

REMARKS

BY

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BUSINESSMEN'S LUNCHEON

DALLAS, TEXAS

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THIS IS A GOOD TIME TO BE IN BUSINESS IN AMERICA; A TIME OF CORPORATE SOCIAL ACTION WHEN WE SEE THE AMERICAN BUSINESS COMMUNITY BEGINNING TO EXPLOIT ITS VAST RESOURCES, TECHNOLOGY AND TALENT FOR THE BENEFIT OF ITS TRUE STOCKHOLDERS -- THE CITIZENS OF THIS NATION.

THE THOUSAND CORPORATE LEADERS WHO LAST YEAR RESPONDED TO PRESIDENT JOHNSON'S APPEAL TO ESTABLISH THE NATIONAL ALLIANCE OF BUSINESSMEN IN ORDER TO ATTACK AN URGENT NATIONAL PROBLEM -- FINDING JOBS FOR THE CHRONICALLY UNEMPLOYED -- HAVE GRAPHICALLY DEMONSTRATED THAT THE DAYS WHEN THE "BUSINESS OF BUSINESS IS BUSINESS" ARE LONG PAST. TODAY, IN THE WORDS OF ALCOA PRESIDENT AND CHIEF EXECUTIVE OFFICER JOHN HARPER, WE CAN RE-WRITE THAT SLOGAN TO READ "THE BUSINESS OF BUSINESS IS TO MAKE A PROFIT BY ANSWERING HUMAN

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WANTS AND HUMAN NEEDS."

EXAMPLES OF SUCH HUMAN CORPORATE LEADERSHIP ABOUND. IN DETROIT, THEIR CITY RAVAGED BY RIOT, BUSINESSMEN FORMED THE NEW DETROIT COMMITTEE TO REBUILD THE INNER CITY. THE URBAN COALITION, UNDER MY OLD FRIEND JOHN GARDNER, HAS PROMPTED A NATIONAL DIALOGUE AMONG LEADERS FROM BUSINESS, THE COMMUNITY, LABOR AND MINORITY GROUPS. IN CITY AFTER CITY, THE COALITION HAS WON SUPPORT AND ADMIRATION FROM ALL SEGMENTS OF THE COMMUNITY AS IT TACKLES URGENT URBAN DILEMMAS.

SUCH FORMERLY ALL-BUSINESS ORGANIZATIONS AS YOUR PARENT ORGANIZATION, THE CHAMBER OF COMMERCE, AND THE NATIONAL ASSOCIATION OF MANUFACTURERS TODAY FOCUS THEIR PROGRAMS AND PUBLICATIONS ON THE RESPONSIBILITY OF THE BUSINESS COMMUNITY TOWARD THE WIDER COMMUNITY. SUCH CORPORATIONS AS AEROJET, WITH ITS PLANT IN WATTS, AND THE HOTEL CORPORATION OF AMERICA, WITH A NEW MOTEL GOING UP IN HARLEM, ARE TRYING TO REVITALIZE THE INNER CITY ECONOMICALLY, TO PROVIDE THE JOBS AND FACILITIES THAT MAKE URBAN LIVING BEARABLE. HERE IN THE DALLAS - FORT WORTH AREA THE BUSINESS COMMUNITY HAS ALWAYS HAD A CLOSE INVOLVEMENT WITH MATTERS OF COMMUNITY CONCERN. FIRMS SUCH AS LTV -- AT THE FIRM'S OWN EXPENSE -- HAVE MOVED WHOLE FAMILIES FROM THE IMPOVERISHED RIO GRANDE VALLEY INTO THE HEALTHY DALLAS EMPLOYMENT MARKET.

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MEXICAN-AMERICAN FAMILIES, THEIR GAME COCKS PACKED ON TOP OF OLD PICK-UP TRUCKS AMONG TATTERED FAMILY BELONGINGS ARRIVE BEWILDERED AND FRIGHTENED BY URBAN CONFUSION. LTV COUNSELS, PROVIDES HOUSING AND OTHER RELOCATION ASSISTANCE, AND -- MOST IMPORTANT -- JOBS,

JOBS -- PLUS THE PATIENCE AND THE TRAINING THAT MAKE IT POSSIBLE FOR THESE NEW ARRIVALS -- MANY OF WHOM HAVE NEVER HELD A JOB BEFORE -- TO BECOME PART OF THE ECONOMIC MAINSTREAM OF AMERICA.

CLEARLY, SUCH NEW DIRECTIONS ARE CALLED FOR.

THE BEST OF GOVERNMENTS - LOCAL, STATE OR FEDERAL -- CANNOT BY ITSELF SOLVE THE TOUGH, SOCIETAL PROBLEMS FACING US TODAY, PROBLEMS WE HAVE IN PART INHERITED, AND IN PART CREATED. BUSINESS, ALONG WITH ALL OTHER ELEMENTS OF OUR SOCIETY, MUST SHARE THE BLAME AND BEAR THE BURDEN OF RESTRUCTURING OUR IMPERFECT SOCIETY.

IT WOULD BE EASY IF WE COULD START THIS EFFORT WITH A CLEAN SLATE, BUT WE HAVE TO DEAL WITH THE ACCUMULATED LIABILITIES OF YESTERDAY, WITH THOSE WHO GREW AMONG US ILL-HOUSED, POORLY FED AND SEMI-LITERATE.

IN AN EARLIER AMERICA A STRONG BACK AND A WILLING HEART COULD GET ANYONE PAST THE HIRING GATE. BUT IN OUR INCREASINGLY TECHNOLOGICAL SOCIETY, MORE THAN HALF A MILLION WILLING ADULTS ARE SIMPLY NOT EQUIPPED TO HOLD A JOB. ANOTHER

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HALF MILLION OR MORE ARE BARRED AT THE EMPLOYMENT DOOR BECAUSE OF OBSOLETE AND RACIALLY RESTRICTIVE HIRING PRACTICES.

CORRECTING SUCH CONDITIONS SHOULD BE A MATTER OF CONSCIENCE, BUT CONSCIENCE OR NO CONSCIENCE, THE HARD ECONOMIC DATA IS PUNISHING: THESE MILLION OR MORE PEOPLE ARE A CONSISTENT AND PERSISTENT TAX DRAIN AND THEY HOLD BACK AN OTHERWISE EXPANDING ECONOMY. CLYDE SKEEN, PRESIDENT OF LTV, HAS DONE THE COMPUTATION FOR US. SKEEN NOTES THAT IT COSTS SOME TWENTY-EIGHT OR TWENTY-NINE HUNDRED DOLLARS TO TRAIN DISADVANTAGED WORKERS. AGAINST THIS COST, SKEEN NOTES THE \$1300 AVERAGE WELFARE SUPPORT PAYMENT ANNUALLY AND THE FEDERAL, STATE AND LOCAL INCOME SALES AND OTHER TAXES NOW CONTRIBUTED BY THIS NEW EMPLOYEE, AND POINTS OUT THAT THIS ADDS UP TO AN AVERAGE BURDEN OF OVER \$1600 REMOVED FROM THE TAXPAYER -- A RETURN ON THE ORIGINAL INVESTMENT OF OVER 65% IN THE FIRST YEAR AND OVER 100% BY THE END OF THE SECOND YEAR.

IN ADDITION, THESE NEWLY EDUCATED PEOPLE BECOME PRODUCTIVE WORKERS. THEY INCREASE THEIR PURCHASING POWER FOR GOODS AND SERVICES BY AN AVERAGE OF OVER \$3400 A YEAR AND THEY CONTRIBUTE SOME \$10,000 ANNUALLY TO THE GROSS NATIONAL PRODUCT AS THIS MONEY FILTERS DOWN THROUGH THE BUTCHER, THE BAKER AND THE CANDLESTICK MAKER -- AND YOUR OWN PARTICULAR CORPORATIONS AND FIRMS. AND THIS ONE MILLION IS BY NO MEANS THE TOTAL UNEMPLOYED POPULATION. THESE MILLION PEOPLE ARE THE ACTIVE JOB SEEKERS, THOSE WHO MEET FRUSTRATION EVERY DAY

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THEY SEARCH FOR WORK. CORRECTING SUCH CIRCUMSTANCES ARE MATTERS OF COMPASSION, CONCERN -- AND VITAL SELF-INTEREST. THE UNEMPLOYED AND THEIR FAMILIES ARE THE PRIMARY VICTIMS, BUT AS SKEEN POINTED OUT, WE ALL SUFFER SOME OF THE CONSEQUENCES OF THEIR DEPRIVATION.

THE DOMINANT IMAGE OF AMERICA IS THE ECONOMIC WELL-BEING OF THE MAJORITY OF ITS CITIZENS. INFLATION OR NO, NATIONAL INCOME IS AT AN ALL TIME HIGH. THE GROSS NATIONAL PRODUCT CONTINUES ITS RECORD BREAKING ASCENDANCE. THE EVIDENCE OF ABUNDANCE IS EVERYWHERE. PROSPERITY STRETCHES FROM WALL STREET TO GOPHER GULCH.

