

THE FLIGHT OF BLACK CAPITAL FROM BLACK COMMUNITIES... BY BLACKS

TEACHERS
MINISTERS
BUSINESS MEN
LAWYERS
DOCTORS
SOCIAL WORKERS
UNIONS
FRATERNAL
GROUPS

FEDERATION OF
WOMENS-
ORGANIZATIONS



Editorial

Seniors Deserve Better

The Coordinating Council of Senior Citizens of Durham requested \$18,200 from the City of Durham during the 1981 budget process and was granted \$9,100. Leaders of the group say that they need the money in order to employ eighty retirees who need the money to supplement their incomes.

Employing senior citizens not only gives them a chance to feel useful, but it also gives the city a chance to benefit from the expertise and wisdom that these citizens have gained during their long lives of service to the Durham community.

It would be tragic indeed to deprive senior citizens who are both able and willing to continue to work after what have already been long years of service an opportunity to do so. It is equally as tragic that the majority of members of the Durham City Council do not see fit to appropriate the additional \$9,100 to them so that they may have this opportunity. To deprive our senior citizens of the chance to fulfill their desire to work is to deprive them of the dignity that they have maintained during their long and fruitful lives. No proud person wants to take handouts, and Durham senior citizens are proud people.

Moreover, many senior citizens have contributed nearly half a century in labor to make Durham what it is today. It would be interesting to compute the total taxes that these citizens have paid to the city during their former working years. Against that sum, we suspect \$9,100 would seem paltry.

Senior citizens have also given funds to help develop organizations in the city that have improved the quality of life for all Durhamsites, and many have made contributions or given in kind services to some of the councilmen during their election campaigns who now see fit to vote to deny them the funds that they are requesting.

Who then among Durham's working people and property owners would not be warm hearted and compassionate enough to find a way for what should be Durham's most cherished citizens — the seniors — to have the small sum of \$9,100?

Even if the senior citizens do not really need the money, we believe they are entitled to live the rest of their lives with at least some small pleasures, if this is what they want.

People who have given so much of themselves to so many for such a length of time, as have Durham's senior citizens, deserve whatever can be given as a token of appreciation.

Things You Should Know

Gas. McCune
SMITH...



Of white and Negro parentage, this physician, scientist, orator, scholar and abolitionist writer gained national fame around 1840! A graduate of the Univ.

of Glasgow, Scotland, he is best known for his work with Charles Ray helping Gerritt Smith of Petersburg, N.Y., (organizer of the Liberty Party), set up a plan to colonize free Negroes on N.Y. State farmland & train them in animal husbandry!

Continental Features—

Continental Features—

Business In The Black

A Cheap Thrill

\$2 for New Middle Class

By Charles E. Belle

One might easily expect criticism of this country's chief executive to come from both the young and old. All over the world wild cries of indignation will emanate from various nations because of the Reagan Administration casting a vote against the code of ethics designed to curb promotion of infant formulas in developing nations.

Nobody in this country's cabinet seems to care if black and brown babies are bloated by U.S. baby bottles. Blowing the whistle and other noises will be heard from senior citizens at home more likely, because of new stringent retirement rules by the Reaganites. Reversing the trend toward early retirement will have repercussions for the rest of the nation's workers. The subject for another article. Which brings us to the most buffaloes, stewed and crewed group of Americans — the mythical middle class.

Middle class in America is a state of mind. In both white and black American heads, middle class America has money to buy those material goods considered to be obtainable on the open market. Such as mini-mansions in the suburbs, two cars in the garage, college education for all of the children, vacation and/or summer home, plus frequent trips to a local restaurant in designer clothes.

Counting the bill for "being there" in this middle class comes to considerably more than a salary of \$23,000 a year estimated by the U.S. Department of Labor for a family

of four. In fact, an income that low would not qualify you to buy even half a house these days.

Do not think that this is news to anyone — particularly the President. Reagan's tax proposal is presented to the public as a positive step to save the middle class at least from the tax man. Get the government off his back, so to speak. All that glitters is not gold. Tax cuts in this country in the past have been considered coins in the pockets of the consumers, mainly because most middle and lower income groups got the lion's share of any tax cuts.

In 1925, the great majority of taxpayers were earning less than \$10,000 and paying only 4.5% of the tax burden. This was caused by a tax rate cut created by the Secretary of the Treasury, Andrew Mellon, reducing the range from 4%-73% down to 1.5%-25%. A 79% cut in tax revenue from 1921. While those earning \$50,000 and over experience an increase of 59% in tax payments from 1921.

