

BRIDGING THE GAP IN OUR INNER CITIES

HUBERT H. HUMPHREY

Vice President of the United States



Excerpts from an address to the
National Businessmen's Council in New York, N.Y.
November 16, 1967

A community's progress depends on its planning—planning by its own deeply-interested citizens.

This deep interest brings personal involvement and pride—pride that sparks initiative, action, growth.

Pride and progress go hand in hand, for community pride does not even admit to the possibility of failure.

At the core of the ghetto problem lies the lack of a community plan. Without it there is little interest, little involvement, little progress, little hope.

It is inevitable, for how can there be more than emptiness when there is no plan, promise or blueprint of a brighter future?

When local citizens and community leaders devise their plans, with the aid and support of the private sector, SBA stands ready and willing to help.

R. C. Moot

ROBERT C. MOOT,
Administrator
SMALL BUSINESS ADMINISTRATION



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BRIDGING THE GAP IN OUR INNER CITIES

Poverty and blighted opportunity in America are no longer the special preserve of social reformers, the charitably inclined, and struggling government agencies. The challenge they offer our cherished democratic principles has been taken up by a broader section of this society, and particularly by the business community.

The Urban Coalition says, *"All representatives of the private sector in the Urban Coalition decisively commit themselves to assist the deprived among us to achieve full participation in the economy as self-supporting citizens."*

Private Industry Interested

The life insurance companies of America pledge a billion dollars to build low cost housing and finance enterprises that will create jobs in city core areas.

A responsible savings and loan official urges his industry to invest sixty billion dollars over the next twelve years in rebuilding the inner city—and he has found an enthusiastic audience.

Companies all over the United States have expressed interest in hiring and training the hard-core unemployed. Some say they are ready to put new factories in the inner city areas.

How significant is this new upsurge of civic spirit?

Professor Galbraith is doubtful. He thinks the economic incentive will not be strong enough to elicit a meaningful contribution from the private sector. He may have a point.

Michael Harrington, one of the great social critics of our time, is fearful: *"When business methods are sincerely and honestly applied to urban problems, with very good intentions,"* he says, *"they still inevitably lead to antisocial results What the cities need are 'uneconomic' allocations of resources."* There is truth here too.

Civic Pride Plus

Hubert Humphrey is hopeful — cautiously hopeful.

Having talked with businessmen in nearly every state during the last year, I am convinced that we are seeing something much deeper than an ephemeral display of civic virtue. I have found a hard-headed and pragmatic determination to make a business-like assault on slumism.

Businessmen I have talked to are counting on support from governments at all levels to make their contribution financially feasible and acceptable to their stockholders—a partnership with the public sector. But they are also willing to take some risks.

It is the risk-takers of our free enterprise system who have given most Americans unprecedented prosperity; and risk-taking will be a critical ingredient in any successful assault on the complex disabilities which still shackle a seventh of the American people to poverty.

The dollars, the momentum and, yes, the determination are there as never before—but now let me tell you why I am only cautiously hopeful:

Those resources may very well molder in the gilded treasury of the establishment unless they are offered on terms acceptable to the poor minority of America.



Inner City Needs

I can tell you from my own experience during the last few months that inner city communities and the minority leaders in this country are developing a rather clear idea of what they want. They need help, want help, and will gratefully accept it—but only if it promises the kind of progress they can make for themselves.

The mood and the needs that characterize the American slums of today are similar to those we find in underdeveloped countries all over the post-colonial world of Asia, Africa and Latin America.

People who have long suffered oppression are now claiming their place in the sun.

After decades of being badly served by schools, businesses, and public services run by “outsiders,” they want their voice. They want—and they deserve—the right to determine their own destiny through their own efforts.

There is fierce cultural pride, there are high ideals, there are abundant energies which can either build or explode.

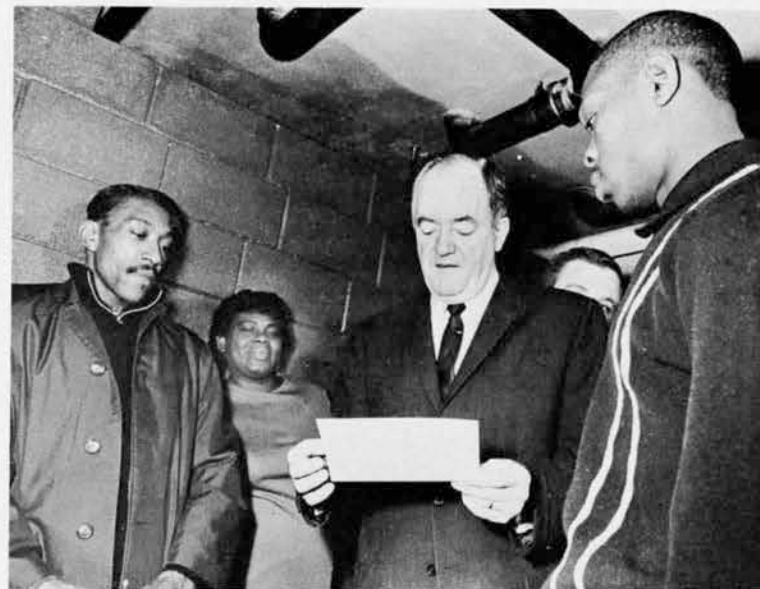
And there are crippling shortages of almost everything but expectations.

Decades of second-class citizenship have left a dearth of managerial skill and political experience. The means of production are lacking. Interest rates are exorbitant because capital is scarce.

There is the usual quotient of human misery—ill-clad children, illiterate adults, pestilential housing, the ravages of unnecessary disease.

But through it all there is the burning vision of a better life—not just a little better, but radically better. And there is a proud, sometimes arrogant, even militant, determination that things must improve—now.

That mood was at first a serious obstacle in our foreign assistance programs. We did not fully recognize it as a critical source of energy, and considered it an expression of ingratitude.



The recipient nations, for their part, considered the technical advice and suggestions which are part of any responsible aid program to be inhibiting and demeaning “strings.” Only slowly have we achieved enough mutual understanding and respect to sustain the kind of hard bargaining that makes for constructive and efficient aid programs.

I regret to say that the level of mutual understanding between the developed and underdeveloped parts of American society seems to be lower than between this country and many of its less developed neighbors.

Higher Level Training

Most of us have been thinking far too small when we talk, for example, about providing jobs. We usually have in mind jobs that are only one step better than living on welfare.

Let me tell you that there are plenty of unemployed, unskilled high school dropouts in the inner city today who have the potential to be executives, entrepreneurs, police chiefs, military officers, pilots, bank clerks, hairdressers, dental technicians, or switchboard operators. They know it, and their leaders know it.

Those youngsters want and need real, marketable skills, not minimal training. Any training program calculated to make them successful janitors and housemaids for the rest of their lives is simply not going to be acceptable.

And their first jobs, no matter how lowly, have to visibly and actually represent the first rung on the ladder of advancement. Even if they never reach the top, I believe the clear prospect of future progress is the only thing that can make an unsatisfactory present bearable.

Let me emphasize that the need for advancement opportunities is just as critical for the vast majority of Negroes and others who already hold jobs—but jobs that are dead-end.

Minimum Housing Inadequate

I am afraid we are thinking small on housing, too. We tend to think of **minimum** housing as **adequate**.

How do you describe an adequate house?—as a place free of rats, a place where there is no rubbish in the halls, where there is hot and cold running water?

I don't. I describe it as a place that has enough space to give a family some privacy, where children have access to a park with grass and trees in it, where there are modern plumbing facilities and some comfortable furniture. And it is in an integrated neighborhood.

That is what we have to build toward if we want to solve the problem of slum housing.

The same goes for schools. We are wasting our time if we mean to improve the educational opportunities available to inner city youngsters just enough to insure that they will form a pool of cheap labor for the rest of their lives.

The only test of an adequate education that any Negro, Spanish-American or Mexican-American parent will accept today—and the only test America should accept—is this: Does my child have the same chance in life as the child of the average middle-class American?



Goal is Equality

Now I don't want the American business community to say, "*Humphrey is upping the ante before we even begin to play.*" But if the American private sector, along with government, is going into the business of wiping out poverty and slums, we had better be prepared to accept goals which the people we want to help consider realistic. And we have to be ready to deal with those people not as wards but as equals. The emerging minority leaders, for their part, are going to have to exhibit the most deft kind of statesmanship if they hope to take advantage of the money, skill and good will that are now available to them within the American private sector.



