

Almost every day we see another article in the newspaper talking about interest rates and their effect upon the economy. Understanding interest rates can help us see how we as consumers are affected by the changing rates.

"Interest" is the charge for the use of borrowed money or goods purchased on credit and is usually stated in a percentage. For example, if you borrow \$1000 for a full year at an interest rate of 15 percent with payment due at the end of the year, the interest will be \$150.

Banks, like retailers, buy a product from suppliers for resale to customers. In the case of banks, the product is money. Banks try to set an interest rate which covers costs and results in a margin of profit for providing the service.

Banks obtain the money they loan to customers from several sources, including savings and checking deposits, certificates of deposit from corporations



Isaiah Tidwell

## INTEREST RATES

## How to get the most from your bank

By Isaiah Tidwell

and individuals, funds purchased from other banks and from the interest earned on other loans made by the bank. The amount of interest banks pay for these funds varies from one source to another. Some of the rates change each day, based on the total demand and total supply. One rule of thumb is that rates are usually lower when there is an abundance of money and higher when money is in short supply.

Each bank sets the rate it charges for various consumer loans. The rate is determined by several factors, including the bank's cost of funds, the level of risk associated with the loan, competition, and in

some cases, state-imposed usury ceilings on rates. While rates may vary slightly at the different banks, competition among the banks keeps the rates generally about the same from one institution to the other. Interest rates may vary depending upon the cost of servicing the loan.

Banks in some states, like North Carolina, are limited in how much they can charge by usury laws which set ceilings on interest rates for consumer loans. When the bank's cost of funds exceeds the amount that can be charged for a loan, the bank is faced with a loss instead of a profit. When this hap-

pens, some banks are forced to limit their losses by cutting back the amount of money available for consumer loans. Instead, these dollars may be loaned to corporations or other banks at more profitable rates since usury laws in North Carolina do not apply to this type of lending.

One of the rates most frequently mentioned in the newspaper is the prime rate. Banks use the prime rate as the interest rate basis for setting the rates they charge for short-term commercial loans. Most consumer loans have a fixed rate for the term of the loan and are not so directly affected by the prime rate or other fluctuating rates.

Whenever you need a loan, it is smart to shop around and find the best value available considering the downpayment, the term of the loan, and, of course, the interest rate on the loan. Some banks offer preferred rates to customers who maintain other accounts with them.

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John W. Hinckley, Jr., allegedly fired six shots from a .22 caliber handgun at President Ronald Reagan, wounding Reagan and three other men on March 30... and the first thing we learned about Hinckley was that "he has been under treatment by a psychiatrist."

In the society in which we live today, that would answer all of the questions. Just "another crazy one!"

A person does not have to participate in any acts of violence to suffer from the stigma of mental illness. The stigma transcends the prejudice society bears against race and religion. It is worse than discrimination against the physically disabled. It is worse, even, than the isolation of lepers.

The mass discrimination against the mentally ill is an unmatched, perpetuating genocide. The prejudice against the mentally ill is man against himself, literally.

The crazy one, it seems almost by international edict, can never do anything worthwhile again even when he is no longer crazy. He is often shunned by his own family in a kind of mutually imposed sentence of hereditary disgrace.

Finally, he is turned even against himself, refusing to acknowledge until it is too late that he may need psychiatric help because that admission even in a ra-

## Happiness Through Health

## Mental Illness Stigma Hardest To Overcome

Part I

By Otto McClarrin

tional mind would be a personal weakness.

We used to put our mentally disturbed in large public boxes called Bedlam and deprive them of everything except the right to breathe a little oxygen and drink a little fluid and ingest a little protein.

Before that we put them on ships of fools and let them drift from port to port until they were all dead. Now, thanks to drugs and progressive legislation, they are being released from modern bedlams and returned to their communities where their biological freedoms have been broadened, but where the rest of their rights are restricted almost as narrowly as before.

Many former patients live in decaying walk-up rooms, in old hotels and homes converted to board and care facilities where there is little board and less care.

The larger the city, the worse the problem. In many large cities former patients are left to wander the streets, easy prey. In Chicago, an old man strayed from his nursing home and was made to strip naked and stand on his head by neighborhood hoodlums.

