decline in the number of children attending private schools and an increase in the number of children attending public schools. There was no exodus. And I don't see any exodus coming forward with this or with our tax credit proposal if that's enacted. There are too many good public schools around. Parents can select schools. They've got the know-how; they've got the ability, even the low-income parent, they know what they're doing or they wouldn't be voting for the people that they sent to office.

DONALD MORABITO: I certainly can't react to sincerity and honesty. I don't doubt the sincerity of the administration or Mr. O'Malley or the proposal or the attempt to do good. I just think we have to look at the ramifications and the possible results, because you have to examine what effect that would have.

If there's no drain of students from public schools, admittedly an alleged or a suggested loss of revenue to the public schools and support for the public schools, that would not happen, that's right. We don't know that, however. I mean, you can only

analyze in terms of the right of choice. If people are, for example, going to get enough of a credit to move children from public schools to a private school somewhere, if you took a state like Indiana, you could -- which is a medium size state, if you had a significant number of students move from the public schools to private schools, the next effect in Indiana, based on the subsidy system there, which isn't entirely different from Pennsylvania, public schools are given money from the state based on not just the expenditure per pupil, but the attendance of the pupils in the public schools, and obviously if you remove students from public schools, you're going to remove income from the public schools, making it harder for them to do their job, so that even though the intent is not to harm public schools, the net effect over the long haul could.

I guess the other side of the argument is, well, then if everybody is exiting to better private schools, that's good. I'm not sure that's going to be the result.

THE CHAIRPERSON: I want to ask that question. It's always fascinated me. I'm wondering about this idea as a kind of use of a -- a competition

with the public schools. In other words, if -- the only reason anyone would leave the public school to go to another public school or another parochial school is because they believe they're getting better education. If, indeed, the public school is serving properly or at least it's doing a good job, no one is going to leave it to take -- to go to a suburban school or to a parochial school. If, indeed, the public school or certain public schools, let's say in ghetto neighborhoods, find themselves with an exodus, doesn't that force the public school system to try to do something about that in a much more concrete systematic way? Doesn't it move up against that sort of entrenched civil service kind of mentality that says, you know, whether we do a good job or don't do a good job, we still get paid? In short, isn't this idea possibly introducing an element of competition that might improve the quality of public education, rather than leave it in the hands of a civil service that basically is not challenged?

DONALD MORABITO: I would disagree with the premise of the question. I don't think public education today is in the hands of a civil service that

is not challenged. I mean, my dealings with public school teachers and administrators have convinced me over the last fifteen years that they indeed do feel challenged, and that they are indeed responding to the various criticisms of the public schools. Not to avoid the question, but generally competition is healthy, certainly. I don't think I would in theory argue with that. My concern would be more of saying to you and to anyone else considering a proposal like this, it's the effects of the particular proposal that we should try to study and analyze. If you instead provided grants to public schools to improve their performance on test scores, for example, why is that, for example, not a better expenditure of public funds than this proposal? I don't know the answer to that. If you're going to suggest -- you know, I have a son graduating from a public high school this year. He's a horrible speller. Do I want a voucher system so that I can send my kid to a private school where they happen to have a reputation for teaching spelling? Maybe I do. I don't know. My whole point here, however, and that's why I go back to my earlier remarks, what we ask the public schools to do is what we're not asking private schools

to do. I agree with Mr. O'Malley's earlier comment about there's a role for private schools in our society and there's a role for public schools. I'm saying, I don't think we need to expand the role of the private schools at the expense of the public schools. If a public school -- public school system has to provide vocational education, education for handicapped children, etcetera, etcetera, and a private school doesn't have to do that, I don't want my tax dollars to subsidize that private school at the expense of the public schools.

CHARLES KENNY: I have a two-fold question. If the notion of Civil Rights is government intervention and political participation, and if the minorities are unable to have an option to participate in private schools, my question to you is, what is wrong with government providing a system where minorities or pool people could have a diversified education?

DONALD MORABITO: I guess if I accept your premise, which I'm not sure I do, my answer would be there's nothing wrong with that. I think, as I said before, however, the proposal doesn't operate in a vacuum. I don't know that the net result, and it's hard to know without trying it, as Mr. O'Malley is suggesting,

and I agree with that, but I don't know that the net result of a voucher system is that we're going to give poor students and minority students a chance to go to better schools. That's what you seem to be suggesting by your question. If that were the case, I guess my answer would be yes, let's try it. I'm not so sure that's going to be the result, because as I said before, you have to think about all these other factors that enter into the picture.

