American people $4.8 billion to run 41 federal agencies. And the estimated costs to the private sector of meeting all government compliance requirements will be almost $98 billion in this fiscal year. The outlook is for more of the same.

I read with dismay a few weeks ago that a Senate Subcommittee has launched an investigation into corporate advertising on controversial issues. They’ve started on four oil companies and their ad agencies. Meanwhile, a House Subcommittee is examining the legality of deducting “image” ads as a cost of business. What’s next?

I don’t believe we can afford or should allow these trends to continue unabated. But to do the job, we must fight to win back the public’s confidence.

Fortunately, we’ve got something to work with. The American people unquestionably believe in the free enterprise system. Yankelovich in a speech some months ago said that their surveys revealed time and again that people are not resentful of large profits — if they are perceived as a result of rendering a real service.

*Competition is Best*

One major Harris study determined that “most Americans recognize the benefits of competition, and most people believe competition is the best way to keep prices down and the best way to ensure better quality products, and the best way to make sure products are safe.”

If these surveys are right — and if the public really believes in the free enterprise system and its fundamental values of achievement and reward — we should be able to restore confidence in the business community and its products and services.

But, we will have to do a more effective job in responding to criticism and accusations from government.

The populace has a one-sided view of business — and it’s negative. We have to balance the scales in the minds of the public by being more aggressive about our position on key issues — backed by facts, figures, and well-reasoned analyses and position papers. Too often, we are defensive and reactive, and by the time we respond to criticism, it’s too late — the public has already made up its mind.

*Communicating Our Viewpoint*

My final observation: it is essential that we become more forceful and direct in communicating our points of view. There is no magic formula to getting the job done — just consistent, continual two-way communications efforts with both the consumer and government.

If we are to win back consumers, we will have to convince them that our long-term, basic interests really serve their long-term interests — delivering the best possible products and services at an equitable price; that’s what keeps all of us in business and that’s what keeps our economy and nation strong. I believe we can win that battle.

But, the task of dealing with the government is much more complex and worrisome. We must be more aggressive in our approach. In that arena, not only do we have to deal with Washington and the federal bureaucracy, but we also have to face the burgeoning role of state government. At the state level alone, this year over 250,000 bills will be introduced and 10 percent will pass through the legislatures and become law.

To win this battle, business will have to meet the phenomenon of government head on, much more aggressively than before. First, we will have to use the channels already available — such as communication with customers, employees, stockholders, and suppliers. There is nothing more effective in dealing with government officials than the power of communications from constituents back home — the voters.

*A Militant Role*

Another major force for dealing with government officials is the special interest group, such as this organization. The 4 A’s can be an important tool for the free enterprise system by representing not only the advertising and marketing industry, but the entire business point of view, in general, in Washington and in the state capitals throughout the country. But don’t go to Washington as supplicants or advocates — go as militants demanding equal rights for the free enterprise system. I know you all have some major programs under way here, but I urge you to keep your attention focused on this very critical arena.

I have one more thought that will put my remarks in perspective. It’s a quote from Malcolm Muggeridge, the British writer and social critic, who once said, “There is no such thing as darkness; only the failure to see.” We in the business community are playing not to lose, instead of playing to win. Let’s play to win.

---

**The Professional Leader In A Changing Society**

**THE MORAL FACTOR**

By VERNON E. JORDAN, JR., President, National Urban League

Delivered at Atlanta University, Atlanta, Georgia, April 18, 1978

Ten years have passed since the Kerner Commission warned: “Our nation is moving toward two societies, one black, one white — separate and unequal.”

Ten long years have passed. Years long enough for hopes to blossom, wither, and die. Years long enough for hopes to be reborn again.

It has been a decade of trial and tribulation for America’s minorities. The promise of the Second Reconstruction was untimely cut off by war, by benign neglect, by national indifference. Many black people escaped the confines of poverty. Many others sank ever deeper into poverty. And our nation itself has demonstrated a poverty of spirit and determination to make ours a land of equals.
In some ways, that decade-old prophecy of drift to separate and unequal societies has come true. Many of the black gains made in the 1960s have eroded. Black Americans have increasingly been locked into deteriorating, economically stagnant central cities. While opportunities for some have expanded, opportunities for many have been closed off. In the words of the National Urban League's report, "The State of Black America-1978," there is "a disturbing duality of the black economy — a slowly growing black middle class and an increasingly jobless lower economic class."

The central fact our nation and our political leadership must understand is that the conditions of black citizens have worsened in the decade since the Kerner Report was filed — and forgotten.

In 1969 nearly seven-and-one-half million black people were officially considered in poverty. Now, the black poor have grown by another hundred thousand.