The Kennedy cuts reinstated the cut in tax revenue paid by the great masses of the public in the under \$10,000 class. The Kennedy tax cuts recognized the need to change the trend which caused the total tax collections to climb from low income workers eleven-fold since 1925. Kennedy gave a cut only to the poor and lower income workers while fat wage earners of \$50,000 or more got a 57% tax revenue increase.

A reduction today in the \$10,000 and under tax bracket would benefit one out of every two black families and one out of every four white families. The great bulk of the balance of white families fall now in the \$15,000 to \$50,000 income tax brackets. This brings us to the Reagan tax-rate plan for some people.

Those poor souls slaving away with \$10,000 or less will get a cut of \$1.2 billion total while those earning \$100,000 a year or more will pocket almost five times that amount, \$5.2 billion. In the battle between the top and the bottom, the top beats the hell out of the bottom!

The median income for white families in 1979 was \$18,368. Over half the white families earned less than \$20,000 in 1979. But the beautiful people in the "new middle class" who are expected to benefit should be in the \$20,000 to \$100,000 income class. It is here the greatest loss in tax revenue will occur which, because of the renewed emphasis in defense spending, will devastate social programs.

The \$2 a day (\$20,000-\$30,000) or \$4 a day (\$30,000-\$50,000) savings by some members of society will take its ill effect on both middle class and poor of this population.

A \$20,000 a year bonus to anyone earning \$100,000 a year might give him or her momentary elation, but is unlikely to produce permanent improvement in our society.

To Be Equal

Who Gets Those Housing Subsidies?

By Vernon E. Jordan, Jr.

High on the list of the budget cutters are housing subsidies for the poor. Washington seems to be walking away from the unmet housing needs of low income families just when those needs are mounting.

It is estimated that some six million households live in seriously substandard housing — leaky roofs, hazardous electrical wiring, and faulty floors and walls. A third of those are minorities, and over half live in metropolitan areas. Four out of five families living in substandard units are eligible for federal housing aid.

Many others living in standard housing are paying more than they can afford for rent or for mortgage payments. Many face the cruel choice of paying the landlord or skipping meals.

The poor pay more and the poorest pay the most. Millions of poor families pay over half their income for shelter.

All of this takes place in the face of a long-standing national commitment to produce 600,000 housing units annually for low income families. But only once has that goal been met — in 1976. The Administration's current budget would provide only a third of the annual goal.

Housing is a basic necessity, like food and health care. A humane society has the responsibility to assure that the basics of life

are available to all. That is the rationale for federal housing programs. And the failure to meet the housing needs of the poor underscores the need for more, not less federal housing aid.

Many will object that the government already spends billions on such housing aid. True enough. But what it spends is not enough to meet the needs for adequate shelter. And it spends far more on housing subsidies to the non-poor.

Those subsidies to the well-off are neglected in the debate on housing policy, but they are real and they are massive. They are buried, however, since they are not spending items but revenue losses that don't show up in the budget.

Homeowners can deduct local taxes and mortgage interest payments from their tax bill. The cost of this subsidy amounts to about \$30 billion, and is expected to reach almost \$80 billion by 1986. Most of that huge subsidy goes to the affluent; the top ten per cent of taxpayers get the lion's share.

They differ from low-income subsidies in another important way too: homeowner deductions are entitlements taken by all who qualify; low-income housing subsidies only go to one out of ten families who qualify.

It's hard to understand the attacks on low

income housing programs based on so-called budgetary restraints. If you add up the total cost of all of those programs, going back to their beginnings in the 1930s and continuing to the present, they amount to less than the cost of housing-related tax expenditures on homeowners in 1980 alone.

Those tax breaks are also fueling the high inflation in today's housing market. Affluent people use them to shelter income from taxation, and so there is a flurry of home-buying and condominium conversion, driving up housing costs.

The nation's housing needs would be better served by putting a cap on the growth of homeowner deductions, either through a limit on how much an individual could deduct, or conversion of the deductions to a tax credit.

Such a move would benefit low and middle income families while stemming the unrestrained loss of federal revenues from the few who can benefit from the present system.

At the same time, funds would be available for a renewed effort to decently house America's poor, many of whom now are forced to live in substandard housing conditions.