BUT THE DOLLAR GROWTH OF THE ECONOMY ONLY SERVES TO HIGHLIGHT THE CHRONIC FAILURE OF MANY TO KEEP UP. ONE OUT OF FIVE AMERICANS STILL LIVES IN AN AREA WHERE ECONOMIC OPPORTUNITY IS SEVERELY LIMITED; ONE OUT OF FOUR OF OUR COUNTIES IS HAVING SERIOUS FINANCIAL PROBLEMS. THE IMPACT OF THIS ECONOMIC IMBALANCE IS PERVERSIVE. THERE ARE FEWER CUSTOMERS FOR THE PRODUCTS OF THE ECONOMICALLY HEALTHY REGIONS. THE PROSPEROUS REGIONS MUST BE TAXED MORE HEAVILY TO COMPENSATE FOR THE MINIMAL REVENUES FROM THE DISTRESSED REGIONS. AND THE UNEMPLOYED IN BOTH AREAS ARE TAX-USERS, NOT TAX PAYERS.

THERE IS ONLY ONE ANSWER TO UNEMPLOYMENT. JOBS. AND NO WHITE HOUSE ADVISOR PLAYING MONOPOLY GAMES WITH THE

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ECONOMY HAS THE RIGHT TO TOY WITH THE LIVES OF MILLIONS OF OUR CITIZENS AND ACCEPT RISING UNEMPLOYMENT AS A TRADE-OFF FOR PRICE STABILITY.

IN THE PAST TEN MONTHS INFLATION HAS RUN WILD; IT IS CLEARLY ONE OF THE MOST DANGEROUS DEVELOPMENTS ON THE NATIONAL HORIZON. BUT UNEMPLOYMENT IS NOT AND NEVER WILL BE AN ACCEPTABLE CONSEQUENCE OF ITS CONTROL. WE CAN NEVER AFFORD TO FORGET PEOPLE BECAUSE OUR MONEY IS THREATENED.

HOW MUCH UNEMPLOYMENT IS THE NIXON ADMINISTRATION WILLING TO ACCEPT? FOUR AND A HALF PERCENT? FIVE PERCENT? FIVE AND A HALF PERCENT?

THESE ARE SMALL NUMBERS AND THEY MAY NOT SOUND FRIGHTENING, BUT REMEMBER THAT EVERY HALF OF A PERCENTAGE POINT REPRESENTS OVER ONE MILLION PEOPLE -- AND EVERY SINGLE ONE OF THESE IS A PERSON IN THE MIDST OF TROUBLE.

WHAT DO I MEAN BY TROUBLE? A RECENT NATIONAL NUTRITION SURVEY EXAMINING PHYSICAL CONDITIONS AMONG THOUSANDS OF FAMILIES TURNED UP THIS APPALLING INFORMATION;

. . 34 PERCENT OF THE PRE-SCHOOL CHILDREN HAD ANEMIA,
. . 33 PERCENT HAD VITAMIN A DEFICIENCY -- A CONDITION THAT DOES NOT EXIST WHEN A CHILD HAS ENOUGH MILK TO DRINK,

. . A MAJORITY HAD SERIOUS DENTAL PROBLEMS; LARGE NUMBERS HAD RICKETS OR SCURVY OR BERIBERI OR OTHER DISEASES NORMALLY ASSOCIATED WITH FAMINE CONDITIONS.

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THIS IS TROUBLE.

LAST YEAR, TESTS IN THE NEW YORK CITY PUBLIC SCHOOLS SHOWED THAT 85 PERCENT OF ALL CHILDREN WERE RETARDED IN READING BY THE END OF THE SIXTH GRADE; IN THE DISADVANTAGED NEIGHBORHOODS OF THE BRONX, 51 PERCENT OF EIGHTH GRADERS ARE THREE OR MORE YEARS BEHIND. OF 1135 PUERTO RICAN YOUNGSTERS WHO SHOULD HAVE GRADUATED FROM HIGH SCHOOL LAST YEAR, ONLY 34 RECEIVED A DIPLOMA.

THIS IS TROUBLE.

ALTHOUGH A RESEARCH PROJECT JUST RELEASED BY THE U. S. BUREAU OF THE CENSUS SHOWS THAT THE NUMBER OF SUB-STANDARD HOUSING UNITS IN THE NATION DROPPED FROM 18 PERCENT TO 9 PERCENT IN THE EIGHT KENNEDY - JOHNSON YEARS, OVER SIX MILLION HOUSEHOLDS IN THIS COUNTRY ARE STILL RATED SUBSTANDARD BY THE MOST MINIMUM MEASUREMENTS. THIS, NOTES ART YOUNG, CHIEF OF THE CENSUS BUREAU'S HOUSING DIVISION, MEANS THAT 6 MILLION HOUSING UNITS ARE DELAPIDATED, SERIOUSLY OVER-CROWDED, LACK INDOOR PLUMBING -- OR ALL THREE.

THOUGH NO ACCURATE COUNT IS AVAILABLE, SIX MILLION SUCH HOUSEHOLDS VERY LIKELY HOLD BETWEEN 20 AND 30 MILLION AMERICANS WHO ARE LIVING IN SQUALOR AMIDST THE GENERAL PLENTY.

AND THIS DATA DOES NOT BEGIN TO TELL THE WHOLE STORY: AN ADEQUATE PHYSICAL STRUCTURE IS NO GUARANTEE OF AN ADEQUATE ENVIRONMENT, OF GREEN SPACE OR PLAYGROUNDS FOR GROWING CHILDREN, OF TRANSPORTATION TO JOBS OR TO HEALTH

FACILITIES, OF CLEAN AIR OR RODENT AND VERMIN-FREE RESIDENTIAL NEIGHBORHOODS,

AS THE DOUGLAS COMMISSION REPORT ON URBAN PROBLEMS NOTED, HOUSING EXPECTATIONS, LIKE OTHER EXPECTATIONS, HAVE RISEN. WHAT WAS ACCEPTABLE IN THE 1940'S (WHEN HOUSING STANDARDS WERE DEVELOPED) IS NO LONGER ACCEPTABLE TO A VERY SUBSTANTIAL PORTION OF THE POPULATION TODAY,

THIS IS TROUBLE.

SUBSTANDARD HOUSING, LIKE HUNGER, POOR HEALTH AND ILLITERACY, IS A CONSEQUENCE OF CHRONIC POVERTY AND LIKE ALL OTHER SITUATIONS IN WHICH GOODS AND SERVICES ARE EXCHANGED FOR MONEY, THE SOLUTION LIES IN EXPANDING JOB MARKETS AND JOB OPPORTUNITIES. THIS IS TOO BIG A JOB FOR GOVERNMENT TO TACKLE ALONE -- EVEN A GOVERNMENT COMMITTED TO THESE GOALS.

SIX OUT OF SEVEN JOBS IN THIS COUNTRY ARE IN PRIVATE INDUSTRY AND IT IS INDUSTRY THAT MUST, WITH WHATEVER HELP, IF ANY, IS REQUIRED FROM THE FEDERAL GOVERNMENT, MAKE WHATEVER INVESTMENT IS NECESSARY TO START THESE BY-PASSED AMERICANS ON THE LONG CLIMB TO PRODUCTIVITY AND PROSPERITY.

THERE IS NO MILENIUM; WE ARE NOT GOING TO WAKE UP SOME MONDAY MORNING AND FIND EVERYTHING ROSY. NO PRESENT PROGRAM -- PUBLIC OR PRIVATE -- SERIOUSLY THREATENS THE CONDITIONS OF LIFE IN THE URBAN GHETTO OR THE RURAL SLUM. EACH OF US MUST DEVELOP A PERSONAL PROGRAM, MUST TAKE OUR OWN FIRST STEP,

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THE YOUNG MEN AND WOMEN IN THE BUSINESS WORLD TODAY MUST SUPPORT BOLD POLICIES AND PLACE THEMSELVES IN THE FOREFRONT OF THE BRAVE VENTURES.

BUSINESS MUST OFFER ITS YOUNG EXECUTIVES THE OPPORTUNITY TO MAKE A CONTRIBUTION TO THEIR WORLD AT THE SAME TIME THEY ARE MAKING A CONTRIBUTION TO THEIR EMPLOYER. THE CORPORATE CAPTAINS WHO OFFER THAT KIND OF LEADERSHIP AND THAT KIND OF OPPORTUNITY WILL ATTRACT THE BEST OF EMPLOYEES. MANY RECOGNIZE THIS; MANY ARE ALREADY DOING SO.