Like leaders all over the developing world, they must both speak for the needs and feelings of their followers, keeping alive the distant vision of a better future, and at the same time deal pragmatically and responsibly with the harsh realities of the present.

They are going to have to convert frustrations and impatience into energies for progress rather than turmoil.

The temptation to be demagogic and self-indulgent is an occupational hazard of leaders in their position. I have just seen the results of that kind of leadership in the potentially rich country of Indonesia where a new government is now struggling painfully to make a fresh start amidst the half-finished, decaying monuments to one man's ego.

Vision is the mother of accomplishment; and slogans have their place. But they are a weak substitute for solid achievement.

You and I have been through some tough liberal battles together, and I know of no group in the American business community better equipped in spirit and understanding to go out and deal man to man with the inner city leadership of America today.

I think you are prepared to accept and support their aspirations and I think you can elicit their cooperation.

Challenge to Business

So I am now going to issue a very specific challenge for action: Can you set some promising Negroes and Puerto Ricans up in business in their own neighborhoods?

If you can, you will have gone a long way toward bridging the gap between the resources of prosperous America and the aspirations of our disadvantaged minorities.

I believe the entrepreneurial energies are there—but the skills are not. The financing is available—but the mechanism for successfully putting it to work in ghetto-owned enterprises is not.

I am asking you to use your entrepreneurial skills and experience to develop a package of know-how and financing that will prime the pump—that will build viable enterprises from the available ingredients.

How do you tap a stable market with potential for expansion that will sustain a new inner city enterprise?

- By establishing small industries to produce items for your own firms?

- By winning federal or state procurement contracts for your own companies and then breaking them into manageable subcontracts for new satellite firms?

I know of a large Baltimore firm that issues eight thousand subcontracts a year—and not one of them goes to a Negro-owned firm because they just don't exist.

Where will you find your proteges? Will you seek people with management experience in large firms? Will you try radically to upgrade existing minority-owned shops?

How will you extend the technical assistance upon which your success is obviously going to depend?

What kind of enterprise will have the greatest economic impact on the ghetto? I am not talking about a poverty program, but I nevertheless hope you will emphasize products that can be sold outside the ghetto. Restaurants and other establishments which serve only the depressed area itself will produce no new income for neighborhoods that desperately need it. Like developing countries, ghettos need export earnings.

Can you build some job-training provisions into your new enterprises?

Help from Government

The federal government can give you some help.

The Small Business Administration operates an active lending program for central cities which includes Economic Opportunity Loans on liberal terms.

Under broadened legislation enacted by Congress and signed by the President just last month, the Small Business Administration is prepared to guarantee leases of small businessmen in depressed areas.

Within the last few days, the SBA has decided to allow local development companies to borrow up to 90 per cent of the construction costs for small business plants to be established in high unemployment areas.

It will run training workshops for prospective small business owners. It offers management counseling through SCORE, the Service Corps of Retired Executives, which now has almost 200 chapters and over 3200 participants.

The Department of Labor is ready to help finance any reasonable job training program.

Mr. William Zisch, now on loan to the Department of Commerce from Aerojet General, is prepared to call a meeting of all appropriate government agencies at your request, find out what kind of support you need to provide job opportunities, and issue tentative commitments on the spot.

Can We Do More?

What more can you suggest? How can we better use the purchasing power of federal contracts to support new companies in depressed areas? How can we expand federal guarantees, which cost the government very little, to stimulate private financing of ghetto-based enterprises?



Would tax incentives provide an equitable and effective stimulus to the kind of projects we are talking about?

There is government-owned land standing idle in nearly every city in America. How can we make it a productive asset?

This nation must apply the same ingenuity and creative energy to the problem of putting the inner cities on their feet that it has applied to building a free enterprise system which serves the public interests—and we can afford even less trial and error.

Yours will not be an easy task. If you are going to win confidence, you will have to work from the very beginning as equal partners with people whose background is very different from yours.

You will not need to be charitable—the time for that has passed. You can be hard-nosed and realistic. You can be perfectly frank. Above all you must be infinitely creative.

Good Citizenship, Good Economics

If you succeed, you will have done much more than provide new employment opportunities and new incomes—something you could have done by putting a plant of your own in a depressed neighborhood.

You will have developed a dramatic new formula for private sector participation in the War on Poverty—a formula which can serve as an example for hundreds of similar ventures throughout the country.

You will have given some individual Americans a full and equal chance, as well as the help they need, to reach the top; and through those leaders you will have served the aspirations of an entire community.

You will have proven that the American free enterprise system can produce not only plenty, but full and equal opportunity for all.

Real opportunity for every American, a stake in society—that is good public policy. As John Stuart Mill wrote, *“Let a man have nothing to do for his country and he will have no love for it.”*

It is good economics. Some 15 per cent of the American people today are neither adequate producers nor effective consumers. They are also poor taxpayers.

They need houses, furniture, clothes, food, and everything else the majority of American families consume every day. They are America's new economic frontier, if we can but tap their strength, and their creative energies.

And, finally, helping others to help themselves, sharing abundance with those who have too little—that is good morals.

In the words of Thomas Wolfe, *“To every man his chance, to every man, regardless of his birth, his shining, golden opportunity. To every man the right to live, to work, to be himself. And to become whatever things his manhood and his vision can combine to make him. This . . . is the promise of America.”*

Concluding remarks at the meeting by Eugene Lang, National Businessmen's Council:

For the economically disenfranchised, we must supply opportunities that can permit an inherently able inner city resident to become the peer of any man in this room. More than that, we must provide the know-how, experience, and guidance, to help make these opportunities come alive. The immensity of the total problem may well intimidate any organization of government or industry, let alone individual businessmen, but Mr. Vice President, the National Businessmen's Council has resolved not to be intimidated. A democratic society and a free enterprise economy demand that we maintain faith in the capacity of the individual.

Each businessman in this room lives this truism. So, in facing the total inner city problem, in all of its immensity, I need but recall President Kennedy's restatement of a Chinese proverb: "That the voyage of a thousand miles starts with a single step."

Mr. Vice President, we accept your challenge and, enthused by your support, I can tell you that the National Businessmen's Council is ready to take that step now. In fact, we now pledge you at least three steps, a three-part program.

By June 30, 1968, the National Businessmen's Council will initiate and sponsor the creation of at least three new manufacturing enterprises in inner city areas of New York.

Each of these will be founded on a viable business concept, that will be developed with the technical and management guidance of NBMC members, and each will be owned by inner city residents, with the desire and the inherent ability to succeed as entrepreneurs. Each will start small, but each as a venture that will have the capacity for permanence and growth, along with the abilities of their indigenous owners. Second, by the end of 1968, the National Businessmen's Council will establish at least 50 manufacturing concepts that we consider workable in our inner city areas. With these concepts, we will try to bring together all of the facilities and advantages that you have set forth. We will try to bring together the technical know-how, the management ability, the capital and markets, all elements that together with local ambitions, can foster the export expansion

of our underprivileged communities. In this effort, we will seek help from our business world and from government at all levels.

And in this regard, I am happy to report that Mayor Lindsay has assured us that as part of his economic development program, we will receive the fullest cooperation of the city, and I would like at this point to read this telegram that I received earlier from the Mayor:

"Because of a previous commitment, Commissioner Lewisohn and I regret that we will not be able to be with you at your luncheon on November 16th. I have asked Commissioner Ganz to represent the city." Commissioner Ganz is the Manpower Commissioner.

"New York City is vitally interested in the development of entrepreneurial talent in minority communities. The city's Department of Commerce and Industrial Development, under the leadership of Commissioner Lewisohn is planning a major program for promotion of local business ownerships. The proposed project of the National Businessmen's Council will help to provide the much-needed assistance of private industry, without which the city's efforts could not succeed. The City and the Council must continue to cooperate to make these programs effective. Please accept my congratulations and best wishes for success. John V. Lindsay, Mayor."