Let's supposing Mr. O'Malley's premise was right, that all we're going to do with something like this is have parents enabled to look at, here's a principal doing a good job in a building within twenty minutes from my school. I admit that sounds desirable. As a parent, I might want that option. I'm not so sure that's the case. My point is, maybe you should take tax dollars and say to the principal of the school where I would submit you have dedicated, competent professionals who maybe need an incentive that they don't now have, and say, look, here's Dr. Jones down the street doing this. Why don't you try that in your school, and here's some money to help you do it. Here's some government help. We're going to send you a staff person one day a

month to help you implement this kind of program. I might think that's a better expenditure of tax dollars to accomplish what you're discussing.

MARSHALL MURRAY: I view this voucher system very skeptically. I feel it's opening up that old proverbial can of worms. I believe that a person has the right to go to parochial school and private school. Ever since the Act of 1642 and 1647 which began public education in the State of Massachusetts, okay, the idea caught on and just spread around and so forth, so we have public education in all of the states. I believe in that, but to me, a private school, parochial or whatever, is a school of protest. When the people go to that school, they are protesting against what the majority of society has, wants to do. I believe they have a right to protest, but I strenuously object to paying for that protest.

Another thought that you mentioned, Mr. Friedman, your name is Murray on the front and mine is Murray on the other end, why would they transfer to another school? I could think of another reason. They could transfer to another school so as to prevent education. To me, this is just another ploy, another

effort to enable certain groups to prevent integration, and I feel that as it goes along, it's just simply opening a door that's going to weaken the the purpose of the whole Civil Rights movement. The implications for Civil Rights to me, I think, is a very dangerous omen.

DONALD MORABITO: There's private dollars for private schools, and public dollars for public schools. We're all taxed; not just people who have kids in schools, to pay for public schools. If you want to send your children to private school, you have an option, but you also have the option to pay for it and that's the way it ought to be. That's what we think the constitutional convention intended and Jefferson intended in the Fourth Amendment.

CHARLES O'MALLEY: Two items; one, back in 1925, the Supreme Court with the Pierce versus Society of Sisters said that private and parochial school education is a legal, valid form of the child complying with the state's compulsory attendance law, which means that that child going to school is fulfilling state responsibilities or cannot be jailed or the parents could not be jailed for truancy.

The private school or the parochial school is as much a part of America as the public school is. The idea of choice that you're concerned about, the idea of fostering segregation in many of the schools, I don't think with this particular proposal, and I'm not speaking to other types of voucher proposals in certain areas. I'm not going to get into that. The Chapter One program deals with low-income, educationally disadvantaged students, most of whom are minority children. These are the children that we're hoping will use the voucher, if they wish, to go to a different public school or to a different private school, and in that way, they're fostering integration if they're going into private schools. It's not that -- the idea of them going to an all black school, if that's what their parents want, that's going to be their choice. There are some all black private schools. The Catholic schools in the inner city for the most part are all black, and most of those kids are non-Catholic, and they're providing that as a community service. Why are those thousands of children -- I think it's the ninth largest school system in the country, if you were to rank it among public school systems as well. Most of

them are in the minority and non-Catholic. Seventy-seven percent of those schools charge five hundred dollars or less.

The other aspect of choice, when we're talking about middle income parents and upper income parents, they don't have to worry about sending their children to a private school, even though they have the money. They hop in the station wagon and go out in the suburbs and build a new public school that started off all white, but that's essentially a semi-private school. Why keep the rest of the minority population or the city population locked in the same school when the wealthier parents can get in their car and move out of the area. This is what we're saying, give the low-income kids a chance. It does give them more opportunity than they have right now. That's what we're interested in.

MARHSALL MURRAY: The Board of Education has a right to allow a parent to send his or her child to another school for particular reasons. I think they could do that without giving vouchers to allow a person to go to another school. In a parochial school, once a child is denied admission to a parochial school, the public school has to take them.