Another man sits on the curb almost every day plucking cobwebs from himself when there are no spiders. Another directs traffic with a broom. Day in, day out, precisely at 6 a.m., a woman walks into a coffee shop,

buys coffee and a sweet roll and then shouts obscenities.

A man, not yet thirty, was doing so well in a Philadelphia board and care home that he was given a pass to visit his family in Chester Pa. The first (and last) thing he did when he got home was kill himself. Suicide is twenty times more prevalent among schizophrenics than it is with the rest of the population.

Why do we discriminate against the mentally ill? There are as many reasons as there are people who discriminate. It is a little like asking why is there racial hatred? Or why have Jews and blacks been haunted by unwarranted bias for centuries?

Except that there is fear involved in our hatred of the mentally ill. There is real fear that deranged persons may physically hurt us.

And there is the subtle fear that they somehow will touch us with their "taint," that we will have to lie down with them one day and take on their schizophrenia and that then, finally, they will be us.

There are a million reasons for this prejudice, just as there are for all of the others, and in the end there is no reason at all.

Next week: Part II - Discrimination Against the Mentally Ill.

## Getting Smart

## The Poor Are Not The Budget Fat

By Walter L. Smart

Executive Director  
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This nation has been engaged in a major struggle to eliminate hunger and malnutrition in this country for over fifteen years. Seemingly, the Reagan Administration and some other Congressmen apparently want to halt the progress made thus far.

Amazingly, the Reagan Administration has proposed a twenty per cent cut in food stamps and a 35 per cent reduction in child nutrition programs. These programs are being cut on the premise that the programs are helping others than those for whom they are intended.

The Census Bureau released information on the recipients of food stamps. It reveals: "About 5.9 million U.S. households received food stamps in 1979. Median income of this group was \$5,300 (compared to \$16,530 for all U.S. households) and 3.5 million had an annual income below the poverty level" (which, in April, 1979, was \$7,386 for a family of four).

Further, the report states that "the average annual value of food stamps received by all households was \$810." In layman's terms that means that, on the average, these families received \$15.59 per week for food.

The child nutrition programs and other related nutrition programs have made the difference in seeing large numbers of children who were malnourished — children

with swollen bellies, dull eyes and poorly healing wounds — to seeing children who are now strong, healthy and aware.

Why, then, does the new Administration want to bring back a state of malnutrition? Simply through a mistaken belief that the government should not be in the business of providing assistance to the hungry, and through a felt need to save more money.

The government hopes to get public opinion on its side by exploiting the sick rumors about families and individuals who use food stamps. We've all heard someone "in the back room" griping about people buying steak with food stamps "while I can barely afford hamburger with my hard-earned money." As in other welfare programs, efforts will be made to make us believe that those receiving help are not among the truly needy.

This is not to say that no reform is possible. Conceivably, the large number of college students who receive food stamps by claiming independence from their families might survive without this benefit.

The answer to cutting the fat off the budget does not lie with the poor; it lies with the preparation of a sound economic budget which does not penalize the weakest among us, the poor.

## Business In The Black

## Walk To Work

### Budget Bumps Blacks Off Bus

By Charles E. Belle

Spare change. Has anybody got about \$50 billion to loan the President? Ronald Reagan recently projected a cut in the federal budget for around that amount. Anyone interested in finding a job in government or being trained for a job by the government is in big trouble. Fact is, budget cuts proposed by the President might put people on the streets working in bread lines since public transportation and food stamp programs are to be sliced by the Reagan knife.

David Stockman is in charge of preparing the execution for Mr. Reagan. Stockman's expertise apparently is not too far above California Judge Dwight Clark's, whose name was withdrawn for consideration as the number two man in the State Department. Does Mr. Stockman realize the three billion dollars he "lost" in preparing his initial tax cut plans is equal to cuts in Medicaid to be made by him for the next three years? Probably not. People who are the innocent seldom see similarities between their conservative actions and human consequences.

Defense spending proposals by President Reagan are

to jump fifty per cent while food, education, job training and even transportation support will be slashed by almost forty per cent by 1984.

Destroying family life and old folks Medicare is not what the American people hoped for with the election of a new president. Putting more people under the poverty line places a greater danger to the community at large. Teen-age unemployment remains unconsciously high and needs help to bring it into reason.

