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HOLD FOR RELEASE, THURSDAY, MARCH 29, 1973, 1:00 P. M.

POLITICS OF POVERTY -- DESPAIR
NATIONAL ASSOCIATION OF MINORITY CONTRACTORS
NEW YORK, NEW YORK



BY:
STANLEY S. SCOTT
SPECIAL ASSISTANT
TO THE PRESIDENT
THE WHITE HOUSE

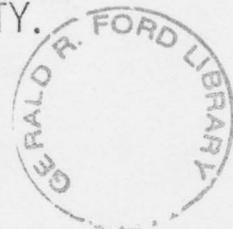
I THANK YOU FOR THIS OPPORTUNITY TO BE WITH YOU TODAY. N-A-M-D AND N-A-M-C ARE CONCERNED ABOUT MANY OF THE THINGS BLACKS IN AMERICA TODAY SHOULD BE RELATING TO, AND THAT'S HELPING BADLY BATTERED BLACK COMMUNITIES TO SUPPORT THEMSELVES. DEVELOPING CAPITAL OF THEIR OWN AND CONTROLLING SOME OF THE MORE THAN 50 BILLION DOLLARS EARNED BY BLACKS ANNUALLY REPRESENTS -- IN MY VIEW -- WHAT WE OUGHT TO BE ABOUT AS CONCERNED BLACKS.

WHEN I THINK OF CONTRACTORS MY MIND SOMEHOW FLASHED TO THE CONSTRUCTION INDUSTRY, AN AREA WHERE MORE MINORITY INPUT IS NEEDED. I ALSO THINK OF THE FANTASTIC GROWTH THAT WILL TAKE PLACE WITHIN THIS INDUSTRY DURING THE NEXT 10 YEARS. FOR EXAMPLE, 100 BILLION DOLLARS WERE SPENT IN THE CONSTRUCTION INDUSTRY IN 1970. BY THE YEAR OF 1980, THE CONSTRUCTION INDUSTRY WILL HAVE REACHED A SPENDING LEVEL OF 180 BILLION DOLLARS.



THERE WERE APPROXIMATELY 30,000 MINORITY CONSTRUCTION CONTRACTORS OUT OF 850,000 CONTRACTORS AT THE BEGINNING OF THE DECADE. MINORITY CONSTRUCTION CONTRACTORS ACCOUNTED FOR ONLY ONE PERCENT OF THE TOTAL CONSTRUCTION INDUSTRY RECEIPTS. WE TALK ABOUT GETTING A PIECE OF THE ACTION..... CONSTRUCTION IS ONE OF THE AREAS THAT IS WIDE OPEN.

AS CONTRACTORS, AS MARKETING AND MANAGEMENT EXPERTS, YOU'LL BE HAPPY TO KNOW THAT FEDERAL FUNDS FOR HUMAN RESOURCES WILL EXCEED FUNDS FOR DEFENSE THIS YEAR. THE AMOUNT OF FUNDS TO BE SPENT FOR HUMAN RESOURCES IS 125 BILLION DOLLARS. THOSE OF YOU CONCERNED WITH THE URBAN AREAS AND THOSE OF YOU WHO ARE CONTRACTORS WILL NO DOUBT WANT TO FIND SOME OF THESE FUNDS AND MAKE USE OF THEM TO HELP OUR PEOPLE AND THE OTHER POOR PEOPLE OF THIS NATION FIND THEIR WAY OUT OF POVERTY.



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GROWING UP IN GEORGIA I HAD A FRONT ROW SEAT WHICH GAVE ME A GOOD VIEW AND A GOOD UNDERSTANDING OF POVERTY AND HOW IT AFFECTED BLACK PEOPLE.

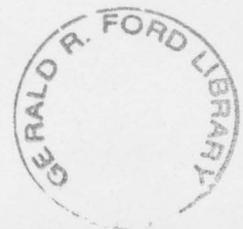
WE ARE FORTUNATE IN THIS COUNTRY TO ENJOY FREEDOMS WHICH HAVE MOTIVATED AND HAVE MADE ROOM AT THE TOP FOR GREAT BLACK LEADERS SUCH AS THE LATE DR. MARTIN LUTHER KING, THE LATE WHITNEY YOUNG, AND OUR DISTINGUISHED NAACP EXECUTIVE DIRECTOR ROY WILKINS, VERNON JORDAN OF THE URBAN LEAGUE AND OTHERS.