Third, the National Businessmen's Council is setting up a Vice President's Committee for Community Export Expansion. This Committee will serve as a clearinghouse for businessmen who accept your challenge. It will cooperate with the agencies of government and with other business groups which wish to set up similar projects. In fact, in the same evangelical fervor that you have shown, I would like to start to do some recruiting right here and now.

I would ask that any businessman, all businessmen in this room, who would like to work with us on our Vice President's Committee or independently, to let us know.

We need your ideas and support, and I promise you a satisfactory and rewarding experience. Mr. Vice President, there is a time for surveys and broad-gauged planning, but the prospective entrepreneurs of the ghetto should not have to wait.

Each new entrepreneur is the yeast that will breed its own culture of economic development. There is a time for words of appreciation and thanks, and that time is now, except that we are giving you more than words. The National Businessmen's Council proposes action and results. We know that our program is not easy, and that we will surely stub our toes, many times, along the way.

If it becomes too painful, we will come to you, not to cry but to regenerate the enthusiastic sense of purpose that you have instilled in us today. Thank you, Mr. Vice President.

SBA/OPI-44

acting Mayor
Frank O'Connor
Sect Howard
Samuels

Murray Rosenberg
Mel Milligan
Gene Lang

Stan Frankel
Ambassador

Beh Benjamin
U.N.

Cong. Joe Resnick

REMARKS

Peter Straus

VICE PRESIDENT HUBERT HUMPHREY

NATIONAL BUSINESSMEN'S COUNCIL

NEW YORK, NEW YORK

NOVEMBER 16, 1967

Report & observations

Dialogue
Monologue

1965
V.A. Charles
Fairbanks
Mel Milligan
Richard
M. Johnson

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Self Determination
Self Respect

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Let me emphasize that the need for advancement opportunities is just as critical for the vast majority of Negroes and others who already hold jobs -- but jobs that are dead-end. — ~~specific advancement~~

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We tend to think of minimum housing as adequate.

How do you describe an adequate house? — as a place free of rats, a place where there is no rubbish in the halls, where there is hot and cold running water?

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Vietnam
U.S.

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From Protest to Progress.

✓ The temptation to be demagogic and self-indulgent is an occupational hazard of leaders in their position. ✓ I have just seen the results of that kind of leadership in the potentially rich country of Indonesia where a new government is now struggling painfully to make a fresh start amidst the half-finished, decaying monuments to one man's ego *and false ideology*

✓ Vision is the mother of accomplishment; and slogans have their place. But *slogans* they are a weak substitute for solid achievement.

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A I know of a large Baltimore firm that issues eight thousand subcontracts a year -- and not one of them goes to a Negro-owned firm because they just don't exist.

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What kind of enterprise will have the greatest economic impact on disadvantaged neighborhoods? I am not talking about a poverty program, but ~~I nevertheless~~ hope you will emphasize products that can be sold outside the slums.

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L Would tax incentives provide an equitable and effective stimulus to the kind of projects we are talking about?

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Gov't
Catalyst
Fusion
to
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Self Respect.

↳ Real opportunity, for every American, a stake in
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It is good economics. Some 15 per cent of the American people today are neither adequate producers nor effective consumers. They are also poor tax payers.

They need houses, furniture, clothes, food, and everything else the majority of American families consume every day. They are America's new economic frontier, if we can but tap their strength, and their creative energies.

And, finally, helping others to help themselves, sharing abundance with those who have too little -- that is good morals.

In the words of Thomas Wolfe:

"To every man his chance, to every man, regardless of his birth, his shining, golden opportunity. To every man the right to live, to work, to be himself. And to become whatever things his manhood and his vision can combine to make him. This....is the promise of America."

NATIONAL BUSINESSMEN'S COUNCIL
LUNCHEON

Tony file
Plaza Hotel
New York, New York
November 16, 1967

Tape I

HUBERT H. HUMPHREY

TAPE 1

(APPLAUSE)

HUBERT H. HUMPHREY: Thank you very much. Thank you very much Vice President Mel Milligan. I want to warn you you never ought to upstage the President. (laughter) Gene Lang is just -- well he, he just gave me a little quiet complaint as you sat down. He said "Never again." (Laughter) I don't know whether he meant me or you. (laughter) But since I'm the one that's permitted to make the interpretation, I think it's you. Gene, a real joy to be with you again, and with my friend Marvin Rosenberg and my friends all through this room and Stan Frankel. And to be here with the Acting Mayor. City's in good hands, Frank. Feel very comfortable, safe. (laughter) My good friend, Frank O'Connor, along side of that baffling Congressman Joe Resnick.

Joe, I was deeply interested in your knowledge of the agricultural situation as you took on matters relating to one of the great agricultural organizations. (Laughter) And then to have my first opportunity to share

But we have the diplomatic corps well represented. And I was pleased that my friend Peter Strauss was able to join us on this visit to New York, getting back here to the realities of life away from the banks of the Potomac, up to the banks of the Hudson and the East River. They both have somewhat the same perfume. (Laughter)

And I'm happy to know that things are quiet in the world today, so that Ambassador Bob Benjamin can leave his post at the United Nations. This is the most reassuring experience that I've had for many a day. (laughter) Delighted to be here with you.

Now, I want to make one or two poignant, pertinent observations as to the proceedings thus far: First, Gene Lang - I ~~was~~ always thought that you were a man of understanding and tolerance - broad gauged. But I notice that you have an anti-feeling toward pharmacists. (laughter) There are a lot of us, I want you to know. (Laughter) The only thing that I can interpret in that remark is that you're not a candidate for anything, which is somewhat reassuring. (laughter) And then I have been once more informed about a well known chapter of American history - about Charles Fairbanks, Vice President of the United States. Dear Uncle Charlie. Well, I want you to know that I have patterned my vice presidency on the life of Richard M. Johnson, Vice President under Martin Van Buren, so I ... (laughter) I looked out over this audience and I saw several people gulp when I got as far as Richard M. (laughter)

I know this is a busy audience -- you have work to do. And I must say that it's an extremely moment for me to be with you. I see so many good friends here that I have missed seeing for so long. I think many of you know how much it means to me to have the precious gift of your friendship, and to share in that very happy experience. So, collectively to you, I want to say hello and thank you for all that you are, all that you've done, all that you continue to do.

Today, I want to offer some observations on matters of common concern in our country, about our cities, about our people, about our nation. It is said that what this nation needs is a dialog, but on an occasion like this I'm afraid it turns into a monolog. I come to you not with any knowledge as an expert. I come to you just to offer you my views, I suppose even my prejudices. I come to you to give you a report on what I think we're doing, and what I hope we can do, and some of my observations that I trust will act as a catalyst^{ic} agent to get you to do what you want to do and what you know you ought to do.

I want to talk to you about our cities and about the people that live in those cities. Not about all of the people, because most of the people in our great America today are doing quite well. But you judge a society not by how well the majority does, but how well the minority may do or should do. Franklin Roosevelt once said to us that "It was not the pur-

pose of Government to see that those who already had too much had more. But rather to see that those who had too little had enough." I only paraphrase the words of that great president. But to me, that's what we're talking about. How do we bring into the lifeline of American democracy and of this great nation all of its people? How do we give everybody the opportunity to be a first-class citizen? How ^d we eliminate from our midsts the humiliation of second-class citizenship?

Now, it's been said here that I have been long interested in civil rights. And that's true. We've passed a whole body of law in civil rights. We have ~~ask~~ plenty of laws now, what we need now is the practice of civil rights. The law is ~~is~~ strong and the law is long. The law is plenty, but the living of the law, the practice, the individual acceptance of the requirements of the law is what today remains our challenge. I think we're going to be able to do it. I'm one of the few optimists left at the national scene. I'm glad to see that there are a couple of others here at the dais and in this audience.

I said to an audience last evening in your city that there are so many pessimists around that I decided the competition was too rough. I didn't know how to be that pessimistic. So, I looked over on the other side of the fence and the other fields and I found only two or three wandering souls over there. They called themselves optimists, and I joined. That way you get a-head faster - you see. (laughter)

So, I want to visit with you about my view of our nation. Poverty - you hear a lot about it. And blighted opportunity, you hear about that. Well poverty and blighted opportunity in America are no longer the several preserve or special area for social reformers, the charit^tably inclined, the philanthropic; or even the struggling governmental agency^{ies.} The challenge that poverty and blighted opportunity offer ~~xxx~~^{our} democratic principles has been taken up, I believe, by a much broader section of this society. And that's the good news. And that broader section is represented in this room - the business community.