Even the sensuous sophisticated San Francisco is succumbing to a growing "unsafe society" due to the unemployed and untrained beginning a life of crime. A fifty per cent black American young adult unemployment contributes all across the country to a galloping national crime rate. In San Francisco last year, a shocking statistic revealed that 64% of the violent crimes in San Francisco are committed by juveniles under the age of eighteen.

In the meantime, industry has indicated its lack of charitableness by failing to have given to the established arts. The Business Committee for the Arts says about one per cent of the nation's corporations account for more than half the total corporate support for the arts.

President Reagan wants a fifty per cent cut in the poets and writers ragged pocketbooks. But at least artists are used to walking, playing, begging or boasting. Black Americans and other low income workers are going to have to walk to work too if they are public transportation users. Unless people are prepared to pay more for the bus or subways some change in the mode of making it to work will be required because of the President's proposed phase out of transit subsidies.

Federal subsidies now support sixteen per cent of the cost of public transportation. Take state aid and local assistance out and a fifty per cent increase in bus fares is not impossible.

## Coping

## Happy Golden Years

By Dr. Charles W. Faulkner

As we get older, our abilities tend to lose their sharpness and undergo a gradual decline. This point is significant because many people have been conditioned to believe that you go to bed one evening feeling vigorous and wake up the next morning feeling old, withered and without energy.

The aging process works differently for various people. I know of a 67-year-old man who runs fifteen miles each morning and can outrun most men over the age of thirty. All of you must know of at least one "elderly" person who can match wits and thinking ability with anyone.

The fact is that the human mind and body do not deteriorate suddenly and rapidly as most of us think. Let's look at some ways to confront the conditions of aging:

1. **Accept the reality.** You have heard the expression: "You'll get old — if you live long enough." This is a fact that must be realized and accepted. No matter how hard we try, the day will, indeed, arrive when we cannot do the things that we previously did. When we prepare ourselves for this time in our lives, we are better able to accept it when it occurs.

2. **Plan for the future by:** A. Recognizing that each person lives for only a finite period of time. Determine the probable years left for you and make them the best years possible; B. Physical emergencies happen to nearly everyone and should be planned for. So, when illness occurs and hospitalization is necessitated, arrangements will not be agonizingly difficult from a physical and financial point of view; C. Utilize one's financial resources to benefit one's self during advancing age. Your finances should be devoted to your happiness and contentment rather than an overwhelming and sacrificial concern for one's relatives; D. Prepare for the independent care of one's self so as to refrain from becoming overly dependent upon one's friends and family for financial assistance and health care; E. Ability to modify one's situation should conditions and needs change.

Proper planning and preparation for those golden

## The Ivorian Miracle

## Economic Success In The Ivory Coast

NEW YORK — The "Ivorian Miracle," the Ivory Coast's success story of Third World economics, is examined by *Black Enterprise* magazine in its April issue.

The miracle purportedly lies in the "conservative, non-polemical investment-oriented state-capitalist economic approach" of Houphouet-Boigny (Ou-fwai Bwa-nye), president of this West African nation. Since gaining its independence twenty years ago, the Ivory Coast has become one of black Africa's most affluent and stable countries as a result of its status as the world's largest producer and exporter of cocoa — 22 per cent of the world market.

Houphouet-Boigny emphasized the development of the nation's agriculture, especially cocoa and coffee, during a time when there was little of either cash crop in his country and other African nations were stressing industrialization, reports *Black Enterprise*.

Today, the Ivory Coast can boast of having the highest rate of economic growth in black Africa for the last eighteen years — seven per cent annually. In addition, it has the most equitable distribution of personal annual income — \$1,200 — of any other African country.

Not without its problems, notes *Black Enterprise*, economists are predicting a slow economic growth rate of two per cent for the Ivory Coast this year. Western consumer nations' reluctance to pay higher prices for Third World goods and the restrictive export quota agreement that

(Continued On Page 16)

# "At most banks you're talking to an institution. My customers talk to me."

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"First, my customers know the telephone number where I can be reached during business hours. They know I have the training and experience to help them with a complete range of banking needs, from opening a checking account to arranging a loan. And finally, they know I have the authority to make decisions.

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(Continued On Page 16)