LAST YEAR OVER FIVE THOUSAND YOUNG EXECUTIVES -- MANY OF THEM FROM THE RANKS OF YOUR JUNIOR CHAMBERS -- HAD THE OPPORTUNITY TO SERVE IN LOCAL AND REGIONAL OFFICES OF THE NATIONAL ALLIANCE OF BUSINESSMEN, ON LOAN FROM THEIR COMPANIES AT FULL SALARY. THEY WORKED FROM ONE TO TWELVE MONTHS SEEKING JOBS FOR DISADVANTAGED YOUTH AND THE HARD-CORE UNEMPLOYED.

UNCOUNTED THOUSANDS MORE WORKED IN STOREFRONT RECRUITING OPERATIONS DEEP IN THE GHETTOS OF OUR LARGEST CITIES. OTHER BUSINESS VOLUNTEERS HELPED AFTER HOURS IN SUCH VOCATIONAL COUNSELING PROGRAMS AS THE VOLUNTEER ADVISOR CORPS IN INDIANAPOLIS.

MANY MORE SERVED IN IN-PLANT BUDDY AND GUIDANCE PROGRAMS, OR HELPED DEVELOP SENSITIVITY TRAINING PROGRAMS TO ASSIST FOREMEN AND SUPERVISORS IN UNDERSTANDING THE PROBLEMS OF NEWLY HIRED DISADVANTAGED WORKERS.

BUSINESS LEADERS ACROSS THE NATION SUPPORTED

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TRAINING FACILITIES LIKE THE OPPORTUNITIES INDUSTRIALIZATION CENTERS, AND VOLUNTARY EMPLOYMENT INTEGRATION EFFORTS LIKE PLANS FOR PROGRESS.

HERE IN DALLAS, THE CHAMBER OF COMMERCE, IN COOPERATION WITH THE NATIONAL ALLIANCE OF BUSINESSMEN HAS MOUNTED ONE OF THE BEST SUMMER EMPLOYMENT EFFORTS IN THE COUNTRY. CITIES ALL OVER THE COUNTRY ARE USING YOUR SUMMER JOB FAIR AS A MODEL IN THE EFFORT TO PROVIDE MEANINGFUL JOBS FOR DISADVANTAGED YOUNGSTERS.

IN THE DALLAS - FORT WORTH AREA, BUSINESSMEN HAVE RESPONDED WITH ALACRITY WHEN ASKED TO HELP OFFER HIGH SCHOOL STUDENTS EXPOSURE TO THE WORLD OF WORK.

ELSEWHERE IN TEXAS THERE HAVE BEEN NOTABLE EFFORTS. I CITE ONLY ONE: IN SAN ANTONIO, STATION WOAI, AN AFFILIATE OF AVCO CORPORATION, PROVIDED ONE-HALF HOUR OF PUBLIC SERVICE TIME TO THE N. A. B. JOB EFFORT EVERY SATURDAY MORNING FOR OVER A YEAR. IT IS A COMMUNITY EDUCATIONAL EFFORT AND IT IS WORKING IN SAN ANTONIO.

THESE ARE GOOD DEVELOPMENTS AND THEY DESERVE A HEARTY WELL DONE -- FOR EFFORT.

BUT NOT YET FOR ACHIEVEMENT.

FOR THE SERIOUS PROBLEMS REMAIN.

DESPITE THE EXEMPLARY JOB DRIVE BY THE NATIONAL ALLIANCE OF BUSINESSMEN UNDER THE EXHORTATIVE LEADERSHIP OF HENRY FORD AND LEO BEEBE IN ITS FIRST YEAR, THIS YEAR --

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-- ITS SECOND -- UNEMPLOYMENT IN THE NATION IS AGAIN ON THE RISE.

DESPITE A TECHNOLOGICAL PROFICIENCY THAT OFFERS US NEW WONDERS ALMOST EVERYTIME WE OPEN A NEWSPAPER, OUR SCIENTIFIC AND TECHNICAL LEADERS HAVE YET TO SUCCESSFULLY SCOUT THE SEA FOR NEW SOURCES OF FOOD, HAVE YET TO DEVISE CHEAP, COMFORTABLE STRUCTURES TO HOUSE THE POOR, HAVE YET TO APPLY NEW LEARNING TECHNIQUES TO MAKE THE NATION FULLY LITERATE.

INDUSTRY AND GOVERNMENT WORKING TOGETHER CAN GO TO THE MOON AND TO MARS, CAN DEVELOP INFORMATION DEVICES THAT MAKE THE WORLD A GLOBAL VILLAGE -- BUT WE ARE STILL WAITING FOR THE TASK FORCES SYSTEMS ENGINEERS TO COME TO GRIPS WITH THE HUMAN PROBLEMS THAT BESET US: HUNGER AND HOUSING, HEALTH AND LITERACY, ENVIRONMENTAL POLLUTION AND TRAFFIC CONGESTION.

THERE IS NO CONFLICT HERE BETWEEN THE LIBERAL AND THE CONSERVATIVE. THE LIBERAL AND CONSERVATIVE PHILOSOPHIES ARE BOTH ROOTED IN A COMMON UNDERSTANDING OF DEMOCRATIC DEVELOPMENT AND BOTH ARE EQUALLY COMMITTED TO THE VALUES AND PRINCIPLES NECESSARY FOR THE SURVIVAL OF DEMOCRACY. LIBERALS AND CONSERVATIVES ALIKE MUST RECOGNIZE THE EXISTING INEQUITIES IN OUR SOCIETY AND WE MUST WORK TOGETHER TO FIND SOLUTIONS OR WE SHALL SUCCUMB TO THE ADVOCATES AND PRACTITIONERS OF FORCE AND VIOLENCE.

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WE MUST END THE PETTY PREOCCUPATION WITH OUR PRECISE LOCATION ON THE POLITICAL SPECTRUM AND AGREE TOGETHER THAT THIS IS NOT A STRUGGLE BETWEEN LIBERALS AND CONSERVATIVES, BUT A UNITED EFFORT TO MAKE OUR INSTITUTIONS WORK - IN DEFIANCE OF THOSE WHO WOULD PREFER TO SEE OUR SYSTEM DESTROYED.

IN THIS COOPERATIVE SPIRIT WE BEGIN TOGETHER A SEARCH FOR A NEW PHILOSOPHY -- ONE THAT WILL HELP US ADAPT THOSE VALUES OF THE PAST THAT HAVE STOOD WELL THE TEST OF TIME -- AND DISCOVER THE NEW PRINCIPLES REQUIRED BY A SPACE-AGE SOCIETY THAT IS CHANGING AT A PACE WE ARE OFTEN HARD PUT TO COMPREHEND.

THIS IS THE CHALLENGE FOR AMERICANS TODAY.

SOME PEOPLE THINK HISTORY IS BEING MADE BY THE CONFRONTATIONS ON THE STREETS. I AM CONVINCED IT IS BEING MADE BY PEOPLE LIKE YOURSELVES, QUIETLY STRUGGLING TO SOLVE THE PROBLEMS OF TODAY.

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Notes for Nolan Estes speech to Oak Cliff Chamber of Commerce

The business community has always had a close involvement with the education community as a matter of self-interest --- they are the ~~suppliers~~ ^{purveyors} of the software and the hardware that builds and supplies the system --- the bricks and mortar, the toilets and sinks, the maps and globes, the playground equipment and stadium seats, the desks and pencils and books and lights and blackboards and paper and reasers and etc. that are used by the schoolrooms of this nation; the billions of dollars worth of supplies and materials that are consumed each year by the massive educational maw of this country. And as educational technology has become increasingly sophisticated, as computers and teaching machines and individualized instruction become commonplace in the classrooms of the nation, the corporate investment in research, and the corporate profits from development have soared.

But there is another kind of involvement with education that is somewhat newer to the business community. Today, enlightened corporate captains all over the country are picking up some of the pieces that we who work professionally in education haven't yet successfully assimilated. In community after community, major firms are joining such organizations as Plans For Progress, which works to upgrade minority employment; the Management Council, ^(a Chamber subsidiary) formed first in Los Angeles after the Watts riots to help provide employment opportunities for the isolated Watts householder and subsequently emulated in many other cities; STEP, the National Association of Manufacturers' three pronged attack on the basic employment problems of this nation

which seeks to exchange information among manufacturers on new methods of training employees and to stimulate community-wide action with Workshops and Industry Clinics to expand employment opportunities and to assure the economic health of the community. ^RIt was the NAM, too, that was responsible for the development of MIND, the spectacularly successful effort to teach adult illiterates and its offshoots -- like the El Paso Educational Foundation, a non-profit corporation set up as a subsidiary of the 111 member El Paso Employers Association. El Paso firms can contract with the foundation for a comprehensive six month program of training and support services that include 160 hours of literacy training, medical services and a buddy system. Charlie Stenicka, who helped develop the MIND program when he was ~~NAM~~ ^{NAM} Vice President for Industrial Relations, is Executive VP of the Employers Association and Executive Director of the Foundation. He will also be working with the National Alliance of Businessmen and local employers to develop sensitivity training sessions for foremen and first-line supervisors so that ^{hard-core} ~~the~~ new employees won't walk onto their new jobs and face total incomprehension ~~of their handicaps~~.