CHARLES O'MALLEY: There are many children in private schools now who were booted out by public schools. If you check the data, there is a fairly high number of handicapped, learning disabled, some autistic, different types of handicaps which means they were trouble makers in other private schools or public schools. The parents have the right to go to their school board and ask for improvement in their schools or ask for the permission to move their child to another public school. I think that would be great. That's what some of these public school voucher programs you're talking about do. I think that would be ideal.

As long as we're talking voucher, we should broaden it a little more. But, again, I don't see that many children going from public schools to private schools. What we will see in many cases with the voucher are those children who are currently attending a private or parochial school who are eligible for Chapter One, now that they have the choice to go to a public school outside of their own school district, they'll withdraw from the private school and go to the public school, because they'll still have to pay tuition in some cases. If they can get a better education at

the public school, many of them will do it.

THE CHAIRPERSON: Well, I think that we may have run out of -- you have another one?

CHARLES KENNY: There's a perception in the community that going to a private school, that you get a better education, and you'll be better socialized; whereas, in the public sector, there is a notion that you're not going to get a good education. Our school system here is supported through taxation. My question to you, then, is that the poor basically sustain their education which seems to me it's a bad investment. Nobody wants to take tax dollars and pump it into a school system that's not producing. How do you discharge the issue of taxation, taking those tax dollars and giving that person that option, and doing away with the negative that the public school system has?

DONALD MORABITO: The negative is being dealt with in two ways. You have in a number of school districts more progressive leadership in the last four, five, six years than you've ever had before. There's been a tremendous -- I can only refer here to Pennsylvania, because that's all I'm familiar with. In Pennsylvania there's been a tremendous turnover in

school superintendents in our five hundred and one school districts in the last five to six years. The net result, we think, and when I say "we" now, I mean PSEA, and we are the state's largest teacher's union, and we have four hundred and eighty some of those five hundred school districts that we bargain for, our perception is that the leadership of the schools has dramatically changed in the last five or six years and that there has been a great deal of response to the concerns of the public such as the declining test scores and things like that. With declining enrollments, the average class size, if you will, and that's not an accurate thing to look at generally, but for the purpose of a general discussion I think we can, that average class size has gone down over the years giving teachers the opportunity to work with students on a more individualized basis. Now, there are teachers who will tell you, you know, that's not true in certain areas. There are large social studies classes, etcetera. But the amount of student load has decreased. If I can just focus on those two things.

The combination of spending those tax dollars more per pupil as the years go by on fewer

pupils, even though we've had fewer teachers, and with more progressive leadership, and I left out school board. As I said, administrators have changed; so has school boards dramatically in the last five or six years. In this state, our perception is that the public schools have been much more responsive to what parents are saying in terms of wanting improved discipline, wanting to share in the governments of the individual schools, wanting to improve test scores, and that we have seen that start to occur; that is, that test scores are improving, that parents in this state are indicating more satisfaction with the public school. PSEA, for example, takes a poll every year, and we just completed one, in which we survey parents' attitudes about the public schools, and their parental attitudes have changed dramatically in the last five or six years in terms of their satisfaction level with the public schools. So, I think that's going to be a long process. I don't think that's going to change overnight, but I think as the schools respond to what parents are saying, and as the schools respond to the problems like declining test scores, etcetera, I think that perception will change.

The other comment I would make is that, again, if we accept the premise that all we're going to do is give students the chance to march from one public school to the other looking for a better public school not too far away, it's hard to argue with that premise. I'm not going to argue that that isn't a desirable outcome here in Philadelphia. I just don't think that's what this proposal is going to do.

THE CHAIRPERSON: Gentlemen, thank you very much. I think we've had an extraordinarily interesting exchange on an extremely high level on both of your parts. I'm only sorry there were not larger numbers here to have engaged in this debate. I console myself with the fact that we will have a record of this. We will be making this record available to others, and in addition, it is our hope that the entire approach that we used today, the exploration of new strategies for Civil Rights, will be something that will be placed on the agenda of the U.S. Civil Rights Commission so that they may have an opportunity to look to a number of these ideas which at least are advanced, however you may feel about them, as other ways of trying to improve the problems of minorities in American life.

So, thank you very much for coming and for your patience, and we will now adjourn our discussion.

(Forum adjourned.)

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on Monday, May 5th, 1986, and that this is a correct transcript of same.

Dennis Corsi
Registered Professional
Reporter

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