In 1967, the year before the Kerner Report was published, the median white family income was about $8,200, the median black family income, about $4,800, or a gap of about $3,400 separating the two. By 1976 the typical white family was earning $15,500, the typical black family, $9,200. The gap had grown to $6,300. This means the difference in income between white and black families almost doubled.

But that's not all. The typical black family income is actually lower than the government's own model minimum budget for a family — the real measure of effective poverty in America.

In 1968, while the Kerner Commission was warning of the dangers of black poverty and unemployment, the black jobless rate was 6.7 percent. Last month it was almost twelve percent. And we know from the Urban League's Hidden Unemployment Index that the official figures really count only about half the unemployed.

While white America congratulates itself on steadily lower unemployment rates and an end to recession, black people see little real improvement in jobless figures and remain in economic depression.

While White America considers that discrimination is a thing of the past, black people know that discrimination — in jobs, in housing, in education — is still with us.

While white America worries about the supposed effects of reverse discrimination, black people remain painfully aware of continued black disadvantage in almost every area of life.

As in the 1960s, it is the duty of the civil rights movement to continue to press upon our nation the moral imperative of realizing the too-long deferred dream of racial equality.

It is clear that in our struggle for parity and for justice, we must look first to our national government. The private sector is of the utmost importance, but it has demonstrated a greater capacity to respond to national efforts than to lead them. State and local governments have historically been either insensitive or unable to deal with the problems that face black people. Historically, the national government has been the engine of black progress, that has effectively overcome some of the barriers black people faced, that has the power and the resources to overcome the remaining barriers.

More important, as the seat of national power and the repository of moral authority and leadership, it is the national government — and it alone — that can mobilize the national will to overcome racial inequality.

That is why we must look with alarm at the popular belief that government is limited in its ability to deal with national issues. The President himself, in the State of the Union Address, expressed that view when he said: "Government cannot solve our problems. It cannot set our goals, define our vision, eliminate poverty or reduce inflation."

But those are exactly the tasks government is uniquely fitted to accomplish. To assume it cannot do the job is to give in to defeatism, and to ignore the lessons of history, which teach that government did mobilize the nation to win wars, to set national goals, to attack segregation and to reduce poverty.

This Administration itself has used the levers of government to accomplish much. It strengthened civil rights enforcement and reorganized the compliance agencies to make them more effective. It proposed new initiatives in welfare reform. It endorsed the Humphrey-Hawkins Bill. It moved against the practice of redlining. It took bold measures to assure that community development block grants are used for the benefit of the poor. It increased public works and public jobs programs that have been directly responsible for the drop in overall unemployment rates. And it has done much more, as well.

So there is no need for the Administration to talk about how little it can do. Rather, it should talk more about what it has done. And what it will do. And especially, it should concentrate on what it will do for the poor and for the black masses who have invested in this Administration their votes and their hopes.

For despite its many significant accomplishments, the Administration has also pursued contrary policies that cancel out many of the positive steps it has taken. On jobs, for example, it is far from providing the full employment it had promised. Endorsement of Humphrey-Hawkins isn't enough. That Bill faces an uncertain fate in the Senate. An Administration that twisted arms and made promises to round up votes to support the Panama Canal Treaty can do no less to ensure passage of Humphrey-Hawkins!

Public service jobs have proved successful. But they must be expanded — at least doubled in the coming year, with training components built into those jobs and special efforts to hire long-term unemployed and minorities. Instead, the proposed budget would freeze public service jobs at current levels.

We welcome the Administration's attempt to involve the private sector in job-creation through a new $400 million jobs program. Most jobs are in the private sector. Black people want and need those jobs. So private sector involvement is essential. But so too is the role of the community-based agencies which have the ties to the jobless and the track record of placement and training that both business and government lack. The private sector jobs program should mandate full partnership for the community-based agencies that can ensure success for the program.

Black gains in education are slowing, partly because of the financial burdens college attendance places on the poor. Instead of increasing scholarship and loan funds earmarked for the poor, the Congress is proposing tax credits for the middle class. And the Administration is countering this by proposing expansion of student aid programs that would sharply raise income ceilings and actually provide less aid to students from poor families.
The Administration is asking for a huge tax cut that would divert resources from programs to fight poverty into the pocketbooks of the more affluent and business.

Proponents of a tax cut claim that it will stimulate the economy, and thus create more jobs. That's the trickle-down theory that says if you put more money in the hands of the well-off, they'll spend more and thus create jobs for the rest of us. That never worked before, why should it work now? The late President Kennedy defended the theory by saying, "a rising tide lifts all boats." The problem with that is that a rising tide lifts only the boats in the water. Black people and other minorities are in the drydock of this economy. They will be helped more by direct job-creation programs and enlarged private sector hiring and training programs.