You've heard of the urban coalition which I think is one of the more reassuring developments. The urban coalition says in its statement "All representatives of the private sector in the urban coalition decisively commit themselves to assist the deprived among us, to achieve full participation in the economy as self-supporting citizens." And my fellow Americans, that ought to be the creed by which we live. Commitment, full participation, self-supporting citizens. That adds up to id^ealism, and it adds up to self respect and human dignity. That's what this great experience of democracy is all about.

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The life insurance companies of America pledge a \$1 billion to build low-cost housing and finance enterprises that will help create jobs in city core areas. A responsible savings and loan official recently urges his industry to invest \$60 billion over the next 12 years in rebuilding the inner city. And he has found an enthusiastic audience.

I hope you will note as I visit with you today that I seldom, and I hope not at all, use the word ghetto. I don't like it. It doesn't belong in the lexicon of our country or our democracy. It's a repulsive word. I would prefer to talk about the inner city. The it's ours, then it belongs to us and we feel a great identity. The ghetto is so inclusive and exclusive, it just doesn't fit. You might want to correct your own thinking on this.

Companies all over America have expressed interest in hiring and training the hard core unemployed. Some say they are ready now to put new factories in the inner city areas. Now, how significant is this upsurge of civic spirit? What I've told you has been in your press, in the media - you know it. Whether people that have different points of view - Professor Gallbraith, for example, is doubtful, and he is a respected economist. He thinks the economic incentive will not be strong enough to elicit a real meaningful contribution from the private sector. And he may have a point. Michael Harrington, one of the truly great social critics of our time, is fearful. He said when business methods are sincerely and honestly applied to urban problems, with very good intentions, they still inevitably lead to anti-social results.

What the cities need are uneconomic allocations of resources. Uneconomic allocations of resources. And there may be some truth here, too.

Hubert Humphrey is more hopeful - cautiously hopeful. Maybe,

you would expect that. But I may say that that hope is not born out of desire. It is, what I consider to be, the sum total of experience. Having~~x~~ talked with businessmen in practically every state in this land during the past two years, I am convinced that we're seeing something much deeper than an ^{ephemeral} ~~ephemeral~~, a surface display of civic virtue. I have found that a hard-headed and pragmatic determination in our business community, to make a business-like, hard-headed assault on slumism.

Now, businessmen that I've talked to are counting on support from government at all levels to make their contribution financially feasible and acceptable to their stockholders. ~~EM~~ What they're counting on is a partnership with the public sector. And they are also willing to take some risks, too. You see, I've never believed that the business community should take on the work of the social workers. I believe that business has a legitimate right to expect a profit, or a right to expect a legitimate profit. I believe in the profit system.

But risk-taking is a part of the American tradition. It is the risk-takers of our free enterprise system who have given most Americans unprecedented prosperity. And risk-taking will be a critical ingredient in any successful assault on the complex disabilities which still shackle 1/7 - one out of every seven - of the American people to poverty. I remind this audience that America is the story of daring. The^{ix}/willingness to take a chance. Their willingness to say that you can do the impossible. That's the difference between mediocrity and greatness. And we've had a long history now of doing what some people thought was impossible.

From respective government to fantastic breakthroughs in science and technology. The dollars, the momentum and yes - I think - the determination are there and here as never before.

But now let me tell you why I am only cautiously hopeful. Those resources may very well molder in the gilded treasury of The Establishment, unless they are offered on terms acceptable to the poor minority of America. We need some simpatica, as the Latines put it. We need a deep sense of understanding, as well as being efficient and able and prudent and all the words that we apply to our political and economic structure. I can tell you from my own experience during the last few months, that the inner city communities and the minority leaders in this country are developing a rather clear idea of what they want - not just what you want - but what they want. They need help. They want help. And they will gratefully accept it, but only if it promises the kind of progress they can make for themselves. They are not asking that you remake a world for them. They want to be partners in their progress. Not only partners, but managers of it.

The mood and the needs that characterized the American slums of today are similar to those that we find in the underdeveloped countries all over the post-colonial world of Asia, Africa and Latin America. And I've been in 30 of those countries since I've been vice president. And four continents. People have long suffered in these areas. They have long suffered oppression. And they're now claiming their place in the sun. And some of us in the more affluent areas of the world say "What's the matter with

with them? Don't they appreciate us?" That's a common comment. I just want to let you know that those who have lived under oppression for a long time are now claiming the right to stand on their own feet. After decades of being badly served by schools and businesses and public services - run by the outsiders - they want their voice. They want and they deserve the right to determine their own destiny through their own efforts. This is true of people abroad and at home. What they want is what we're committing billions of dollars for now - called self-determination.

Now if it's good enough for this nation to be concerned about self-determination in other parts of the world, then you better be concerned about self-determination in your own part of the world - right here in the United States. There's a fierce cultural pride. And there are high ideals and there are abundant energies which can either build or explode. And there are crippling shortages of almost everything but expectations. Decades of second class citizenship have left a dearth of managerial skill and political experience. The means of production are lacking. Interest rates are exorbitant, because capital is scarce. You see what I'm describing is true where I have been for example in recent weeks - in Indonesia, for example. And it's true in Harlem. It's true in the slum areas, the inner city areas, the core areas of our great metropolitan centers. Such a similarity - one difference - the people here are your fellow citizens. And your first obligation is right here.

(APPLAUSE)

Let me complete the description. There is the usual quotient of human misery, ill-clad children, illiterate adults. Housing that's filthy and degrading. The ravages of unnecessary disease. But through it all, here and abroad, there is a burning vision of a better life. Not just a little better, but radically better. And there is proud, and even sometimes arrogant, even militant determination that things must improve - not on your time schedule, but must improve now - fast. People have waited too long. ^{And} I find that most of the people that caution to take it easy are those who have no reason to be in a hurry.

Now that mood was at first a serious obstacle - this ~~same~~ mood ^{have} that I described in our foreign assistance programs. We did not fully recognize it as a critical source of energy. And all too often considered it as an ~~excess~~ expression of downright ingratitude. The recipient nations, for their part, considered the technical advice and suggestions, which are part of any responsible aid program, to be inhibiting and demeaning strings. Only slowly have we achieved enough mutual understanding and respect to sustain the kind of hard bargaining that makes for constructive and efficient aid programs. I regret to say that that level of mutual understanding between the developed and underdeveloped parts of the American society, seems to be lower than between this country and many of its less developed neighbors.

I ask the American people to be as tolerant and as considerate of their own fellow Americans as you are of people that you've

never met- in far away places.

Now, most of us have been thinking far too small, when we talk, for example, about providing jobs. We usually have in mind, you know, jobs that are only one step better than living on Welfare. Let me tell you that there are plenty of unemployed, unskilled, high school drop-outs in the inner city of today, who have the potential to be executives, entrepreneurs, police chiefs, military officers, pilots, bank clerks, hair dressers, dental ~~xxx~~ technicians - yes, doctors, lawyers, switchboard operators and they know it. And their leaders know it. And knowing it, makes to have less intolerable.

Those youngsters want and need real marketable skills - not minimal training. Any training program calculated to make them successful janitors and housemaids for the rest of their lives, is simply is not going to be acceptable. It isn't acceptable for you, is it? Why should we expect it to be acceptable for them? And their first jobs, no matter how lowly, have to visibly and actually represent to them the first rung on the ladder of success. They have to believe that there's a chance to pull themselves up. And even if they never reach the top, and many of us surely know that that is a reality and a fact, I believe that the clear prospect of future progress, the hope of progress, is the only thing that can make an unsatisfactory present unbearable for the future.

Now, let me emphasize the need for advancement opportunities.

I want to emphasize the need of judging people on merit, of upgrading, jobs and skills is just as critical for the vast majority of Negroes and others who already hold jobs, but jobs that are dead-end. I give you one example: We have thousands of our minority members of this society - Mexican Americans - Negro Americans and others - people of different ethnic background. There are thousands of them in our military forces -- I've met them around the world.