And, in this past year, the National Alliance of Businessmen has assumed vast new responsibilities, on behalf of the corporate community, for the employment problems of those who have historically been step-children in our formal educational establishments.

Most of you are familiar with the Alliance, led by Henry Ford in its first year and by Donald Kendall today. Chambers, working on their own in many communities across the nation, have been leaders in the cooperative effort to educate employers on the need to change hiring standards (does an elevator operator really need a high school diploma??)

and to offer educational opportunities to drop-outs, to young men with prison records, to people with language handicaps, physical handicaps and other employment obstacles that have traditionally barred them from personnel offices.

In many cities, Philadelphia, Denver and Seattle for example, the Chamber of Commerce provided rent free office space for the National Alliance of Businessmen when it came to town; in other cities - Long Beach and York, Pennsylvania for example, the head of the local Chamber took on the additional responsibility of heading the local NAB effort. Several other Chambers have executives on loan, working full-time in NAB offices.

In Dallas, firms like LTV are moving, at the firm's own expense, whole families from the impoverished Rio Grande Valley into the healthy Dallas employment market. Mexican American families, their game cocks packed on top of old pick-up trucks, among their tattered family belongings, arrive bewildered and frightened by the urban confusion. LTV counsels, provides housing and other re-location assistance and - most important - jobs. Jobs - plus the patience and the training that will make it possible for these new employees -- many of whom have never held a job before -- to become part of the economic mainstream of America.

Arch Booth, the Executive Vice President of the United States Chamber of Commerce, speaking to a meeting of the National Alliance of Businessmen in Washington, D.C. earlier this month (late this month? It was in April) said the Chamber of Commerce has "people that you' can depend on to help the volunteers, to go along and to be on

the job night and day." In thirty-eight of the original 50 NAB cities, Booth noted, Chamber people "Put the manpower and the office space and the equipment and the time and the effort into the job, and in the other 12 there were varying degrees of cooperation."

Here in Dallas, the Chamber, in cooperation with the Alliance, is hard at work right now on a Job Fair that will provide meaningful jobs for thousands of ^{disadvantaged} Dallas area youngsters this summer.

The U.S. Chamber is currently holding workshops all across the country to acquaint its staff in the 75 new Alliance cities with the hard-core employment and training efforts currently underway by the American business community and, Booth told the Alliance, he hopes to offer Chamber support and staff "In a total of 125 cities, fully supporting the work and the thousands of business people you hope to enlist."

Last year, the National Alliance of Businessmen operated in the 50 largest metropolitan areas of the nation and, as Mr. Booth noted, ^{in a majority} of those cities the Chamber provided a manpower pool that helped scour the business community seeking job pledges for the poor and the disadvantaged. Members of Junior Chambers fanned out to smaller businessmen seeking summer job opportunities for youngsters who might otherwise have spent the long hot summer on the streets of the inner-city.

Over 145,000 summer jobs were offered to disadvantaged youngsters by the private sector through this effort last year. More will be sought this year and I am sure that this Chamber will be co-operating in the Dallas/Fort Worth effort to help expose high school

students to the world of work this summer, work that will, hopefully, provide academic incentive for them when they return to school and make them more promising candidates for employment when their school career ends.

The techniques used to spur youngsters' interest are as varied as the corporations that employ them. I will cite just a few:

When General Foods hired 70 disadvantaged youngsters for \$1.50 an hour last summer, Chairman G.W. Cook promised to put \$1 in escrow for every dollar earned -- provided it was used for post-high school education or training of some kind. Said Chairman Cook "Our objective is to give them exposure to the business world and show them some of the opportunities available to them regardless of race, creed or color. Additionally, we develop^{ed} the incentive plan to encourage these boys and girls to finish their high school education and to go on to some sort of useful careers beyond that. I want to make it clear," he said, "that under our plan, each young person upon completion of high school, can apply the escrow money to pursue any studies undertaken to develop a career, whether they go to barber college, beauty school, auto mechanic's school or take up any other studies for the purpose of acquiring a vocation, including, of course, college."

When Chairman James McDonnell of McDonnell Douglas Aircraft developed a summer program for disadvantaged youngsters, he saw it as an investment in the future. Called STEP (Summer Training Employment Program), the McDonnell approach was to expose the kids to all phases of the firm's operation during a 400 hour ten week course. Eighty

inner-city youngsters earned \$500 each during the summer - and as a result of the training, became prime candidates for regular employment at McDonnell Douglas when they complete their high school education. Classes included basic sheet metal skills, electric^{cal} skills, shop sketching, math, citizenship, etc. Students built their own tool box and assembled a standard band short-wave radio which, along with their tools, became their property after the August 23rd graduation.

At Firestone Tire & Rubber Company, in Akron, Mike Buckner^B, a young, black, Northwestern football star was hired to oversee and coordinate the summer employment program for 60 disadvantaged youngsters. "Hiring Mike was a stroke of genius," said his boss Frank Wahl, Firestone EEO coordinator. "Kids looked up to him -- even kids his own age -- and he did an outstandingly responsible job." Firestone used youngsters in research labs doing such chores as mixing synthetic rubber bases, in their retail stores, in the tire repair operation and other production areas. The result: the youngsters had a better record for attendance and punctuality than the plant average during the same period.

At General Electric, in Philadelphia (and probably elsewhere); at Phillip Morris, at Safeway, at North American Rockwell -- and probably at dozens and dozens of other major firms in the country -- promising employees who lack education in specific areas necessary for upgrading are being sent to school, on salary, and at company expense. Most of these disadvantaged students are members of minority groups that, for one reason or another, have not been adequately served by the schools in their own communities.

At Nestle's, in White Plains New York, a ten week remedial and general training program within the plant provides typing courses and instruction in English and math. Nestles bought "teaching machines" and uses its own employees as instructors. Girls are taught how to comb their hair, wear make-up appropriate to an office environment, how to dress, how to meet and greet visitors and telephone callers, and how to handle their paychecks. "This," says Nestle's employment Manager William Magee "is truly corporate progress."

Corporate educational investments like this are becoming too numerous to detail and I will mention just one more, because I think it holds particular promise:

Junior Achievement, which owns buildings in cities throughout the nation and offers corporate experience to thousands of youngsters throughout the school year, has traditionally confined its training opportunities to middle class, high-performing students selected by their school counselors. Last summer, in Detroit, four major corporations -- Ford, Chrysler, General Motors and the Michigan Bell Telephone Company -- sponsored four companies of teenagers, all composed of inner-city youth - under Junior Achievement auspices. Business advisors from the four Detroit firms guided the youthful entrepreneurs in corporate practices, stock sale and production procedures. Under sub-contract, the ghetto youth, among other things, cleaned and reconditioned telephone receivers and made small auto parts.

There are 525 well-equipped Junior Achievement Centers across the country and none of ~~them~~ have ever been used before during the summer months. Summer use for disadvantaged youngsters, in conjunction with the National Alliance of Businessmen summer employment program, was the

suggestion of W.M. Elmer, Chairman of the Board of Texas Gas Transmission Corporation and a Junior Achievement National Vice President. I commend the ^{to you}idea, and suggest that, among your membership, you have the interest and the talent to provide this kind of guidance and leadership to young people who need a hand up - not a hand out.

Other Texas cities are contributing to the corporate educational effort in other ways -- I shall mention just one more briefly. In San Antonio, Station WOAI, an affiliate of AVCO Corporation, has provided one half hour of public service time every Saturday morning since June 1 of last year. The time is offered to the National Alliance of Businessmen in that city. The Alliance has used the time to expose newly hired disadvantaged workers to the community; to offer employers the opportunity to describe their own hiring and training programs and etc. It is a community educational effort and it is working in San Antonio.

Most of the corporate efforts I have discussed so far deal with young people. I don't want to ^{misplace my emphasis}mislead you and, though I haven't time to discuss in detail the more than 12,000 firms involved in training adults in literacy, job skills and just plain work habits, I want to make clear that the American business community is in education in a big way, ^{and it is}and it is in to stay. A substantial majority of these firms are providing the training and support programs at their own expense, but those who do not wish to, or cannot afford to, are being reimbursed for the extraordinary costs of training the disadvantaged through a simple contract with the Department of Labor. Many corporations are tackling other aspects of the urban problem -- by minority entrepreneurship, ^{and other}ghetto investment programs.

