

Coping

Racism: Traditional and Permanent

By Dr. Charles W. Faulkner

It would be nice if we could say: "Well, since racism is caused by whites not liking blacks, all that we have to do to get rid of racism is to be nice to white people. Then, they will like black people and racism will disappear." Unfortunately, the issue is a bit more complicated than it appears to be.

Racism involves the stereotyping and prejudgment of blacks by whites. In simpler terms, when whites see a white face they automatically react with respect — even if the person having the white face is a criminal.

When whites see a dark complexioned person, they react with disrespect, even if the dark skinned person is a well-mannered politician or educator. The reaction is almost a reflex response. They react without thinking about the person or analyzing the situation. If the person is black, he or she is inferior and "That's all there is to it."

Blacks and whites observe television programs that depict blacks as being inferior to whites and the conditioned, automatic response is, for the most part, deeply implanted in the subconscious mind. It

is deeply imbedded in the behavior of both blacks and whites. Years of conditioning have molded the behavior to the degree that whites and blacks would find it quite difficult to respond to blacks in any way other than negatively.

So, even if blacks were to be kind to whites, to an obsequious degree, whites would have a very difficult time modifying their own behavior in order to treat blacks with respect.

Inasmuch as prejudice is traditional and "Almost everyone knows that blacks are inferior" several distasteful implications result:

(1) Blacks, deluged with self-hatred and feelings of incapability, undervalue their own abilities and fail to develop them;

(2) Whites observe the unfulfilled potential of blacks and label it as natural — they think that blacks have no potential to develop and judge every black person by the one who fails to succeed;

(3) American whites incorporate their prejudices in the great institutions that govern the country.

In education, they say "Since blacks are inherently inferior, they deserve only inferior schools; in politics, they say just ignore them; in employment,

they say "Since blacks are poorly educated, let's give them only inferior jobs."

The above sentiments are present in every aspect of American society. Until these institutions which govern our lives change drastically, racism is likely to remain as strong and brutal as it is presently.

There seems to be no interest on the part of the powers that control this country to modify its racist institutions. Thus, racism is likely to exist as long as America does.

The most unfortunate and distasteful factor is that the behavior, indicated above is deeply implanted in the subconscious and the person who exhibits such behavior is often unaware that he or she is exhibiting it.

Note: Your suggestions are welcomed. Suggestions for future articles will be appreciated. Cassette tapes of this and other articles are available for individual use, discussion groups and classroom use. All letters and inquiries should be sent to: Dr. Charles W. Faulkner, P.O. Box 50016, Washington, D.C. 20004.

Money For Housing — Where It Is — How To Get It

The National Housing Partnerships

According to its 1980 annual report, the National Corporation for Housing Partnerships, as sole general partner of the National Housing Partnership, develops, owns and operates more housing for low and moderate income families than any other private organization in the United States.

In the twelve years since it was authorized by an Act of Congress as part of the 1968 Housing Act and in response to the riots in cities across the nation, NHP, as it is popularly known, has invested funds in 532 housing projects in forty states, the District of Columbia and Puerto Rico, with a total development cost of over \$2.5 billion.

Blacks involved in the supply side of housing would do well to take a fresh look at NHP in view of the fact that recently passed tax laws liberalize the depreciation of real estate and provide increased tax credits for investments in low income housing.

NHP is a valuable resource for low income communities seeking to build and rehabilitate their housing. Perhaps of more importance to the growing black self-help movement, NHP could serve as a model — upon which blacks can build stable economic base — to get a meaningful piece of the action today.

When NHP was authorized, Congress provided that "one or more" national housing partnerships could be created by the President. So far, only one has been established. Blacks in real estate and housing finance have now acquired the professional skills and experience needed to become a part of the housing production process in a significant way. Using the new tax laws in conjunction with the Reagan Administration's philosophy, it stands to reason that more private capital will now be funneled into neighborhood revitalization projects in poor communities.