I want to say to this audience that if a man who wears the uniform of the United States, of Negro ethnic origin, is good enough to be a colonel, or a brigadier general, or a captain, in the Marines or the Air Force, or the Army, and to manage logistics and supply, to keep records, to have command over the lives of thousands of men, that that man is good enough to manage any supply line, any warehouse, any business, any production line in any factory or any enterprise in the United States of America. And he should be given that recognition.

(APPLAUSE)

And one of the most important and I think one of the most relevant challenges before us is to see that those who have carried the brunt of battle and done it well, with courage and ability, that when they return to the American society, that they find ~~xxxx~~ the civilian society as open to promotion and recognition of merit as they found the military society and if they don't, then the whole thing has been a failure. Thank goodness that we're giving attention

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~~applies~~ to this.

Men that will come out of our armed forces should have priority attention from American business; bring them in. You need them. They're most likely better than what you have. Give them a chance.

And they're needed in city government. They're needed in community agencies. You see, I think that we have to take a look at all the possibilities and not be bogged down in just what we ~~are~~ have been doing. This world has changed. I'm afraid we're thinking too small on housing, too. ~~MMMMMM~~ We tend to think of minimum housing as adequate. Just read what is said about it. How do you describe an adequate house?

Well, generally it's a place free of rats; that's where we start. What a standard -- a place where there is no rubbish in the halls, where there is hot and cold running water. Well, that description is not good enough. I don't describe adequate housing that way. I describe it as a place that has enough space to give a family some privacy, where children have access to a park with grass and shrubbery and trees, and where there are modern plumbing facilities and some comfortable furniture, and where it is in an integrated neighborhood. That's what we call adequate housing; that's a minimum. From there on our you start to build, and this is what we build towards if we want to solve the problem of slum housing in the inner cities.

And the same goes for schools. We're wasting our time if we mean to improve the educational opportunities available to inner city youngsters just enough to ensure that they will form a pool of cheap labour for the rest of their lives. The only test of an

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adequate education that any Negro, Spanish-American, Mexican-American parent will accept today, and the only test that America should is this: Does my child have the same chance in life as the child of the average middle-class American?

That's the test of adequate education, adequate schools.

Now I don't want the American business community, and much of it represented in this room today, to say: 'Well, there goes Humphrey, upping the ante before we even begin to play.'

But I do say this, that if the American private sector, along with government, is going into the business of wiping out poverty and deprivation, and slums, we had better be prepared to accept goals which the people we want to help consider to be realistic. Otherwise, it'll all be for naught. And we have to be ready to deal with those people, not as wards, and clients, but as equals. The emerging minority leaders, and I've met many of them, for their part, are going to have to exhibit the most deft kind of statesmanship that they hope to take advantage of the money, the skill and the good will that are now available to them within the American private sector. Like leaders all over the developing world, they must both speak for the needs and the feelings of their followers, keeping alive the distant vision of a better future and, at the same time, deal pragmatically and responsibly with the harsh realities of the present. Quite a job, to on the one hand be able to lead with a sense of idealism and expectation, and ~~stake~~ on the other hand to be realistic and pragmatic, so that what you do, is not to deceive

those that you say you wish to lead.

They're going to have to do -- going to have to convert frustrations and impatience into energy for progress rather than turmoil. A friend ~~am~~ of mine, down in Philadelphia, the Reverend Leon Sullivan, came in to visit me not long ago about his programs of job training -- a marvelous human being -- and we ended up with one phrase -- from protest to progress. That's what it's all about: from protest to progress. Idealism with realism. Now the temptation to be a demagogue and to be self-indulgent is an occupational hazard of leaders in any position.

I have just seen the results of that kind of leadership, in the potentially rich country of Indonesia. I saw it so clearly, where a new government is now struggling painfully to make a fresh start amid the ruins of self-indulgence, of exploitation, of false ideology, half-finished decaying monuments to one man's ego. A hundred billion people punished, denied. Vision is the mother of accomplishment. Slogans have their place, but slogans are a weak substitute for solid achievement, and after a while, slogans wear thin.

You and I've been through some tough liberal battles together, and I know of no group in the American business community that's better equipped in spirit and understanding to go out and deal, man to man, with the inner city leadership of America today than the group that I face right now.

I think you're prepared, at least I hope so, to accept and support their aspirations, and I think you can elicit their cooperation, so I'm now going to ~~me~~ issue a very specific challenge for action: Can you help some promising Negroes, Puerto Ricans, Mexican Americans,

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minorities, poor, set up businesses in their own neighborhoods? If you can, you will have gone a long way towards bridging the gap between the resources of prosperous America and the aspirations of the disadvantaged minorities. I believe the entrepreneurial energies are there, with these people, but the skills are not. The financing is available, but the mechanism for successfully putting it to work in slum-based enterprises is not.

I'm asking you, today, to use your entrepreneurial skills, your imagination, your creativity, your experience, to develop a package of know-how and financing that will prime the pump and will, in a sense, irrigate the desert of slumism that will build viable enterprises from available ingredients.

Now how do you tap a stable market with potential for expansion that will sustain a new inner city enterprise? By establishing small industries to produce items for your own firms? By winning Federal or state procurement, contracts for your companies and then breaking them into manageable subcontracts for new satellite firms? I know of a large Baltimore firm that issued 8 thousand subcontracts a year, and not one of them goes to a Negro-owned firm. Why? Because they just don't exist.

Where will you find your proteges? Will you seek people with management experience in large firms? Will you try radically to upgrade existing minority owned shops? How will you extend the technical assistance upon which your success is obviously going to depend? These are the questions we have to ask ourselves and find answers to.

What kind of enterprise will have the greatest economic impact on an ~~impoverished~~ impoverished, disadvantaged neighborhood? I'm not talking about a poverty program, now. I hope you will emphasize products that can be sold outside the slums -- restaurants and other establishments which serve only the depressed area itself will produce no new capital, no new income for neighborhoods that desperately need it. Like developing countries, the inner city needs export earnings. Develop capital for development purposes.

Can you build some job-training provision into your new enterprises? You not only should; you must. The Federal Government wants to, and can, give you some help. The Small Business Administration operates an active lending program for central cities which includes economic opportunity loans on liberal terms. Secretary Samuels here could tell you a great deal about what the Department of Commerce and Small Business has to offer; under broadened legislation just enacted by Congress and signed by the President last month, the Small Business Administration is prepared to guarantee leases of small businessmen in depressed areas. How many people know this? Very few, because we've never thought in terms of having the inner city, the slum area, become a viable economic unit unto itself; we've thought in terms of welfarism. We've thought in terms of just a modicum of improvement rather than in terms of building a whole new society.

NATIONAL BUSINESSMEN'S COUNCIL
LUNCHEON

Plaza Hotel
New York, New York
November 16, 1967

HUBERT H. HUMPHREY

Tape II

HUMPHREY: I repeat, if you can have your heart grow warm for somebody five thousand miles away, and you should, and I hope you will, may I suggest that you might have your heart grow warm and your desire to help expand for a neighbor five miles away in your own country, in your own county, in your own city. It seems to me that's a reasonable standard.

Within the last few days, the S. B. A. has decided to allow local development companies to borrow up to 90 per cent of construction costs for small business plants to be established in high unemployment areas. We've been doing some things in government, waiting for somebody to use these tools.

It will run training shops for prospective small business owners. The S. B. A. offers management counselling through what we call SCORE -- Service Corps of Retired Executives -- which now has almost 200 chapters spread across this country, with over three thousand 200 participating members. The Department of Labor is ready to help finance any reasonable job training program. Mr. William Zisch (?), now on loan to the Department of Commerce from Arrow Jet (?) is prepared to call a meeting of all appropriate government agencies at your request, to find out what kind of support you need to provide job training, job opportunities, and to issue tentative commitments right on the spot, while you're there.

You see, I'm one that believes that the best job training comes from industry itself. There is no need of experimenting in the laboratory of a theoretical institution when you have the world of reality

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at your fingertips. And your government is prepared now to join with you to ~~kn~~ ~~kk~~ help pay the costs of on-the-job training in a plant that you own, for the hardcore unemployed. We know that a man or a woman that has little or no skill, that is illiterate or uneducated, is not a productive worker. But we know that they can become productive workers. And we're prepared to share the training costs with you --not to build a new school, not to establish a new institute, but in your factory, in your shop, in your store, in your office, so that the person has the experience of the real-life in real time in a real place.