For all of the positives in the Administration's recently announced new national urban policy, it represents a missed opportunity. In the works for almost a year, the policy had raised expectations. While few people thought the result would be on the scale of an Urban Marshall Plan, most expected more than was delivered.

Perhaps the best thing about the policy is its very existence. For the first time in a decade a President has identified urban problems as a major national problem and tried to do something about them.

Thus, President Carter has helped focus attention on the state of the cities and inaugurated a national debate on national urban policy. That in itself is an example of leadership sorely lacking in the 1970s, and while we may be disheartened about the scope of the policy or about some elements in it, the interest and leadership exhibited by the President should be warmly acknowledged.

And yet, one gets the feeling that while the Administration is committed to helping to solve urban problems, it lacks the passion and intensity to convey that commitment to the American people.

The situation faced by many American cities and the people who live in them is serious. It has a profound impact on the entire nation, its economy, its well-being, and its future.

So it's not enough to throw a few billion extra dollars into the pot, add and improve some programs, stir, and present for public consumption. No, the problem is serious enough to come up with a program that commits the necessary resources and new program initiatives. And in order to impress upon the public the sense of urgency required by the problems, the policy should have been presented with the utmost passion. Now was the time to go to the South Bronx, Hough, or Watts, and not to Caracas.

As unveiled by the White House, the policy is no new crusade for urban America, no New Frontier of urban revitalization. It is a blend of programs, old and new, large and small, and it represents only the beginning of the long struggle to preserve urban America.

It took many billions of dollars of federal aid, federal tax incentives, and federal loans to encourage the movement of jobs and people out of central cities to the suburbs.

A similar commitment is required to restore the cities to economic health. But in its first year, the new urban policy will commit less than a billion dollars in new money for the cities.

Even when the tax revenues lost and the cost of loans is figured in, the policy will not add significantly to the resources available to cities. And once this new federal pie is sliced up and served, the amounts available to individual distressed cities will be far from adequate.

Perhaps the most important new initiative in the policy is the impact statement requirement for federal agencies. They'll have to assess how their policies are likely to affect the cities. Since federal policies helped drain the cities of their strength, such impact statements could at least halt federally-inflicted damage.

An impact statement should be applied retroactively as well. The Treasury wants to extend the investment tax credit to new structures, which in effect means financial encouragement to businesses to move out of the cities and build elsewhere. Meanwhile, the new urban policy offers similar tax incentives for business to stay or to relocate in the city. Here's an example of the government operating at cross-purposes, with one step cancelling out another.

It is clear that the nation needs an Urban Marshall Plan for the cities, and anything on a lesser scale is not likely to reverse the trend of urban deterioration. But the Administration plan offers the hopes of at least arresting that urban decay. And by focusing public attention on the problems of the cities, it marks a significant first step toward a future Urban Marshall Plan.

While we are saddened that the policy does not go much further in the direction of an Urban Marshall Plan, we intend to support it in the struggles to get it through the Congress, and to improve it. The President has taken the important first step in proposing a national urban policy. He's opened the national debate with a positive approach to urban problems. Now it's up to the Congress to live up to its responsibilities by making that plan better and passing it.

I would urge Mr. Carter to build on this important first step, to forge a massive new challenge to America's will and creativity. Mr. Carter has amply demonstrated his concern for minorities and for the poor, and now he should translate that concern into leading our nation in the moral crusade to save our cities and the people living in them. President Carter should inspire all of us with a vision of a bold, new future of revitalized cities, as previous leaders inspired us to meet the challenges of the Great Depression, world wars and the space race.

We now need an Urban Marshall Plan just as Whitney Young foresaw some fifteen years ago. The cornerstone of an Urban Marshall Plan must be jobs. And it should be made up of coordinated programs that mesh together into a network of necessary economic development, housing, health, welfare and educational programs concentrated where they are most needed. It would provide the cities with the tools of survival and would encompass a creative partnership between government, the private sector, and the community-based non-profit sector, and it would provide the means of empowering inner-city neighborhoods to develop themselves.

Such a national program could be the domestic counterpart of the Marshall Plan of the late 1940s in which American financing restored a war-stricken Europe to its economic feet. Now it is time to restore economically-stricken minority communities to economic health.

We often hear how it can't be done, how it's too big a job, how the cities are doomed. Don't believe it. I recently visited West Germany and saw first-hand how cities like Dusseldorf, Berlin and other major urban centers were literally rebuilt from the ground up after the war. That job
was done with American money, American credits and American backing. If we did it for the West Germans, the Japanese, the French and others, we can do it right here at home — for ourselves.