Voting Rights Act: Still Needed

By Congressman Augustus F. Hawkins

Are the voting rights of all Americans so secure in 1981 that our nation can now afford to abandon the historic Voting Rights Act of 1965? This is the question facing legislators as Congress begins a new debate on one of, if not the most important civil rights issue before this Congress. And unless extraordinary evidence to the contrary emerges, the answer is that America needs the Voting Rights Act and its proposed extension now more than ever before.

For during the decade of the eighties, the Act is needed both as a protection and as an incentive to minorities in the political arena. It is needed to insure that racial gerrymanders, discriminatory annexations and other variations of these themes do not take the place of literacy tests and poll taxes, which were once used to disenfranchise blacks and Hispanics. Moreover, as pointed out by Eddie Williams of the Joint Center for Political Studies, there is yet another compelling reason for renewal of the Voting Rights Act. It is clear now that the decade of the eighties will confront all of us with new realities flowing from conservative politics and economic stringencies.

One of the harshest realities of this new conservatism already looms on the horizon; the deep cuts in social programs which benefit the elderly and the poor. In light of this new reality, the only real safety net that minorities and the poor can rely on is their own capacity to influence the political system. For as voters and as public officials, we can seek to steer the flow of dwindling Federal dollars to those in greatest need. The Voting Rights Act, in large measure, makes this possible.

At the center of the controversy surrounding the extension of the Voting Rights Act is the "preclearance" provision contained in Section 5 of the Act. Under this provision, any changes in election procedures in all or part of more than twenty states must be

cleared by the Department of Justice. This provision is vital because it prevents redistricting, annexation, at-large election, re-registration requirements, polling place changes and new rules for qualifying as candidates which discriminate against minorities.

The importance of Section 5 of the Act takes on even more significance when we consider that of some 800 proposed election changes objected to since 1965, nearly 70% have come up during the last five years.

One of the criticisms of the Voting Rights Act most often heard is that the Act unfairly singles out southern states. However, the truth of the matter is over half of them are outside of the South and include such states as California, New York, Idaho and Michigan.

At this juncture, if the Voting Rights Act of 1965 is abandoned, the elimination of literacy tests and poll taxes will prove to be nothing more than a hollow victory. For in the wake of the demise of the Voting Rights Act, at-large elections, discriminatory redistricting and other methods of gerrymandering are apt to increase.

While there has been undeniable progress under the Voting Rights Act, neither full political equality for blacks and other minorities nor an end to racism is yet in sight. For these reasons there is certainly no justification to abandon the most effective piece of civil rights legislation passed in modern times.

In the words of Eddie Williams, "There are a lot of potential supporters of the Voting Rights Act who are waiting to see if we care enough to go to the mat for its survival. If we do not, they can easily assuage their consciences by saying: 'If blacks and Hispanics are not willing to fight for their voting rights, why should I bother?'" On the other hand, a strong demonstration of support by minorities in all quarters — leader-

ship, churches, organizations, students, workers, professionals, indeed everybody right down to the individual voter — will serve as a magnet for others." At the same time, such massive support for the Voting Rights Act will help to open the eyes of Congress. A Congress that is now primarily composed of members who have taken office since 1975 and who do not have the benefit of the 1965 debate; and who do not know the struggle blacks and other minorities have had to endure to gain the right to vote.

The Carolina Times

(USPS 091-380)

L.E. AUSTIN

Editor-Publisher 1927-1971

Published every Thursday (dated Saturday) at Durham, N.C. by United Publishers, Incorporated. Mailing Address: P.O. Box 3825, Durham, N.C. 27702. Office located at 923 Fayetteville Street, Durham, N.C. 27701. Second Class Postage paid at Durham North Carolina 27702. POSTMASTER: Send address change to THE CAROLINA TIMES, P.O. Box 3825, Durham, N.C. 27702.

SUBSCRIPTION RATES: One year, \$12.00 (plus \$0.48 sales tax for North Carolina residents). Single copy \$0.30. Postal regulations REQUIRE advanced payment on subscriptions. Address all communications and make all checks and money orders payable to: THE CAROLINA TIMES.

NATIONAL ADVERTISING REPRESENTATIVE: Amalgamated Publishers, Inc., 45 West 45th Street, New York, New York 10066.

Member United Press International Photo Service, National Newspaper Publishers Association, North Carolina Black Publishers Association.

Opinions expressed by columnists in this newspaper do not necessarily represent the policy of this newspaper.

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If there is no struggle, there is no progress. Those who propose to favor freedom and yet depreciate agitation are men who want crops without plowing up the ground. They want rain without thunder and lightning. They want the ocean's majestic waves without the awful roar of its waters. —Frederick Douglass