Why has the American business community suddenly become so conscious of its social responsibilities??? I think Clyde Skeen, President of LTV and Regional Chairman and Board Member of the National Alliance of Businessmen, has explained it best. He said "We all know that in this period of expansion and prosperity, there are many in our home towns who are miserable, they are unhappy and they are even hungry and, as has already been so well pointed out, this is a potential source of trouble, a great potential source of trouble. Our task is to get them off the welfare rolls, make them into self-respecting citizens and then to develop them, if you want to be mercenary about it, into customers for whatever your companies, whatever programs or products your companies are engaged in." There is," says Mr. Skeen, "a humanitarian and a social conscience at work here, but there is also another side, and that is 'financial justification'".

must

Skeen notes that it costs some \$28 or \$29 hundred dollars to train disadvantaged workers. Against this cost, Skeen notes the \$1300 average welfare support payment annually and the federal income tax, the state and local taxes now contributed by this new employee, and points out that this adds up to an average burden of over \$1600 removed from the tax payer -- a return on the original investment, Skeen notes, of over 65% in the first year and well over ¹⁰⁰~~10~~% by the end of the second year. In addition, these newly educated people become productive workers. They increase their purchasing power for goods and services by \$3,400 a year and they contribute on the average about \$10,000 annually to the gross national product ~~of~~ as this money filters through the butcher, the baker, and the candlestick maker - and your own particular corporations and firms.

Forty years ago Calvin Coolidge said "The chief business of the American people is business." Today, Theodore Sorenson writes that "The business of business is America" -- and the difference is a measure of how far we have come in the last few decades. If you will bear with me for one more quote, I would like to note also the comment made by John Harper, president of Alcoa, on the same subject. "The business of business," he said, "is to make a profit -- by answering human wants and human needs."

And that, gentlemen, is why I think you are all ~~here today~~, concerning yourself with the contribution that the business community can make to education. ^{PP} Ten years from now, when we look back on this troubled decade, we will each have to decide for ourselves whether we were part of the problem -- or part of the solution.

I'm betting that you will be part of the solution.

Thinking Ahead



Irwin Miller

Business has a war to win

*It must furnish the leadership in
mobilizing to grapple with the internal
threats that could overwhelm us*

Foreword

"We have let crises pile up on us," says a distinguished industrialist, "and we must act with a degree of national commitment which in our history we have shown only in time of major war." Historically, he notes, when the elite groups of societies continued to pursue their own interests in the face of mounting crisis, and failed to adapt to change, those societies did not survive. He calls on business to provide the vanguard in the "war" against our domestic ills, which are compounding and accelerating in gravity, and he suggests some approaches.

Mr. Miller's activities embrace a wide range of concerns apart from his duties as Chairman and Chief Executive Officer of Cummins Engine Company. A few of these activities have been: member of the steering committee of the Urban Coalition, chairman of the National Advisory Commission on Health Manpower, president of the National Council of Churches, incorporator and trustee of the Urban Institute, and member of the President's Committee on Urban Housing.

We live in a most remarkable time.

For four years there has been almost no unemployment. Wages, even in real terms, are at an all-time high. Our health is generally the best we have known. And 40% of our youth are enrolled in higher education—a percentage four times as great as in Great Britain. A broader segment of the population than ever in history is building its own homes and buying autos and other consumer goods. Public giving to causes exceeds anything previously known. The list is very long, with each item a new achievement for the nation.

How could a period in which we have attained nearly every one of man's ancient goals also be a period of unease and crisis? Yet it is, and we businessmen, who are better off than we ever imagined we might be, feel insecure and under attack from many directions:

□ We are under attack from our workers. In making outrageous wage demands and constant threats of strike, labor does not seem to understand that improved real wages can in the long run come only from increased productivity.

□ We are under attack from our customers, who resist paying for our constantly increasing costs and steadily narrow our profit margins, and hence our capacity to survive.

□ We are under attack from government at every level—increased taxes, increased laws, increased regulations, increased interference. Why does government not understand that unhampered profitable operation of U.S. business will produce more general good and more tax revenue than any other single thing?

□ We are attacked by our children. Money and jobs and education come so much more easily to them than to previous generations that

Author's note: This article is based on an address delivered at the National Association of Manufacturers' Congress of American Industry in New York on December 5, 1968.

they set little value on them, and at times appear even to despise them. Had they been forced to begin a career in the 1930's, they would realize the enormous worth of the opportunities that they take for granted.

□ We are under attack from educators, who have the nerve to criticize business and at the same time tell businessmen it is their duty to support higher education in ever-increasing amounts.

□ We are under attack by the church; by the very nations we have helped most and that try hardest to imitate us; by racial minorities, who are better off here than in any other nation, and making more rapid progress. There seems to be no end to the list.

We feel a very early end coming to our patience, our capacity to persist, and our good humor—if any still remains. The whole situation is so obviously unnecessary. We do not like the changes we see taking shape, and we feel called to oppose the worst of them, insofar as we are able. It is clearly time to crack down, return to common sense, and, as was said so often in the recent political campaign, restore orderly, sensible procedure to our society.

Do we really know what we are doing? We are making the mistake which most powerful groups in history have made. We are identifying the welfare of the whole society with that peculiar state of affairs which works best for us.

Consider this roster: the Loyalists in early New England, the French aristocracy in the eighteenth century, feudal lords in the late Middle Ages, Southern slave owners in the nineteenth century, the Spanish monarchy in the twentieth century—each tried to stop the clock. Each thought it had the sensible answers in a senseless society. Each faced a crisis, and failed to survive. Is there similarity between their cases and ours, or not?

Before I try to answer this question, let us examine the word "crisis." This word, like so many words in our language, descends from a simple and rather neutral root. Its parent word means simply "to decide." Due, however, to the natural depravity of the language, in which a word generally seeks its lowest, rather than highest, meaning, "crisis" has become generally a bad word, and just now a scary one. A diction-

ary definition that seems provocative today is the medical one: crisis is that point in the progress of a disease when a change is decisive of recovery or death.

We must now ask ourselves: In what kind of time do we truly find ourselves? Are we at a crisis point? What will history say? Are we at one of those rare forks in the road where a life-or-death decision is required of us? Or is the present experience only another of the pains of progress that have marked our national life with disagreeable but minor disruptions?

Threats external & internal

It has always been difficult in the extreme for residents of an age to see their own time either as a Golden Age or as an end to a period, and I think that nothing in our present remarkable range of knowledge has equipped us to discern our own future more clearly than our ancestors did theirs. Let us, however, make a try. What are the life-and-death matters of today?

One thinks first of external threats. Our formidable enemies at this moment are Russia and Red China. Yet they are at serious odds with each other. China is in a state of intense internal disorder from which she cannot easily emerge, and Russia, while hostile, seems as reluctant for a direct military confrontation as we are.

It is true that we are fighting a war for which we seem to have lost our taste, but our external dangers are considerably less acute than they have been in many times past. One could make a case that in external affairs, except for Vietnam, we are not doing too badly.

Internally, the picture is a different one. We live under a number of quite new conditions which no previous generation has known. I mentioned at the outset the remarkable achievements whose fruits we now enjoy. Some other states of affairs grow out of these, however, and they are worth notice.

The first is growth in population. The human race of course has been increasing in numbers since its beginning, perhaps a million years ago. If a chart of population growth were to be prepared, at 500 years to the inch, this million years of the race would require a piece of paper 2,000 inches, or 167 feet, long.

We have now reached a global population of

3 billion persons, most of the growth being in the last 200 years—or two fifths of an inch on our chart. If the current growth rate continues, we shall more than double the population in the next 32 years. On the chart, our present population, which has required 167 feet to reach, will double in the next one sixteenth of an inch.

This poses a question for us: Do we really think we can slow this growth in any significant way in the next 30 years, when even today we have no simple, cheap, safe, generally acceptable contraceptive? And, if not, do we really think we can take in our stride such a change, responding to it no more rapidly than we have been accustomed for so many centuries to respond?

Compound problem: But this is by no means an adequate account of the situation with which we must deal in the decades immediately ahead. Let us draw similar charts reaching back for the same million years, each 167 feet long. On these let us plot things like the following:

1. The speed at which man is able to travel.
2. His output per man-hour.
3. His range of immediate communication.

On each chart we find the same shaped line—slowly inclined upward for the first 166 feet, 11 inches, and more sharply inclined for the next half inch, and almost vertical for the last sixteenth of an inch!

Now let us consider the corollary. The items on these charts—population, speed of travel, range of communication, output per man-hour—are not separate things. They interact with each other. We must multiply each by all the others if we are to begin to describe the situation in which man, and especially American man, quite suddenly finds himself.

By his genius he has brought on himself a condition which, by its unprecedented size and complexity, is as much a threat as a blessing—but, much more important, a kind of threat in the facing of which he has had no previous useful experience.

Man is accustomed to external threats. He has been used, throughout his million years, to attacks by enemies, to arming himself, to defending himself against aggressors. He knows how to go to war. We are on familiar ground in

our efforts to respond to the threats of Soviet Russia and Red China. A \$70-billion defense budget for Vietnam does not cause Congress a real hang-up.

But domestic matters, internal affairs, are another thing. And even when they come upon man in simple numbers, and at accustomed rates of speed, he has in past times had more difficulty in grappling with these than with wars, and historically he has a poorer record of accomplishment. More often than not, the ruling group has toppled under internal stress.

If this has been so in slower, simpler times, consider the present internal threat. It is the product of population growth...