ALL OF THESE MEN HAD SEVERAL THINGS IN COMMON, AND THAT WAS AND IS TO MAKE A BETTER WAY OF LIFE FOR BLACKS, OTHER MINORITIES, AND POOR PEOPLE.

THEIR GOALS ARE THE SAME GOALS I HAVE WORKED FOR DURING MY ADULT LIFE AND THEIR GOALS ARE ONES I STILL HOLD DEAR IN MY DAILY FUNCTIONS AT THE WHITE HOUSE.

I KNOW THAT THE ADMINISTRATION I REPRESENT HAS BEEN ACCUSED OF "HACKING AWAY AT SOCIAL SPENDING WITH RUTHLESS INTENSITY" THAT IS PURPORTEDLY "DESIGNED TO DESTROY THE SOCIAL REFORMS OF THE 1960s." NOW I MUST TAKE ISSUE WITH THESE STATEMENTS WHICH ARE MADE WITHOUT ANY REAL RESEARCH AND WITHOUT FOUNDATION. THE TRUTH IS THAT SPENDING FOR SOCIAL ITEMS HAS INCREASED FROM 15 TO 30 BILLION SINCE THE PRESIDENT TOOK OFFICE.



SOCIAL SPENDING HAS BEEN INCREASED, NOT CUT. LISTEN TO THE FACTS, NOT THE RHETORIC. THE OVERALL CIVIL RIGHTS BUDGET WAS INCREASED FROM THE \$900 MILLION BEING SPENT WHEN THE PRESIDENT CAME INTO OFFICE TO \$3.2 BILLION FOR THE NEXT FISCAL YEAR. IN THE AREA OF ENFORCEMENT OF CIVIL RIGHTS LAWS WE WILL BE SPENDING MORE THAN SEVEN TIMES WHAT THE PREVIOUS ADMINISTRATION SPENT. WHILE THE PRESIDENT HAS PROPOSED CUTS IN AREAS AFFECTED BY FEDERAL FUNDS, HE HAS AT THE SAME TIME ACTUALLY INCREASED THE FUNDING FOR MANY ANTI-POVERTY PROGRAMS.]



LET ME ADDRESS ANOTHER VERY FALSE PREMISE THAT IS FLOATING AROUND WITHIN THE BLACK COMMUNITY, AND THAT IS THAT THE WAR ON POVERTY HAS BEEN LOST. THE TRUTH IS THAT MOST FEDERALLY FUNDED ANTI-POVERTY PROGRAMS HAVE ACTUALLY RECEIVED AN INCREASE IN FUNDING INSTEAD OF BEING CUT. VERY FEW HAVE BEEN RETAINED AT THEIR PRESENT LEVEL OF FUNDING. ONLY THE COMMUNITY ACTION AGENCIES ARE BEING CUT. NO MATTER WHAT YOU HAVE HEARD, NO MATTER

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WHAT ANYONE HAS TRIED TO MISLEAD YOU INTO BELIEVING,
THE CAAs ARE THE ONLY PROGRAM THAT HAS BEEN CUT. WHY THE CAAs?
WHEN ONLY 15 % OF YOUR TOTAL FUNDS ARE REACHING THOSE
INTENDED TO BE HELPED THEN IT'S TIME FOR A CHANGE, IT'S
TIME FOR SURGERY. WHEN YOUR TOP HEAVY OVERHEAD REACHES
THIS LEVEL OF WASTE, IT'S TIME THAT SOMETHING IS DONE.
THE PEOPLE BEING RIPPED OFF ARE THE POOR PEOPLE. NOW I
KNOW THAT THERE WERE SOME SUCCESS STORIES, AND THESE WILL
HAVE A CHANCE TO SURVIVE UNDER REVENUE SHARING OR PRIVATE
FUNDS.

IN REGARDS TO OEO, ALL PROGRAMS ARE BEING TRANSFERRED
TO EXISTING FEDERAL AGENCIES. OEO HAD A TOTAL BUDGET OF
\$750 MILLION. THE INCREASE IN SOCIAL SPENDING WAS \$30 BILLION.



[IN FISCAL YEAR 1974 THE RESEARCH, DEMONSTRATION, AND EVALUATION PROGRAMS HANDLED IN THE PAST BY OEO, WILL BE TRANSFERRED TO VARIOUS AGENCIES. FUNDING HAS BEEN INCREASED, NOT CUT, FROM 66.7 MILLION TO \$78 MILLION.

COMMUNITY ECONOMIC DEVELOPMENT FUNDING HAS BEEN INCREASED FROM 30.7 MILLION IN 1973 TO 39.3 MILLION DOLLARS IN 1974.