This is what I mean by 'the new approaches'. Now what more can you suggest? We're open to suggestions. The truth is, that America needs to think big on this problem and needs to think as never before. No one has all of the answers or we would have overcome our problems long ago, and it's not just money. You see the poverty that afflicts Americans today is not just the poverty of the purse: that could be handled by welfare checks. But it's the poverty of the spirit, the poverty of the soul, the poverty of frustration, of bitterness, of disappointment, of not being wanted, of being helpless, and that poverty is hard to get at, and the only way that I know to get at it, is to probe it deeply -- to look as never before as to its root causes.

There is no checkbook answer to the human problems of the American society, but there are human answers to the human problem of any society, and with our material resources and our human spirit, our

3.

dedication, I think we can find those answers.

How can we better use the purchasing power, for example, of Federal contracts to support new companies in depressed areas? We can change the rules of government. They're not by Holy Writ, you know. How can we expand Federal guarantees which cost the government very little to stimulate private financing in the inner city enterprises? What kind of tax incentives provide an equitable and effective stimulus to the kind of projects that we're talking about? Don't just give me generalities -- that's what I'm giving you. I've come to ask you for specifics.

You're the men and the women of industry, of finance, of commerce. And when we talk about tax incentives, be specific. Give us, from the American community, your answers, from your experience. There is government-owned land standing idle in nearly every county and city in America: Federal land, Federal property. How can we make it a productive asset, a tax-producing asset, a revenue-producing asset? We're ready to put it to work; we're ready to deed it over if you can come forth with a proposal that is constructive and productive. This nation needs to apply the same ingenuity and creative energy to the problem of putting the inner cities on their feet that it has applied to building a free enterprise system which serves the public interest, and we can afford even less trial and error.

You see, what I envision the government as is as a partner, not the dominant partner, but a working partner. The government programs are a catalytic agent; they're the -- they trigger, they should trigger, the explosion of private development, of private

creativity: they are fissioned to fusion, so to speak, from nuclear to thermonuclear. If the government could do it alone, it would have been done. There have been people, as your President, from Franklin Roosevelt to Lyndon Johnson, that would have gladly have done it. The government alone in this society cannot do it. The government can be, however, the triggering mechanism, the catalytic agent, that can ~~provide~~ provide the explosion of private know-how, private capital, private technology, cooperative endeavor between government and the private sector. This is what we're talking about, and we're going to have to talk about it a great deal.

Time is running out. Yours will not be an easy task. If you're going to win confidence, you're going to have to work from the beginning, as equal partners with people whose background is very different from yours, and you will not need to be charitable. The time for that alone has passed. You can be hardnosed and realistic, and you should be. You can be perfectly frank, and above all, you must be infinitely creative. The spirit of just noblesse oblige, the spirit of just being a nice fellow, is not what is needed. What is needed is some frank bargaining and talk, getting right down to treating the people that we're working with as equals, and the sure way to demonstrate that is, when you talk tough, when you don't go in there with a sense of guilt, but rather you come in there as a sense of partnership, equals, with equals, and say let's go together, march together, walk together, build together.

Now, if you succeed, you will have done much more than provide

new employment opportunities and new incomes: something you could have done by putting a plant of your own in a depressed neighborhood. You will have developed a dramatic new formula for the private sector participation in the War on Poverty.

You know, I don't like that phrase, particularly. I'd like to call it an adventure in opportunity, because that's what people want: opportunity. You will have provided a formula which can serve as an example for hundreds of similar ventures throughout the country. You will have given some individual Americans for the first time a full and equal chance, as well as the help they need to reach the top, and through those leaders, you will have served the aspirations of the entire community. You will have proven that American free enterprise can produce not only plenty, which it can, but full and equal opportunity to all. You will have proven that this system of ours can produce self-respect, and can assure human dignity.

Real opportunity -- that's what it's about, for every American. A stake in our society: this is good public policy. I remind you of what John Stuart Mill, the great English philosopher-political economist once said: "Let a man have nothing to do for his country, and he will have no love for it." Let that be seared into your souls.

Maybe that's what's causing some of the trouble. When people have nothing to do for their country, feel no stake in it, they have neither love nor respect for it. What we need, therefore, is the widest participation, the full involvement of the total citizenry.

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And I think that this is not only good public policy, this is good economics. Some fifteen per cent of the American people today are neither adequate producers nor effective consumers. ~~THESE~~ They're also poor taxpayers, if at all. They need houses, furniture, clothes, cars, food, everything that the majority of we Americans have and consume every day. They are America's new economic frontier, the great untapped market. If we can but tap their strength and their creative energies, in finally helping others to help themselves, sharing abundance with those who have too little, that is good morals.

Now when you can put together a package that is good public policy, good economics, and good morals, then I submit that you have a formula that can produce results. I have a favourite quotation of a depression author. I suppose I like it because it was written at the time that many things were seared into my mind and soul about this country of ours and its hopes, its frustrations, its aspirations, and its defeats. You've heard it, and I've said it to you all too often, but sometimes repetition is the way that many people learn.

Thomas Wolfe told us so much with his words, and he told me, almost, well, in prose, what I would think would be worthy of a secular prayer. He said, "To every man his chance, to every man regardless of his birth, his shining, golden opportunity. To every man, the right to live and to work, and to be himself, and to become

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whatever things his manhood and his vision can combine to make him. That is the promise of America."

My fellow Americans, ladies and gentlemen, that is the promise of America. To do less is to fail. To achieve it, is to fulfill the highest aspirations of this country, and I call upon you now as liberal, motivated aggressive, constructive, successful leaders in commerce, industry and finance to prove that this system of ours is not only good for most of us, but for all of us, to precept an example. We can do more to convince and persuade the doubters, than through all of the words, and all of the lyrics, and all of the music, and all of the rhetoric, and I speak to you now as soldiers in the frontline battle for opportunity, and I ask you to mobilize yourselves, your resources, your friends, and your neighbors, not only to help save a world, but what about your town, what about your neighborhood? Start here. Learn by doing. Move from protest to progress. Earn and learn, learn and earn. It makes good sense.

Thank you very much.

(APPLAUSE)

MAN: For the economically disenfranchised, opportunities that can permit an inherently able inner city resident to become the peer of any man in this room. More than that, we must provide the know-how, experience, and guidance, to help make these opportunities come alive. The immensity of the ~~mix~~ total problem may well

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intimidate any organization of government or industry, let alone individual businessmen, but Mr. Vice President, the National Businessmens' Council has resolved not to be intimidated. A democratic society and a free enterprise economy demands that we maintain faith in the capacity of the individual.

Each businessman in this room lives this truism. So, in facing the total inner city problem, in all of its immensity, I need but recall President Kennedy's restatement of a Chinese proverb: "That the voyage of a thousand miles starts with a single step."

MMHY Mr. Vice President, we accept your challenge and, enthused by your support, I can tell you that the National Businessmens' Council, is ready to take that step, now. In fact, we now pledge you at least three steps, a three-part program.

By June 30, 1968, the National Businessmens' Council will initiate and sponsor the creation of at least three new manufacturing enterprises in ~~inner city~~ inner city areas of New York.

(APPLAUSE)

Each of these will be founded on a viable business concept, that will be developed with the technical and management guidance of NBMC members, and each will be owned by inner city residents, with the desire and the inherent ability to succeed as entrepreneurs. Each will start small, but as ventures that will have the capacity for permanence and growth, along with the abilities of their indigenous owners. Second, by the end of 1968, the National Businessmens

Council will establish at least fifty manufacturing concepts that we consider workable in our inner city areas. With these concepts, we will try to bring together all of the facilities and advantages that you have set forth. We will try to bring together the technical know-how, the management ability, the capital and markets, all elements that, together with local ambitions, can foster the export expansion of our underprivileged communities. In this effort, we will seek help from our business world and from government at all levels.

And in this regard, I am happy to report that Mayor Lindsay has assured us that, as part of his economic development program, we will receive the fullest cooperation of the city, and I would like at this point to read this telegram that I received earlier from the Mayor:

"Because of a previous commitment, Commissioner Lewisohn and I regret that we will not be able to be with you at your luncheon on November 16th. I have asked Commissioner EMM Genz (?) to represent the city." Commissioner Genz is the Manpower Commissioner. I think they're over there somewhere. Sam, do you want to stand up and take a bow?