- times urban congestion,
- times ghetto poverty,
- times racial issues,
- times seriously uneven education,
- times transportation deficiencies,
- times inflation and a debased currency,
- times air and water pollution,
- and all of these times a growing aversion to taxes and a serious national difference of opinion as to the place and role of government.

Conditioned responses: These are matters of true gravity. They are within our technical capacity to solve, but they require vast sums of money and effort. What is our response?

A sample of our current national mood can be found in the 1968 national election. Each year at election time, voters are asked to approve numerous bond issues for community improvements. Last year's list was large, both in numbers and in total dollars. In the past, an average 75% have been passed and 25% disapproved, but last November 55% were rejected, and only 45% approved.

Our internal threat now grows visibly at a cancerous rate, and we respond as if to a chronic condition. Each summer, violence, which is only the barest symbol of what might come, increases in intensity and spreads in extent. In my grandfather's day, cities and areas were relatively self-contained, so that a catastrophe on one coast did not necessarily disturb the other. Today, a collapse of three cities, New York, Chicago, and Los Angeles, could effectively bring the whole country to its knees.

Because of our new dependence on electric

power, communications, and transportation arteries, a small, dedicated group of men in each city could paralyze us. Alongside the opportunity there also exist men and women who might easily be motivated to seize it. These are the men and women for whom this country simply does not work.

They see "progress" in legislation, but things remain the same for them. They see "progress" in general affluence, but no jobs for them. They see educational standards rising, but no schools worthy of the name for their children. For them "progress" means "it won't happen to me in my lifetime." And so we have poor people's marches, violence in the ghettos, looting of stores, and student rebellions.

Are they so new in history? Did France in the eighteenth century hear of such things? Or Czarist Russia in this century? Or the late Roman Empire? And how about our response? Do you not think that the French and Russian and Roman nobles might have found surprisingly familiar our call for a crackdown, for a return to common sense, for restoration of law and order?

These ancient responses did not save them, for they did not address themselves to root causes, which turned out to require no less than a restructuring of their society. Instead they talked of "going back" to happier times. They came to points of crisis and unwittingly chose death.

Needed: mobilization

These are extreme thoughts to apply to ourselves, and more morbid than is at this moment deserved. There is value in considering them, however. I believe that we are truly at a point of crisis, and it is demonstrated by the descriptions I have just given. But I also believe that the opportunity to choose is still for a while ahead of us, and I believe that we have the knowledge to make intelligent choice and the means to execute it. I doubt only that we shall have the will.

What might a good choice mean? First, it means recognition that the internal threat is potentially mortal,

and that our problems will not solve themselves naturally. Then it means large, complex, and costly solutions, accomplished in a very much shorter time than we are used to, if we are to control our condition while we can. It could mean going to war, or being willing to go to war, with respect to our domestic problems.

How would one define "going to war" for such purposes? It is clear that current programs to attack urban decay, school crowding, racial discrimination, lack of job opportunities, air and water pollution, and transportation congestion are simply not keeping us even. In each of these we suffer, month by month, a visible deterioration.

The size of the effort required to reverse deterioration, to get for once on top of the problems, and to reduce them to manageable proportions within a certain time, is very great indeed. It may also be the alternative to catastrophe.

Such a specific national effort is not beyond our power. We have, on both a larger and smaller scale, done it before. In the years of World War II we were willing to allocate half the gross national product to defeating Germany and Japan. In the 1960's, "landing on the moon by 1970" was such a program.

A similarly explicit statement of the kind of country we aim to have in 1980, an organized systems approach to get there, a means of measuring progress against the timetable adopted (for example, a biennial deprivation census), an initial massive (warlike) effort for a short time (perhaps three to five years), followed by a sustained effort to maintain the accelerated rate of advance—all these could quite possibly do the job.

If any free nation were to address itself to such an effort during the years just ahead, and accomplish its purposes with clarity and economy, it would offer to the rest of the world an example of incomparable leadership. We cannot "sell" the United States to the rest of the world; we can only demonstrate a society so responsive to the individual, so prompt to solve its problems, that its way is self-convincing to other nations.

Federal role: Such a massive effort is beyond the reach of the federal government alone—in fact, beyond the reach of all governments (federal, state, and local) combined. This may well be the new lesson of our times—government alone is not big enough to do the job. The character and the number of our problems have changed. There are more problems. They are bigger problems. They interact with each other. They affect everyone promptly, and not just in certain areas.

Government must lead. But it cannot be the sole problem solver. Its role is to define problems, articulate desired results, and organize, directly and indirectly, the whole potential of the society, in a coordinated effort to remake the society and save it from destroying itself.

The potential outside the government is greater than the combined potentials of all our governments by an order of six to one—the potential to invest money, to educate, to provide jobs. The federal government might now be called on to assume the role of "systems manager" of the whole potential of the society and do it both directly and indirectly. Of the two, its indirect function might be the more important.

Let us consider money, and let us look at taxes, which is government's source of income. Today any system of taxation is by definition a system of incentives; it cannot be otherwise. Individuals, corporations, banks, and investors, all study the system of taxes under which they operate to take maximum advantage of them. Their resultant plans are often influenced as much by the potential advantages in the tax system as by their own nontax purposes and objectives.

When, therefore, the incentives in the existing system encourage the development of policies and acts contrary to the national purpose, all the compulsion imaginable can scarcely force a change in a better direction. On the other hand, since incentives are always present, the sensible first act of the "systems manager" would be to bring these incentives into line

with the national purpose—to close some doors and open others.

To take an example from the viewpoint of taxes, slum property is now the most lucrative real estate investment a man can make in many cities. But if he repairs his property to raise it above the slum class, he earns significantly less money on his investment than if he permits it to depreciate. Public policy might well consciously reverse this condition and these incentives.

Private action would then, of its own choice, begin to work toward the accomplishment of national objectives. Furthermore, this flow of men and materials into areas of national need would not of itself demand such dangerously large sums of federal money, and of itself necessarily threaten the value of the dollar.

Large federal sums and increased taxes would undoubtedly be required, for the period of "massive effort" at least, but to the extent that flows of present funds were rechanneled in the way I just described, the burden on taxes and on the government itself would be relieved, and the creation of solutions to our problems of "crisis" would at the same time be greatly accelerated.

All this, of course, is not without a price. Existing incentives may have to be dropped or decreased. There will be dislocation of present patterns and drying up of accustomed channels of investment. These dislocations and these hardships are real, they are painful, and they are inequitable.

But to say this is not to discredit the merit and the imperative of needed solutions. We should not compare a proposed solution against some nonexistent ideal but, rather, against the old and imperfect system that has got us where we are, and has begotten the critical problems that urgently need correction.

There will be other difficulties and dislocations in the course I am describing. If a warlike effort at catching up is mounted, some industries (notably the building and construction industries) will be faced with excess demand. Perhaps the total level of construction would have to

be held fixed by restricting some areas while expanding others. (My company might be restrained, for instance, from expanding diesel engine floor space while urban housing and hospital construction are accelerated.)

Or a wage and price freeze would have to be accepted until the catch-up had been accomplished. (This of course itself carries evils, and it horrifies me as much as it does you.) But this is not all. Money alone will not solve our crisis.

Inadequate institutions

Our institutions, which were made for a simpler time, are not able to function with the coordination, speed, and effectiveness that the execution of plans today requires.

Governmental weaknesses: Let me describe briefly the situation in our various governments that frustrates both those within and those without:

- Proliferation and overlapping of agencies, which prevent coordinated solutions.

- Confusion and blurred lines between the various federal branches.

- State boundaries that no longer make sense. (Business has for some time made its own regional boundaries, and it pays scant attention to state lines.)

- Inadequate federal power where swift action is required.

- Inadequate local and community power to have a say in those matters where local interest should prevail.

A very wise businessman has said, "Organization is reorganization." All the money in the world will not help us in a time of crisis, unless at such a time we organize to use our money and our planned efforts effectively.

Our present national reaction (as reflected in much of the press) seems to me dangerously wide of the mark. We express alarm over the growing power of the federal government, and state that it must be curbed, and power returned to the people. There is a half-truth here—local communities truly ought to accept more responsibility for local solutions to

local problems, and plan, organize, and finance what needs doing. Additional dispersal of power is needed.

But this is not all. Every local community right now has powers and capacity to raise money which it does not use. It is waiting until things get worse.

We must also unite. We are not a collection of autonomous states. Few of us have lived and operated in one region throughout our lives. We are a national people, and, in many respects, we are overdue in organizing as a national people.

No child should be deprived of an education adequate to enable him to make effective use of his abilities in today's society simply because of the region in which he happens to live. No human should be deprived of a job, choice of home, or freedom to seek or work out a rewarding life solely because of the color of his skin. Freedom is not a fit subject for local option.

I could go on. The essence, however, is that slogans will serve no better in fitting our governmental system to cope with the present critical time than slogans do in helping you or me to determine the wise way to reorganize our businesses.