MIGRANT AND SEASONAL FARM WORKERS PROGRAMS HAVE BEEN INCREASED FROM 36.3 MILLION TO 40 MILLION DOLLARS FOR THE NEXT FISCAL YEAR.

* THIS IS NOT A PLAY ON STATISTICS, THESE FIGURES CLEARLY SHOW THAT INSTEAD OF RETREATING IN THE WAR ON POVERTY, WE'RE FORGING AHEAD. *Anecdote*



* FUNDING FOR THE HEAD START PROGRAM IN THE OFFICE OF CHILD DEVELOPMENT HAS BEEN INCREASED, NOT CUT.

IN ESSENCE WHAT I AM SAYING IS THAT WE AS A PEOPLE NEED TO PUT MORE SUBSTANCE INTO THE WORD BLACK. UNLESS WE PUT SUBSTANCE INTO THE WORD BLACK BLACK WILL ALWAYS BE ASSOCIATED WITH THAT WHICH IS NOT BEAUTIFUL, NO MATTER

HOW OFTEN WE SAY THINGS TO THE CONTRARY.

IT'S TIME WE SET OUR SIGHTS ON SOMETHING THAT
HAS SUBSTANCE LIKE CAPITALISM. AND LET ME SAY HERE
THAT THERE IS NO SUCH THING AS BLACK CAPITALISM.
CAPITALISM HAS NO COLOR. IT RESPECTS NO COLOR.
BLACKS WHO HAVE STARTED TO SUCCESSFULLY PARTICIPATE
IN OUR CAPITALISTIC SOCIETY ARE STILL BLACK, BUT THE
COLOR OF THEIR MONEY IS GREEN, AND GREEN DOLLARS
ARE UNDERSTOOD ALL OVER THE WORLD.

[I'M REMINDED OF A BLACK AMERICAN THAT HAS BEEN
SUCCESSFUL IN AN AREA WHERE BLACKS HAD NOT HERETOFORE
DARED, AND THAT IS IN MAGAZINE PUBLISHING AND IN THE
NATIONWIDE DISTRIBUTION OF PUBLICATIONS. YOU PROBABLY
ALREADY KNOW THE DISTINGUISHED GENTLEMAN TO WHOM I
REFER: JOHN H. JOHNSON, PUBLISHER OF JET, EBONY AND
SEVERAL OTHER NATIONALLY DISTRIBUTED ITEMS.



ADD

MR. JOHNSON TOLD THE UNITED MORTGAGE BANKERS

IN AN ADDRESS IN NEW YORK CITY THAT "BLACKS MUST ABANDON THE POLITICS OF POVERTY, AND THE PHILOSOPHY OF DESPAIR."

THE PUBLISHER WENT ON TO SAY, "OUR GREATEST FIGHT TODAY IS FOR GREATER PARTICIPATION IN THE ECONOMIC ABUNDANCE OF THE WEALTHIEST NATION IN THE WORLD..... STOP

THE ECONOMIC LIFE OF THIS NATION IS NO LONGER A SPECTATOR SPORT FOR BLACK AMERICANS." } Red Story

MR. JOHNSON ALSO HAD A FEW CHALLENGING WORDS FOR THOSE AFFECTED BY THE CHANGING PRIORITIES BROUGHT ON BY THE PRESIDENT'S NEW BUDGET. HE SAID, "ALL OF YOU KNOW THAT SUCCESS IS NOT GUARANTEED IN ANY BUSINESS. WHEN YOU TAKE A RISK, YOU MAKE A RISK — EVEN UNDER THE PROTECTION OF THE FEDERAL GOVERNMENT." } Red Story

YOU KNOW JUST HOW DIFFICULT IT IS FOR PEOPLE TO ACCEPT CHANGE. WITHIN THE BLACK COMMUNITY, RUMORS, MIS INFORMATION, AND HALF-TRUTHS ALWAYS CREATE A BAD CLIMATE FOR ANY CHANGE.



FOR EXAMPLE, A PROMINENT BLACK LEADER ASKED THIS QUESTION RECENTLY: "HOW DO WE EXPLAIN FEDERAL WITHDRAWAL TO POOR BLACK FAMILIES IN BEDFORD-STUYVESANT?"