(APPLAUSE)

"New York City is vitally interested in the development of entrepreneurial talent in minority communities. The city's Department of Commerce and Industrial Development, under the leadership of

Commissioner Lewisohn is planning a major program for promotion of local business ownerships. The proposed project of the National Businessmens' Council will help to provide the much-needed assistance of private industry, without which the city's efforts could not succeed. The City and the Council must continue to cooperate to make these programs effective. Please accept my congratulations and best wishes for success. John V. Lindsay, Mayor."

(APPLAUSE)

Third, the National Businessmens' Council is setting up a Vice President's Committee for Community Export Expansion. This Committee will serve as a clearinghouse for businessmen who accept your challenge. It will cooperate with the agencies of government and with other business groups who wish to set up similar projects. In fact, in the same evangelical fervour that you have expressed, I'd like to start to do some recruiting right here and now.

I would ask that any businessman, all businessmen in this room, who would like to work with us on our Vice President's Committee or independetntly, let us know. There are cards on your table. You can note your name and address and drop the cards off at the reception desk when you leave.

We need your ideas and support, and I promise you a satisfactory and rewarding experience. Mr. Vice President, there is a time for surveys and broad-gauged planning. But the prospective entrepreneurs of the ghetto should not wait. Each new entrepreneur is the yeast that will breed its own culture of economic development. There is a

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time for words of appreciation, and thanks, and that time is now, except, we are giving you more than words. The National Businessmens' Council proposes action, and results, We know that our program is not easy, and that we will surely stub our toes, many times, along the way.

If it becomes too painful, we will come to you, not to cry, just to regenerate the enthusiastic sense of purpose that you have instilled in us today. Thank you, Mr. Vice President.

(APPLAUSE)

THURSDAY PM's
11/16/67

OFFICE OF THE VICE PRESIDENT

EXCERPTS FROM REMARKS BY VICE PRESIDENT HUBERT HUMPHREY
NATIONAL BUSINESSMEN'S COUNCIL, NEW YORK, NOVEMBER 16, 1967

New York City -- Vice President Hubert Humphrey today challenged business leaders to take the initiative in technical assistance to Negroes and other minorities interested in developing business enterprises in the inner-city.

In his prepared remarks for delivery before the National Businessmen's Council in New York City on Thursday, November 16, the Vice President said, "This nation must apply the same ingenuity and creative energy to the problem of putting the inner cities on their feet that it has applied to building a free enterprise system which serves the public interests -- and we can afford even less trial and error."

In his "very specific challenge for action," the Vice President asked the business leaders: "Can you set some promising Negroes and Puerto Ricans up in business in their own neighborhoods?"

"If you can, you will have gone a long way toward bridging the gap between the resources of prosperous America and the aspirations of our disadvantaged minorities."

The Problems | "I believe the entrepreneurial energies are there," the Vice President said, "but the skills are not. The financing is available -- but the mechanism for successfully putting it to work in ghetto-owned enterprises is not."

The Vice President suggested that the business leaders use their entrepreneurial skills and experience to develop a package of know-how and financing that will "prime the pump" --- that will build viable enterprises from the available ingredients.

(con't)



OFFICE OF THE VICE PRESIDENT

Page 2

The Vice President pointed out that the success of this program would mean the development of a "dramatic new formula for private sector participation in the War on Poverty -- a formula which can serve as an example for hundreds of similar ventures throughout the country."

He added, "You will have proven that the American free enterprise system can produce not only plenty, but full and equal opportunity for all."

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OFFICE OF THE VICE PRESIDENT

THURSDAY PM

REMARKS
VICE PRESIDENT HUBERT HUMPHREY
NATIONAL BUSINESSMEN'S COUNCIL
NEW YORK, NEW YORK
NOVEMBER 16, 1967

STATEMENT

Poverty and blighted opportunity in America are no longer the special preserve of social reformers, the charitably inclined, and struggling government agencies. The challenge they offer our cherished democratic principles has been taken up by a broader section of this society, and particularly by the business community.

EXAMPLES

The Urban Coalition says, "All representatives of the private sector in the Urban Coalition decisively commit themselves to assist the deprived among us to achieve full participation in the economy as self-supporting citizens."

The life insurance companies of America pledge a billion dollars to build low cost housing and finance enterprises that will create jobs in city core areas.

A responsible savings and loan official urges his industry to invest sixty billion dollars over the the next twelve years in rebuilding the inner city -- and he has found an enthusiastic audience.

Companies all over the United States have expressed interest in hiring and training the hard-core unemployed. Some say they are ready to put new factories in the inner city areas.

Question

How significant is this new upsurge of civic spirit?

Professor Galbraith is doubtful. He thinks the economic incentive will not be strong enough to elicit a meaningful contribution from the private sector. He may have a point.

Doubt

Michael Harrington, one of the great social critics of our time, is fearful: "When business methods are sincerely and honestly applied to urban problems, with very good intentions," he says, "they still inevitably lead to antisocial results....What the cities need are 'uneconomic' allocations of resources." There is truth here too.

Hubert Humphrey is hopeful -- cautiously hopeful.

**Confidence
+ Love
Co-operation**

Having talked with businessmen in nearly every state during the last year, I am convinced that we are seeing something much deeper than an ephemeral display of civic virtue. I have found a hard-headed and pragmatic determination to make a business-like assault on slumism.

Businessmen I have talked to are counting on support from governments at all levels to make their contribution financially feasible and acceptable to their stockholders -- a partnership with the public sector. But they are also willing to take some risks.

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-2-

Not just a
function of
package; there
are shortages,
and
shortcomings
on
both
sides

It is the risk-takers of our free enterprise system who have given most Americans unprecedented prosperity; and risk-taking will be a critical ingredient in any successful assault on the complex disabilities which still shackle a seventh of the American people to poverty.

The dollars, the momentum and, yes, the determination are there as never before -- but now let me tell you why I am only cautiously hopeful:

Those resources may very well molder in the gilded treasury of the establishment unless they are offered on terms acceptable to the poor minority of America.

I can tell you from my own experience during the last few months that inner city communities and the minority leaders in this country are developing a rather clear idea of what they want. They need help, want help, and will gratefully accept it -- but only if it promises the kind of progress they can make for themselves.

The mood and the needs that characterize the American slums of today are similar to those we find in underdeveloped countries all over the post-colonial world of Asia, Africa and Latin America.

People who have long suffered oppression are now claiming their place in the sun.

After decades of being badly served by schools, businesses, and public services run by "outsiders," they want their voice. They want -- and they deserve -- the right to determine their own destiny through their own efforts.

There is fierce cultural pride, there are high ideals, there are abundant energies which can either build or explode.

And there are crippling shortages of almost everything but expectations.

Decades of second-class citizenship have left a dearth of managerial skill and political experience. The means of production are lacking. Interest rates are exorbitant because capital is scarce.

There is the usual quotient of human misery -- ill-clad children, illiterate adults, pestilential housing, the ravages of unnecessary disease.

But through it all there is the burning vision of a better life -- not just a little better, but radically better. And there is a proud, sometimes arrogant, even militant, determination that things must improve -- now.

That mood was at first a serious obstacle in our foreign assistance programs. We did not fully recognize it as a critical source of energy, and considered it an expression of ingratitude.

The recipient nations, for their part, considered the technical advice and suggestions which are part of any responsible aid program to be inhibiting and demeaning "strings." Only slowly have we achieved enough mutual understanding and respect to sustain the kind of hard bargaining that makes for constructive and efficient aid programs.

I regret to say that the level of mutual understanding between the developed and underdeveloped parts of American society seems to be lower than between this country and many of its less developed neighbors.

Most of us have been thinking far too small when we talk, for example, about providing jobs. We usually have in mind jobs that are only one step better than living on welfare.

Let me tell you that there are plenty of unemployed, unskilled high school dropouts in the inner city today who have the potential to be executives, entrepreneurs, police chiefs, military officers, pilots, bank clerks, hairdressers, dental technicians, or switchboard operators. They know it, and their leaders know it.

Those youngsters want and need real, marketable skills, not minimal training. Any training program calculated to make them successful janitors and housemaids for the rest of their lives is simply not going to be acceptable.