Weaknesses elsewhere: Government, however, is not the only one of our institutions that is ill fitted to serve the present need; education too has now become dangerously irrelevant. Many of our students, both the responsible and the irresponsible, are trying to tell us this, and mainly in ways that are exceedingly repugnant to us. A quotation I am fond of repeating is Cicero's comment on a friend: "He remained the same, but the same was no longer fitting." And so it is with today's education.

I do not wholly support today's youth. I do not like long hair, protests, bad manners, and the rest. Reluctantly, however, I must admit that they are clearly the brightest youth this country, and perhaps any country, has ever seen. Race horses are harder to handle than plow horses, and they are clearly race horses, and hard to handle.

We must, however, listen to them

when they say that a very great part of today's education seems irrelevant and meaningless to them. We do not have to accept their answers uncritically, but they will and should have some significant "say" in final decisions. To admit to this is not wholly dissimilar from saying that a community must have an appropriate say in community affairs.

Our ways of handling management-labor relations are dangerously obsolete. As each group becomes very large indeed, the nation will reach a point where it will no longer tolerate crippling national strikes as a means of settling regularly recurring wage negotiations. If management and labor continue to sit still, blame each other, and remain indifferent to the national interest, then one day we shall have either national collapse or a nationally imposed answer with which neither group will be happy.

I could go on in my account of inadequate, obsolete, irrelevant organizations and institutions—e.g., the press and other news media and their too casual concern for accuracy and determination to make news where there is no news; the institutional church and its increasing similarity to a religious Rotary Club; farm organizations and their unwillingness to seek new ways out of a situation that everyone agrees is thoroughly bad.

Then there is the medical profession. The cost of health care in this country is rising faster than any other component of the gross national product. Its quality is not as good as in many other, less fortunate countries, and in some areas it is dangerously low. The correction does not require vast amounts of money but, rather, a change in the system, something that is in the power of the profession to accomplish now. But nothing happens.

What does this all say? To me it says we have an internal crisis that is in nature complex and pervasive, and in size and significance ultimately mortal. It could destroy us. It also says that it is not too late to act, though it may very soon be too late. It says further that we cannot

act slowly, as usually in the past we have been free to act. We cannot wait for a problem to become clearly desperate—and act by bits and pieces.

Instead we must act with a speed to which we have never been accustomed. We must act on all fronts because we have let crises pile up on us, and we must act with a degree of national commitment which in our history we have shown only in time of major war.

What is our will?

The heart of the crisis and the fate of the outcome is to be found, therefore, not with evil Russia, or evil government, or evil labor, but with business. This is a business and industry society. We are the "power group," the "lead group," the group that has a chance to show the way.

What is our will? Will we remain content with our relatively pleasant position and concentrate our efforts on a holding operation? If we pursue selfish interest, there is no reason to suspect we will not meet the fate of all other power groups in history that pursued selfish interest.

Or will we pursue *self-interest*? Will we place national interest above our own immediate advantage and lead the country in a wise, farsighted attack on its grave and critical weaknesses?

Battle strategy: What forms should such leadership and such an attack assume? To exercise leadership that will make an important difference, a visible and significant portion of the business community must agree that we truly ought to "go to war," to aggressively lobby in courthouse, statehouse, and Washington, and to act voluntarily at home to this end.

Business could change its attitude toward taxes. Each land purchase that we have made for our businesses during the past 20 years seemed too costly at the time. Today we wish we had bought twice as much, for it now looks cheap at the price. Each building we built was pared to minimum acceptable size because the cost was too great. Today we wish that we had built twice the space at yesterday's cost.

We have a lesson to teach and to

urge on government: plan well, but *do it now*; and do more of it than is needed today. This applies to roads, to schools, to sewage plants, to renewal projects, and to many more items. Our great public utilities are constantly engaged in this very kind of action. It is the best way to save taxes. Leadership by the business community in this direction could be decisive.

The gravest problems of our time come into sharpest focus in the great matter of race, and of the Negro race particularly. For the blacks, education is poorest, jobs come hardest, discrimination is most severe, housing is worst, income opportunities are scarcest, and American affluence is furthest removed.

Up to now business has *reacted* to the impact of race on the communities in which it is located. We know in our own businesses how important it is to act rather than react. Is it unthinkable that we should *plan* the total racial integration of each of our businesses, even to the point of importing members of minority groups, arranging decent, open housing, and pressing for relevant general and vocational education?

Can you imagine what might happen to racial pressures in the United States if the majority of American businesses voluntarily took on this job, and attacked it with the same drive and intelligence and commitment with which we attacked the conversion to military production in World War II?

I mentioned earlier that business and labor would be well advised to find their own solution to strikes as the only means of settling their disputes—before an exasperated public forces a solution on them. Here again the opportunity for farsighted, voluntary action is considerable.

A final suggestion: scarcely a handful of businesses takes advantage of the 5% deduction allowed for contributions. This potentially staggering sum of money could supply more than enough funds to underwrite adequate worldwide population-control research (and much of its implementation), to train and fit for gainful employment the whole of our hard-core unemployed, and to pio-

neer in means of stabilizing health costs and raising the quality of health care and in many other items as well.

Such contributions would have to be made with the seriousness, analysis, and careful attention which the same managements regularly give to their annual capital budgets. But if that were to happen, these expenditures would clearly turn out to have been profitable ones, for they would all tend to reduce present problems and enhance the lot and purchasing power of many individuals.

All this is not a complete catalogue. Nor is it a pious exhortation to "do good." Rather, it is a suggestion of how business might voluntarily go to war, and of how very

much in our self-interest such a pattern of voluntary action would be.

Liberty and property: Two hallmarks of the free society of which we are so proud are personal liberty and private property.

If to each of us personal liberty means a single-minded concern for the preservation of a maximum degree of our personal liberties, and if private property means a single-minded concern for the preservation of our own personal property, and our right to do with it as we wish, then we have wrought nothing new in the United States. The animals in the jungle have operated according to these principles since life began—and I should expect that we will

sooner or later have a jungle here.

But if personal liberty in America comes to mean a fierce concern for the personal liberty of the other fellow and an individual and collective commitment to achieving this, and if private property comes to mean a fierce concern for the private property of the other fellow, especially the weak and disadvantaged, and an individual and collective commitment to achieve this—even at the surrender of some present personal privilege—then we will have achieved a most remarkable society indeed.

We will have saved ourselves from a perilous time. And we will have shown the whole world the way out. Because of what and who we businessmen are, this all begins with us.

Dallas Community Leaders lunch
~~Monday~~ Tuesday??/ Dec 2

Itxx
insert...

Here in the Dallas Fort Worth area the business community has always *been* ~~had a~~ close involvement ~~at~~ with matters of community concern.
at the firm's own expense-

Firms like LTV/have moved whole families from the impoverished Rio Grande Valley into the healthy Dallas employment market . Mexican-American families, their game cocks packed on top of old pick-up trucks among tattered family belongings, arrive bewildered and ~~confused~~ by frightened by urban confusion. LTB counsels, provides housing and other re-location assistance and--most important--jobs.

Jobs -- plus the patience and the training that make it possible for these new arrivals -- many of whom have never held a job before -- to become part of the economic mainstream of America.

insert 2

Here in Dallas, the Chamber of Commerce, in cooperation with the National Alliance of Businessmen ~~and the Mayor~~ has mounted one of the best summer employment efforts in the country. ~~The Mayor's office has been busy~~ Your Summer Job Fair is a model ~~type~~ cities all over the county are copying in the effort to provide meaningful jobs for ~~hundreds of thousands of~~ disadvantaged youngsters.

In the Dallas-Fort Worth area, the response from businessmen *have responded with enthusiasm when asked* to help expose high school students to the world of work has been outstanding.

There have Elsewhere in Texas notable efforts have been made. *I already one in* IN San Antonio for example, Station WOAI, an affiliate of AVCO corporation, ~~has~~ provided a half hour of public service time to the NAB every Saturday morning for over a year. It is a community educational effort, and it is working in San Antonio.

Clyde Skeen, President of LTV has offered one of the best explanations for the involvement of the business community in this effort.

here
This is ~~in~~ no sense a conflict between ~~liberals~~ the liberal and the conservative in our society. Both the liberal and the conservative philosophies are rooted in a common understanding of democratic development and both are equally committed to the values and principles necessary for the survival of democracy. Liberals and conservatives alike must face the present inequities in ~~the system and~~ in our society. And we must work together to find solutions or we shall succumb to the advocates and practitioners of force and violence.

~~stop being~~ end the ~~pitiful~~
We must ~~and the~~ preoccupation with our precise location on the political spectrum and agree together that this is not a battle between liberals and conservatives, but a united effort to make our institutions work -- in defiance of those who would prefer to see our system destroyed.