It took negative leadership to change the social concerns of the 1960s to the selfish concerns of the 1970s. It took negative leadership to blunt the cutting-edge of social change and to transform it into a privatism that threatens to fragment our society. And it took negative leadership to allow the cities and the jobless to dangle slowly, slowly in the wind.

It will take positive leadership to once again tap the national vein of concern and a spirit of interdependence.

That leadership must come from the Administration and the Congress, but it also must come from business, labor, voluntary associations and the non-profit sector. A national consensus to do right cannot be imposed from above. It must spring from active citizen concern and from the proven impulse to justice and decency shared by all of our people.

But those positive attributes of the American character have traditionally stemmed from strong moral concerns. It is too often thought that the civil rights struggle is over, and thus, the moral issue has been resolved. Nothing could be further from the truth. The civil rights struggle is not over, and the moral dimension of that struggle for justice remains. Confusion over this point is widespread.

Only recently, for example, the New York Times said: “Increasingly, black leaders have taken up economic issues and other matters whose relationship to the welfare of minorities, while real, is not as direct or clear-cut as before. In so doing, those leaders have raised difficult questions about whom they represent, who their allies are and whether the moral banner they once held so high still carries the same inspiration.”

Frankly, I find it hard to understand why sophisticated analysts, people presumably familiar with the realities of American life, should have doubts about the changed direction of the civil rights movement.

It would seem self-evident that changing conditions demand changed strategies and tactics. In the 1950s and 1960s, the basic thrust of blacks and other minorities was to achieve the equality under the law that had been denied them. Eating at the lunch counter, the right to a seat anywhere on the bus, the right to drink water, rather than “colored” water, the right to vote or to check into a hotel, are all easily understandable. The denial of those simple rights was an affront to human rights and to the democratic system.

The issues then, were clear-cut. The actors in the civil rights drama were clearly identified — the good guys and the bad guys. The good guys marched peacefully, were non-violent, suffered death, violence, jail and other indignities. The bad guys looked mean and acted mean. They used cattle prods, water hoses and dogs on women and children. The bad guys promised: “never,” “no, not one,” “massive resistance,” and “segregation today, tomorrow, and forever.”

Behind the discussion about what the real nature of today’s civil rights movement should be is a lingering nostalgia for those good old days of clear-cut moral decisions and easily defined issues.

But that phase of the movement is over. The basic rights were won through judicial decisions, legislation, and executive orders. But the reality behind those rights has not kept pace. Black people today can check into any hotel in the country, but most do not have the wherewithal to check out.

It is too often forgotten that the 1963 March on Washington was for more than just abstract rights. It was for “Jobs and Freedom.” To a large extent, we won the freedoms, but we still do not have the jobs. There are today half a million more black people unemployed than at the time of the March on Washington.

So economics was always a part of the civil rights movement’s concerns. So too, were housing, urban policies, health, and a whole range of issues that affected blacks disproportionately because we were — and are — disproportionately poor, in bad housing, in bad health, and in deteriorating urban centers.

But are those properly “civil rights” issues? Yes, they are, because the disproportionate disadvantage borne by blacks and other minorities is the heritage of centuries of oppression. It is the residue of a society that practiced institutional discrimination and racism. It is the result of a complex web of federal, local and private sector practices that operated to the exclusion of blacks and their interest.

The rights won in the 1960s left that structure largely intact. Despite some gains in employment and in education, the masses of black people did not witness significant changes in their lives because of the rights they won in the 1960s. We were poor then, we’re poor today; we were disadvantaged then, we remain so today.

There is a moral dimension in this. We are saying to the American people: “you cannot simply say, ‘you have your rights, we won’t discriminate in an overt fashion any more,’ ” and then just walk away from the problem. We are saying that there is a moral imperative to right the wrongs of the past. Black people were placed on a lower track and continue to struggle for survival on that same track. We’re saying that the rights granted in the 60s are hollow unless we’re given the opportunity to compete on the same track as whites.

The reluctance of our society to understand the simple point that black people want equality in real life and not just on the law books is mute testimony to the undercurrent of racism that still survives.

So I would contend that there is a straight line that runs through the civil rights movement’s history, a line of concern with improving the life chances of black people. Economics, urban policy, and related issues were always at the forefront of our concerns, but the first line of attack had to be overtly discriminatory barriers. Once those barriers were lowered, we could then better pursue our basic goal of achieving black equality in the realities of American life.