And their first jobs, no matter how lowly, have to visibly and actually represent the first rung on the ladder of advancement. Even if they never reach the top, I believe the clear prospect of future progress is the only thing that can make an unsatisfactory present bearable.

Let me emphasize that the need for advancement opportunities is just as critical for the vast majority of Negroes and others who already hold jobs -- but jobs that are dead-end.

I am afraid we are thinking small on housing, too. We tend to think of minimum housing as adequate.

How do you describe an adequate house? -- as a place free of rats, a place where there is no rubbish in the halls, where there is hot and cold running water?

I don't. I describe it as a place that has enough space to give a family some privacy, where children have access to a park with grass and trees in it, where there are modern plumbing facilities and some comfortable furniture. And it is in an integrated neighborhood.

That is what we have to build toward if we want to solve the problem of slum housing.

The same goes for schools. We are wasting our time if we mean to improve the educational opportunities available to inner city youngsters just enough to insure that they will form a pool of cheap labor for the rest of their lives.

The only test of an adequate education that any Negro, Spanish American or Mexican-American parent will accept today -- and the only test America should accept -- is this: Does my child have the same chance in life as the child of the average middle-class American?

Now I don't want the American business community to say, "Humphrey is upping the ante before we even begin to play." But if the American private sector, along with government, is going into the business of wiping out poverty and slums, we had better be prepared to accept goals which the people we want to help consider realistic.

And we have to be ready to deal with those people not as wards but as equals.

The emerging minority leaders, for their part, are going to have to exhibit the most deft kind of statesmanship if they hope to take advantage of the money, skill and good will that are now available to them within the American private sector.

Like leaders all over the developing world, they must both speak for the needs and feelings of their followers, keeping alive the distant vision of a better future, and at the same time deal pragmatically and responsibly with the harsh realities of the present.

They are going to have to convert frustrations and impatience into energies for progress rather than turmoil.

The temptation to be demagogic and self-indulgent is an occupational hazard of leaders in their position. I have just seen the results of that kind of leadership in the potentially rich country of Indonesia where a new government is now struggling painfully to make a fresh start amidst the half-finished, decaying monuments to one man's ego.

Vision is the mother of accomplishment; and slogans have their place. But they are a weak substitute for solid achievement.

You and I have been through some tough liberal battles together, and I know of no group in the American business community better equipped in spirit and understanding to go out and deal man to man with the inner city leadership of America today.

I think you are prepared to accept and support their aspirations and I think you can elicit their cooperation.

So I am now going to issue a very specific challenge for action: Can you get some promising Negroes and Puerto Ricans up in business in their own neighborhoods?

If you can, you **will** have gone a long way toward bridging the gap between the resources of prosperous America and the aspirations of our disadvantaged minorities.

Link:
you + I:
the
challenge

I believe the entrepreneurial energies are there -- but the skills are not. The financing is available -- but the mechanism for successfully putting it to work in ghetto-owned enterprises is not.

I am asking you to use your entrepreneurial skills and experience to develop a package of know-how and financing that will prime the pump -- that will build viable enterprises from the available ingredients.

How do you tap a stable market with potential for expansion that will sustain a new inner city enterprise?
--By establishing small industries to produce items for your own firms?

--By winning federal or state procurement contracts for your own companies and then breaking them into manageable subcontracts for new satellite firms?

I know of a large Baltimore firm that issues eight thousand subcontracts a year -- and not one of them goes to a Negro-owned firm because they just don't exist.

Where will you find your proteges? Will you seek people with management experience in large firms? Will you try radically to upgrade existing minority-owned shops?

How will you extend the technical assistance upon which your success is obviously going to depend?

What kind of enterprise will have the greatest economic impact on the ghetto? I am not talking about a poverty program, but I nevertheless hope you will emphasize products that can be sold outside the ghetto. Restaurants and other establishments which serve only the depressed area itself will produce no new income for neighborhoods that desperately need it. Like developing countries, ghettos need export earnings.

Can you build some job-training provisions into your new enterprises?

The federal government can give you some help.

The Small Business Administration operates an active lending program for central cities which includes Economic Opportunity Loans on liberal terms.

Under broadened legislation enacted by Congress and signed by the President just last month, the Small Business Administration is prepared to guarantee leases of small businessmen in depressed areas.

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The Department of Labor is ready to help finance any reasonable job training program.

Mr. William Zisch, now on loan to the Department of Commerce from Aerojet General, is prepared to call a meeting of all appropriate government agencies at your request, find out what kind of support you need to provide job opportunities, and issue tentative commitments on the spot.

What more can you suggest? How can we better use the purchasing power of federal contracts to support new companies in depressed areas? How can we expand federal guarantees, which cost the government very little, to stimulate private financing of ghetto-based enterprises?

Would tax incentives provide an equitable and effective stimulus to the kind of projects we are talking about?

There is government-owned land standing idle in nearly every city in America. How can we make it a productive asset?

This nation must apply the same ingenuity and creative energy to the problem of putting the inner cities on their feet that it has applied to building a free enterprise system which serves the public interests -- and we can afford even less trial and error.

Yours **will not** be an easy task. If you are going to win confidence, you will have to work from the very beginning as equal partners with people whose background is very different from yours.

You will not need to be charitable -- the time for that has passed. You can be hard-nosed and realistic. You can be perfectly frank. Above all you must be infinitely creative.

If you succeed, you will have done much more than provide new employment opportunities and new incomes -- something you could have done by putting a plant of your own in a depressed neighborhood.

You will have developed a dramatic new formula for private sector participation in the War on Poverty -- a formula which can serve as an example for hundreds of similar ventures throughout the country.

You will have given some individual Americans a full and equal chance, as well as the help they need, to reach the top; and through those leaders you will have served the aspirations of an entire community.

You will have proven that the American free enterprise system can produce not only plenty, but full and equal opportunity for all.

Push
the
Profit
motive

Real opportunity for every American, a stake in society -- that is good public policy. As John Stuart Mill wrote, "Let a man have nothing to do for his country and he will have no love for it."

It is good economics. Some 15 per cent of the American people today are neither adequate producers nor effective consumers. They are also poor tax payers.

They need houses, furniture, clothes, food, and everything else the majority of American families consume every day. They are America's new economic frontier, if we can but tap their strength, and their creative energies.

And, finally, helping others to help themselves, sharing abundance with those who have too little,-- that is good morals.

In the words of Thomas Wolfe,
"To every man his chance, to every man, regardless of his birth, his shining, golden opportunity. To every man the right to live, to work, to be himself. And to become whatever things his manhood and his vision can combine to make him. This....is the promise of America."

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OFFICE OF THE VICE PRESIDENT

REMARKS

VICE PRESIDENT HUBERT HUMPHREY
NATIONAL BUSINESSMEN'S COUNCIL
NEW YORK, NEW YORK
NOVEMBER 16, 1967

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jobs open
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Those resources may very well molder in the gilded treasury of the establishment unless they are offered on terms acceptable to the poor minority of America.

I can tell you from my own experience during the last few months that inner city communities and the minority leaders in this country are developing a rather clear idea of what they want. They need help, want help, and will gratefully accept it -- but only if it promises the kind of progress they can make for themselves.

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You will have developed a dramatic new formula for private sector participation in the War on Poverty -- a formula which can serve as an example for hundreds of similar ventures throughout the country.

You will have given some individual Americans a full and equal chance, as well as the help they need, to reach the top; and through those leaders you will have served the aspirations of an entire community.

You will have proven that the American free enterprise system can produce not only plenty, but full and equal opportunity for all.

Real opportunity for every American, a stake in society -- that is good public policy. As John Stuart Mill wrote, "Let a man have nothing to do for his country and he will have no love for it."

It is good economics. Some 15 per cent of the American people today are neither adequate producers nor effective consumers. They are also poor tax payers.

They need houses, furniture, clothes, food, and everything else the majority of American families consume every day. They are America's new economic frontier, if we **can** but tap their strength, and their creative energies.

And, finally, helping others to help themselves, sharing abundance with those who have too little,-- that is good morals.

In the words of Thomas Wolfe,
"To every man his chance, to every man, regardless of his birth, his shining, golden opportunity. To every man the right to live, to work, to be himself. And to become whatever things his manhood and his vision can combine to make him. This....is the promise of America."

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