FOR ME IT IS MUCH MORE DIFFICULT TO EXPLAIN TO THE SAME FAMILY WHY THE URBAN RENEWAL PROGRAM HAS EVICTED ONE MILLION POOR FAMILIES FROM THEIR HOMES. IT'S EVEN MORE DIFFICULT TO EXPLAIN TO THAT SAME FAMILY WHY ONE-HALF OF THOSE ONE MILLION EVICTED WERE BLACKS AND PUERTO RICANS. HOW DO I EXPLAIN TO POOR BLACKS THAT UNDER THE OLD FEDERAL PROGRAMS, FOR EVERY HOME BUILT, THREE WERE DESTROYED?

HOW DO I EXPLAIN THAT UNDER THE OLD FEDERAL PROGRAM THAT WEALTHY REAL ESTATE OWNERS AND LAND SPECULATORS RIPPED OFF MONEY WHICH WAS MEANT TO ASSIST THE POOR? HOW, INDEED, CAN WE EXPLAIN TO POOR BLACK FAMILIES THAT THE RAT INFESTED TRAPS THEY MOVED INTO UNDER CERTAIN FEDERAL SUBSIDIZED HOUSING PROGRAMS WERE SOLD TO THEM AT A PRICE FAR BEYOND THE SELLERS PURCHASE PRICE AND THEY



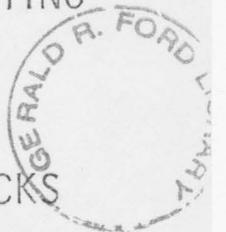
HAVE JUST BEEN RIPPED OFF AGAIN.

SO IT'S VERY EASY FOR ME TO EXPLAIN TO THAT POOR FAMILY IN BEDFORD-STUYVESANT THAT THE ANSWER TO THEIR PLIGHT IS NOT IN RIP-OFF PROGRAMS THAT HAVE FAILED TO WORK. OBVIOUSLY WE NEED BETTER SOLUTIONS.

THE FEDERAL GOVERNMENT IS NOT WITHDRAWING FROM ITS OBLIGATION TO ASSIST THE POOR IN THE AREA OF HOUSING. THE PRESIDENT IS SPENDING A BILLION DOLLARS MORE THIS YEAR IN THE AREA OF HOUSING AND COMMUNITY DEVELOPMENT THAN LAST. BUT THIS ISN'T THE WORD THAT BLACK SPOKESMEN ARE PUTTING OUT TO OUR PEOPLE.

AGAIN IN THE WORDS OF MR. JOHN H. JOHNSON, "BLACKS MUST ABANDON POLITICS OF POVERTY, AND THE PHILOSOPHY OF DESPAIR."

I THINK THAT THE TIME HAS COME FOR BLACK AMERICANS TO REALIZE THAT IT IS NOT OUR DESTINY TO INHERIT THE WASTELANDS OF AMERICA OR TO RIDE FOREVER THE TAIL END OF PROGRESS



AND PROSPERITY. THE ECONOMIC LIFE OF THIS NATION MUST NOT CONTINUE TO BE A SPECTATOR SPORT FOR BLACK AMERICANS.

IN 1968 MANY BLACK LEADERS THOUGHT IT LUDICROUS WHEN A CONTENDER FOR THE OFFICE OF THE PRESIDENCY PROMISED TO HELP PUT BLACK AMERICANS INTO THE ECONOMIC MAINSTREAM OF THIS NATION. THOSE SAME BLACK LEADERS HAVE FAILED TO RECOGNIZE THE IMPACT MADE BY THE IMPLEMENTATION OF THAT PROMISE. IN 1969 BLACK BUSINESSES WERE AIDED TO THE TUNE OF \$200 MILLION DOLLARS. IN THE COMING FISCAL YEAR THAT AID TO MINORITY BUSINESS ENTERPRISES WILL JUMP TO 1.2 BILLION DOLLARS.

DOES THAT SOUND LIKE A WITHDRAWAL FROM A FEDERAL OBLIGATION TO AID THE POOR?

I'M REMINDED OF SOME OF THE PRESS REPORTS FLOATING AROUND WASHINGTON WHICH SUPPORT THE PRESIDENT'S BUDGET CUTS. SOME OF THE STORIES SAY "HE'S DOING WHAT SHOULD



HAVE BEEN DONE BUT HE'S MOVING TOO FAST. PERHAPS THE MOST UNIQUE STORY CAME FROM BLACK COLUMNIST BILL RASPBERRY OF THE WASHINGTON POST. HE CONCEDES THAT ANTI-POVERTY PROGRAMS HAVEN'T WORKED, BUT THEY SHOULD BE PRESERVED FOR THEIR "SYMBOLIC VALUE."