NHP has been investing its funds in local projects across the nation in partnership with community non-profit organizations and local developers. In a typical deal, the Partnership will buy up to 99% of the ownership in a project. The cash flow and tax losses are shared with its investor partners in each

project. Last year alone, NHP passed over \$16 million in tax deductible losses on to its investors. Unfortunately, very few of the dollars generated by these projects remain in the community where the housing is located.

Equity capital and joint venture funds are also provided by NHP to projects that it becomes involved in. To date, they have never failed to complete a project or experienced a foreclosure of developments it has invested in. To help sustain their operations, NHP has, over the years, created a

number of subsidiary corporations.

They are the Housing Capital Corporation, a small business investment company which provides front-end funds to small builders; Capital Homes, Inc., which builds and sells moderately priced single-family homes; its own property management company and a National Training Center to train its management personnel. There is also the NCHP Development Corporation and NHP Real Estate Securities. A national network of NHP Associates identifies and packages local projects for the Partnership.

As a nonprofit organization, NHP is not taxed on its income. Three blacks currently serve on NCHP's fifteen-man board of directors, one of whom was appointed by the President. NHP began with initial capital of \$42 million committed by 270 major corporations, financial institutions, and labor unions.

Additional capital is generated from sales of limited partnership interests in rental projects and from individual home sales. It can act as sole developer of a project, as a joint venture partner, or as a financial partner, depending upon the circumstances.

Although the current period of high interest rates and decreasing federal subsidies for housing has somewhat slowed NHP's activities, it continues to take new projects into its pipeline. The contribution of locally-administered community development block grant funds and increased private tax-deductible investments in low-income housing is expected to support a limited number of projects in the years ahead. To find out how you can be helped by NHP, call 202/857-5700 in Washington, and ask to speak to George Brady.

Getting Smart

Social Security

By Walter L. Smart

Executive Director
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The percentage of elderly persons within our total population is continuing to grow. I, along with many others, have frequently brought attention to the fact that the Social Security System, which many of us are or will be dependent upon, is running out of money.

Some people have a false sense of security feeling that the politicians wouldn't too seriously cut Security benefits because of the political strength of organizations which represent our senior citizens.

Recently, however, President Reagan discovered that the amount of tax cuts granted by his Administration would cause a far greater deficit in the '82 budget. Thus, he has proposed even deeper cuts from the expense side than had already been voted. Mr. Reagan spoke on nationwide television saying that there would be some people attempting to instill fear in our senior citizens by spreading rumors that he would attempt to balance the budget on the backs of our elderly citizens. President Reagan went on to say that such was not the case. Within ten days or less, the Administration announced plans to cut \$5 billion from Social Security benefits by delaying their cost of living increment for three months, while cutting military spending by only \$2 billion.

Nevertheless, reform is desperately needed within the Social Security System if it is to survive. The sad fact is that the Old Age and Survivors Insurance (OASI), the largest of the three trust funds is expected to develop a cash shortage. In each of the years 1981-1985, expenditures in the OASI trust fund are expected to exceed income.

On the other hand, the other two trust funds, Disability Insurance (DI) and Hospital Insurance (HI), are in fairly good shape. The one short-term solution being proposed is to simply borrow funds from the Disability Insurance and Hospital Insurance Trust funds.

Another proposal would be to increase revenues for Social Security. David Stockman, Director of OMB, stated that a tax increase of 0.5% of payroll by employers and employees would be required to finance the short-term deficit which the Administration estimates to be \$84 billion.

Still another proposal would eliminate the ceiling on the amount of wages subject to payroll taxes. It is estimated that an additional \$20-\$30 billion a year could be generated, if this proposal were adopted.

The one thing all of the proposals have in common is that they are all short-term. None of them will solve the cash short-fall on a permanent basis. Isn't it time that our representatives in Washington begin to act on permanent solutions? I have long advocated for a system in which an individual's payments into the system, along with those of his employer, be invested in an interest-bearing account. After working for forty or more years, the amount of funds accumulated on behalf of an individual would be available to that individual. It would not fluctuate as it now does when the working population is too small in relation to those who have retired.

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