And that is why civil rights leadership has, in the 1970s, become so concerned with jobs and urban policy, to mention just two basic areas. To some, it may seem as though we are now no different from any other group asking for an improved economy, for urban revitalization, or for similar goals. But we are different. We bring a specifically black viewpoint to those issues, we raise basic moral aspects of those issues, and we are concerned with bringing to the nation’s attention the simple fact that generalized answers to national problems will perpetuate black disadvantage.

The vicious cycle of black poverty and discrimination will be broken by a concerted effort to overcome poverty and
discrimination, with special effort to take positive actions, rather than passive lip service.

This is at the crux of the so-called reverse discrimination issue. This is at the heart of the real issues raised by the Bakke Case. Our nation has to take positive steps to bring its minorities into society's mainstream. In effect, it must extend to them the same advantages conferred upon white males throughout our history.

As Lyndon Johnson said, shortly before he died: "To be black in a white society is not to stand on level and equal ground. While the races may stand side by side, whites stand on history's mountain and blacks stand in history's hollow. Until we overcome unequal history, we cannot overcome unequal opportunity."

And Johnson concluded by saying "It's time we get down to the business of trying to stand black and white on level ground. In specific areas we must set new goals, new objectives and new standards."

Civil rights don't take place in a vacuum. They are meaningful only in the real world, the world where people have to survive, to work, to raise their families, to instill in their children hope for the future and the skills to function in a society where a broad back and a desire to work are no longer enough.

That is why we insist there is a vital moral component to the current struggle. The struggle for equality is identical with the struggle for jobs, for housing, for education, for urban vitality, and that struggle is, above all, a moral struggle.

When a third of the poor are drawn from a tenth of the population, that's a moral issue. When a third of the jobless are drawn from a tenth of the population, that's a moral issue. When public and private policies strangle the cities in which the majority of blacks live, that's a moral issue. When a nation that subjected its black people first to slavery and then to persistent oppression, now subjects them to disproportionate disadvantage, that's a moral issue.

It is a moral issue when people label limited affirmative action to help blacks overcome past and present discriminatory practices as "reverse discrimination." Every statistic in any field shows continued white advantage. Where is this "reverse discrimination" in an economy where blacks with some college have the same unemployment rates as white high school dropouts; where blacks with some high school education have double the unemployment rates of whites who never got past elementary school?!

It's a moral issue when welfare is labelled a "black program" while the majority of welfare recipients are white. It's a moral issue when every halting step of black progress is fought, when policies that would perpetuate a system that locks blacks into the bottom of our society are proposed.

And it is that moral factor that continues to distinguish the civil rights movement. It is that moral factor that makes our views on tax policy different from those of clearly-defined interest groups.

And it is that moral factor so many people refuse to acknowledge today. Their refusal is based on desire to avoid the necessary steps to modify the functioning of our society in a way that would help blacks and other minorities overcome their present disadvantage — steps like a national full employment policy, a Marshall Plan for the cities, a national health plan, and others.

And what we ask for ourselves in a spirit of enlightened self-interest, and a spirit of desperate need, will also benefit the white poor. Everything we got in the 1960s, everything we won then through bitter struggles and moral persuasion, helped more whites than blacks.

So I am here to say that the moral banner is still unfurled, it still waves high above the current struggle. The issues are more complex, and the resistance more entrenched. But the civil rights movement is still about the business of bringing America's minorities into the mainstream of our national life, with all of the rewards and responsibilities others take for granted.

In the 1960s we fought to build an integrated, open, pluralistic society. That is still our goal, still our moral burden.

The American Citizen Views the Republic of China

TAIWAN VS. THE PEOPLE'S REPUBLIC OF CHINA

By RONALD REAGAN, Former Governor of California

Delivered to the Chinese National Association of Commerce & Industry, Taipei, Taiwan, April 21, 1978

MR. CHAIRMAN, ladies and gentlemen. It is a pleasure and an honor to be invited to address you here today. I have been looking forward to this visit to Taiwan. It is my first since 1971. In the years since, I have read and heard a good deal about the growth and progress here, but I must say that words alone do not do justice to what you have accomplished. One must see these accomplishments with one's own eyes to fully understand and appreciate them.

Yesterday, we saw two of your infrastructure projects at close hand, the ultramodern steel mill and the great shipyard at Kaohsiung. Flying down and back we glimpsed the new port of Taichung and your north-south superhighway. As a Californian, I come from a state that depends on a modern superhighway network and I can assure you that your new highway is one any Californian would admire.

At a glance, Taipei itself seems almost to have been built anew since last we saw it. Everywhere we have gone there is activity, energy and all the evidence of a vigorous and successful society. Most important, we have seen everywhere people who are hardworking but who also smile, for here you have built a society where people are free to work toward fulfilling whatever goals they have set for