PERHAPS THEY SHOULD BE PAID, ACCORDING TO ONE REPORTER, WITH SYMBOLIC MONEY.

IT IS NOT MY INTENTION TO PUT DOWN THE OLD PROGRAMS BORN DURING THE 60s. BUT WE CANNOT CONTINUE TO LIVE IN THE 60s AND TURN OUR BACKS ON THE PROBLEMS OF THE 70s. I DO NOT QUESTION THE GOOD INTENT OF THE FEDERAL PROGRAMS



BORN UNDER FEAR AND HASTE. SURELY THEY WERE MISTAKES OF THE HEAD AND NOT THE HEART. BUT I THINK THAT MUCH OF THE RHETORIC WE HEAR TODAY ABOUT THE SHIFTS BEING MADE IN THE NEW BUDGET ARE MISTAKES OF THE HEAD AND NOT THE HEART. THE FACTS SIMPLY DO NOT SUPPORT THE ACCUSATIONS BEING MADE.

MANY OF THE BLACK SPOKESMEN GOING AROUND THE COUNTRY TODAY HAVE SIMPLY FORGOTTEN THAT THE POOR BLACK LIVING IN A HARLEM TENEMENT OR A RURAL SHACK IN GEORGIA HAS NOT BEEN ^{appreciably} HELPED BY THE PROGRAMS OF THE 60s. MANY OF THE PROGRAMS FATTENED THE POVERTY PROGRAM STAFF MEMBERS AND KEPT LEAN AND POOR THE PEOPLE WHO STILL NEED OUR HELP. IT COMES AS LITTLE SURPRISE TO ME THAT THE PEOPLE MAKING THE MOST NOISE ABOUT THE CHANGES BEING MADE IN ADMINISTERING PROGRAMS DESIGNED TO HELP THE POOR ARE THE SAME PEOPLE WHO WERE RAKING-OFF 80-85 PERCENT OF THE FUNDS ALLOCATED FOR PROGRAMS SUCH AS COMMUNITY ACTION AGENCIES.



IN THE GHETTOS AND IN THE BARRIOS THERE HAS BEEN A NOTABLE SILENCE. THE REASON BEHIND THIS, ACCORDING TO AN EDITORIAL APPEARING IN THE DENVER POST AND BASED UPON RESEARCH CONDUCTED BY A MAGAZINE: MANY OF THE POOR FEEL THAT THE FEDERAL PROGRAMS NEVER BENEFITED THEM. THE POOR WHO DID RECEIVE SERVICES ARE DISENCHANTED WITH THE QUALITY AND TYPE OF SERVICE. MANY OF THE POOR FEEL THAT THESE OLD FEDERAL PROGRAMS ARE JUST PACIFICATION PROGRAMS.



OEO WAS FOUNDED ALMOST 10 YEARS AGO WITH A PROMISE TO ERADICATE POVERTY IN AMERICA BY 1974. ONE HAS TO ONLY LOOK AROUND TO SEE THAT THE DEADLINE COULD NOT POSSIBLY BE MET BY 1974.

THE POVERTY PROGRAM IS NOT BEING DESTROYED, IT IS BEING MOVED WHERE IT CAN BE MORE EFFECTIVE. SOCIAL REFORM IS NOT STOPPING, IT IS MOVING MORE RAPIDLY THAN EVER BEFORE.

A VERY INTERESTING THING HAS HAPPENED IN AMERICA WHILE SOME OF OUR LEADERS HAVE BEEN FOCUSING BACK ON THE 60s. HUMAN RESOURCES HAVE REPLACED THE DEFENSE BUDGET AS THE HIGHEST EXPENSE ITEM OF THE BUDGET. SOMEHOW THE WORD HAS NOT GOTTEN OUT TO OUR PEOPLE.



LET ME CONCLUDE BY SAYING THAT IT IS A WELL-KNOWN FACT THAT BLACK PEOPLE HAVE SUFFERED FROM POVERTY EVER SINCE WE FIRST STEPPED FROM THE BOAT IN 1619. WE HAVE A TREMENDOUS INVESTMENT IN THIS NATION. IT SHOULD BE

OUR RESOLVE TO PARTICIPATE FULLY IN ALL ASPECTS OF THE
AMERICAN WAY OF LIFE. LET'S TRANSLATE OUR RHETORIC
INTO POSITIVE PROGRAMS AND LET'S CHANGE WITH THE TIMES,
AND NOT ACCEPT THE "PHILOSOPHY OF DESPAIR". I WELCOME
YOUR POSITIVE SUPPORT.