In this cooperative spirit we ~~must~~ begin together a search for a new philosophy -- one that will help us ~~to~~ adapt those values of the past that have worn well ~~the tests of time~~ under the tests of time -- and ~~we~~ discover the new principles we need today to solve the problems of a ~~system and society that are changing faster than our ability to comprehend~~ required by a space age society that is changing at a pace we are hard put to comprehend.
often

Such formerly all-business organizations as the Chamber of Commerce and the National Association of Manufacturers today focus their programs and publications on the responsibility of the business community toward the wider community. Such corporations as Aerojet, with its plant in Watts, and the Hotel Corporation of America, with a new motel going up in Harlem, are trying to re-vitalize the inner-city economically, to provide jobs and facilities that can make urban living bearable.

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Clearly, such new directions are called for ~~if the American business community is to~~ continue to attract the idealistic students of the 60's and the 70's; the students who demand that their government offer them the Peace Corps, Vista, the Teacher Corps and the OEO Legal Services Program. These programs, and others like them grew in response to demand, a demand by the students and young adults of this generation that their country provide a way to serve peace, not war, to serve in domestic, as well as international, trouble spots, to serve with their professional skills as well as their hearts and good intentions.

And - much as we might like to - none of us in public life can honestly take credit for the host of national service programs, public and private, that bloomed in this decade; credit must be shared with this magnificent generation, these agents provocateur of progress.

These young people proudly offer their country a talent bank of hope and concern. They seem to know what many of their elders have forgotten -- that the great satisfactions in life still come from the great

humanitarian efforts. They enter their professional lives with full awareness that "business as usual" has not done the job in the past - and will not do the job in the future.

They know too that the best of governments -- local, state or federal -- cannot by itself solve the tough, societal problems facing us today, problems we have in part inherited, and in part created. Business, along with all other elements of our society, must share the blame and bear the burden of restructuring our imperfect society.

It would be easy if we could start this effort with a clean slate, but we have to deal with the accumulated liabilities of yesterday, with those who grew among us ill-housed, poorly fed and semi-literate.

In an earlier America a strong back and a willing heart could get anyone past the hiring gate. But in our increasingly technological society, more than half a million willing adults are simply not equipped to hold a job. Another half million or more are barred at the employment door because of obsolete and racially restrictive hiring practices.

Correcting such conditions should be a matter of conscience, but conscience or no conscience, the hard economic data is punishing: these million or more people are a consistent and persistent tax drain and they hold back an otherwise expanding economy. ^{These One million is} And this is by no means the total unemployed population. These million people are the active job seekers, those who meet frustration every day as they search for work.

Chad Sheer
market

and 9 LTV has done the computation.

Correcting such circumstances are matters of compassion, concern -- and vital self-interest. The unemployed and their families are the primary victims, ^{as they have paid up all} but we all suffer some of the consequences of their deprivation.

The dominant image of America is the economic well-being of the majority of its citizens. Inflation or no, national income is at an all-time high. The gross national product continues its record breaking ascendance. The evidence of abundance is everywhere. Prosperity stretches from Wall Street to Gopher Gulch.

But the dollar growth of the economy only serves to highlight the chronic failure of many to keep up. One out of five Americans still lives in an area where economic opportunity is severely limited; one out of four of our counties is having serious financial problems. The impact of this economic imbalance is pervasive. There are fewer customers for the products of the economically healthy regions. The prosperous regions must be taxed more heavily to compensate for the minimal revenues from the distressed regions. And the unemployed in both areas are tax-users, not taxpayers.

There is only one answer to unemployment. Jobs. And no White House adviser playing Monopoly games with the economy has the right to toy with the lives of millions of our citizens and accept rising unemployment as a trade-off for price stability. In the past ten months inflation has run wild; it is clearly one of the most dangerous develop-

ments on the national horizon. But unemployment is not and never will be an acceptable consequence of its control. We can never afford to forget people because our money is threatened.

How much unemployment is the Nixon Administration willing to accept? Four and a half percent? Five percent? Five and a half percent?

These are small numbers and they may not sound frightening, but remember that every half of a percentage point represents over one million people -- and every single one is a person in the midst of trouble.

What do I mean by trouble? A recent national nutrition survey examining diets and physical conditions among thousands of families turned up this appalling information.

- .34 percent of the pre-school children had anemia.

- .33 percent had Vitamin A deficiency -- a condition that does not exist when a child has enough milk to drink.

- A majority had serious dental problems; large numbers had rickets or scurvy or beriberi or other diseases normally associated with famine conditions.

This is trouble.

Last year, tests in the New York City public schools showed that 85% of all children were retarded in reading by the end of sixth grade; in the disadvantaged neighborhoods of the Bronx, 51% of 8th graders are three or more years behind. Of 1135 Puerto Rican youngsters who

should have graduated from high school last year, only 34 received a diploma. ^P This is trouble.

Although a research project just released by the US Bureau of the Census shows that the number of substandard housing units in the nation dropped from 18% to 9% in the eight Kennedy-Johnson years, over six million households in this country are still rated substandard by the most minimum measurements. This notes Art Young, chief of the Census Bureau's Housing Division, means that six million housing units are delapidated, seriously overcrowded, lack indoor plumbing -- or all three. ^P Though no accurate count is available, six million such households very likely hold between 20 and 30 million Americans who are living in squalor amidst the general plenty. And this data doesn't begin to tell the whole story: an adequate physical structure is no guarantee of an adequate environment, of green space or playgrounds for growing children, of transportation to jobs or to health facilities, of clean air or rodent and vermin-free residential neighborhoods. As the Douglas Commission report on Urban Problems noted, housing expectations, like other expectations, have risen. What was acceptable in the 1940's (when housing standards were developed) is no longer acceptable to a very substantial portion of the population today. ^P This is trouble.

Substandard housing, like hunger, poor health and illiteracy, is a consequence of chronic poverty and like all other situations in which goods and services are exchanged for money, the solution lies in expanding job markets and job opportunities. This is too big a job for government to tackle alone -- even a government committed to these goals -- and the Nixon Administration clearly is not so committed.

Six out of seven jobs in this country are in private industry and it is industry that must, with reasonable subsidy, make whatever investment is necessary to start these by-passed Americans on the long climb to productivity and prosperity.

There is no millenium; we aren't going to wake up some Monday morning and find everything rosy. No present program -- public or private -- seriously threatens the conditions of life in the urban ghetto or the rural slum. Each of us must develop a personal program, must take our own first step.

The challenges ^{young eyes} this generation faces as ^{they} it enters the world of commerce are far greater than those faced by ^{their} its parents for whatever your elders tell you, the fact is that the poverty our nation knew in the great depression, the peril that mankind faced in World War II, are as nothing compared to the poverty and peril that surround our rich

strong America today. The young men and women about to enter the business world today must support bold policies and place themselves in the forefront of the brave ventures. And they must be tough enough to face failure. [You know, if you throw a lot of mud at a wall, when the sun comes out some of it is bound to fall off. But you can't be discouraged; you have to go back and throw some more mud.]

Business must offer its ^{creative} new young recruits the opportunity to make a contribution to their world - to throw some mud at that wall - at the same time that they are making a contribution to their employer. Corporate captains who can offer that kind of leadership and that kind of opportunity to young people will attract the best of the crop. Many are already doing so.

Last year over five thousand young executives had the opportunity to serve in local and regional offices of the National Alliance of Businessmen, on loan from their companies at full salary. They worked from one to twelve months seeking jobs for the hard-core unemployed. Uncounted thousands more worked in storefront recruiting operations deep in the ghettos of our largest cities. Other business volunteers helped after hours in such vocational counseling programs as the Volunteer Advisor Corps in Indianapolis. Many more served in in-plant buddy and guidance

programs, or helped develop sensitivity training programs to assist foremen and supervisors in understanding the problems of newly hired disadvantaged workers.

Business leaders across the nation supported training facilities like the Opportunities Industrialization Centers, and voluntary employment integration efforts like Plans for Progress.

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These are good developments, and they deserve a hearty well done -- for effort. But not yet for achievement.

For the serious problems remain.

Despite the exemplary job drive by the National Alliance of Businessmen under the exhortative leadership of Henry Ford and Leo Beebe in its first year, this year -- its second -- unemployment in the nation is again on the rise. Despite a technological proficiency that offers us new wonders almost every time we open a newspaper, our scientific and technical leaders have yet to successfully scout the sea for new sources of food, have yet to devise cheap, comfortable structures to house the poor, have yet to apply new learning techniques to make the nation fully literate.

Industry and government working together can go to the moon and to Mars, can develop information devices that make the world a global village -- but we are still waiting for the task forces of systems

engineers to come to grips with the human problems that beset us: hunger and housing, health and literacy, environmental pollution and traffic congestion.

This is the challenge ^{for} ~~that~~ American ^{5 today:} business ~~has~~ to offer the highly motivated young people about to cross its threshold. This is where we should put youthful impatience to work.

Some people think history is being made by the confrontations on the streets. I am convinced it is being made by the host of people who are quietly struggling to solve the problems of today.

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