

Ronald Reagan opposed the landmark Civil Rights Act of 1964, which has done more to bring equality than any other piece of legislation. But he says he is not a racist.

Now President Reagan has moved to grant tax exempt status to lily white, segregationist private schools in contravention of a policy initially established by President Nixon. He still alleges that he is not a racist but those who believe him are no doubt also prime candidates to buy the Brooklyn Bridge or swamp land in Florida.

Ingenuously, when he announced this decision to give these *de facto* subsidies to 100 racist academies, he alleged that the "sole basis" was that administrative agencies — e.g. the Internal Revenue Service — should not exercise "powers that the Constitution assigns to Congress" or "govern by administrative fiat."

This is demonstrably false. When the Nixon Administration in 1970 adopted the policy of denying tax exemptions to "segregation academies," he was acting under pressure from a preliminary court injunction.

This policy has been enforced since then under prodding from federal courts, that averred the law both authorized it and required it.

In *Green v. Connally*, Judge Harold Leventhal, writing for a special three-judge court, in Washington, D.C., penned words putting the lie to Reagan's remarks:

"Under the Internal Revenue Code, properly construed, racially discriminatory private schools are not entitled to Federal tax exemption for charitable, educational institutions, and persons making gifts to such schools are not entitled to deductions. Contrary interpretation of the tax laws would raise serious constitutional questions."

But Reagan, who apparently feels that there are no rights of blacks he is bound to respect, ignored these "Serious Constitutional Questions."

He also ignored various clear signals from other branches of government. In 1976, Congress directly mandated the Government to deny tax exemption to social clubs that overtly discriminate on racial grounds; the aim was to make the treatment of such clubs more consistent with the established policy of denying exemptions to "Seg Academies."

Simultaneously, Congress has placed its imprimatur on existing procedures requiring private schools at minimum to publish and advertise that they do not practice racial discrimination as a requisite for obtaining tax exemptions.

The Supreme Court has also spoken on these issues. In 1976, it ruled that the Civil Rights Act of 1866 bars private, nonsectarian schools from denying admission to blacks solely on the basis of race.

A number of other Supreme Court rulings that touch upon the constitutional prohibition against government sponsorship of school segregation strongly suggest the patent unconstitutionality of the Reagan policy.

For example, in 1973 the High Court prevented Mississippi from lending textbooks to "Seg Academies", declaring it unconstitutional for the government to give "tangible financial aid" to these institutions.

Thus, it was this clear line of Congressional and High Court pronouncements that Reagan chose to ignore in lending a helping hand to racists.

The blatant illegality of all this spawned an infuriated and anguished out-cry from the civil rights community and its allies. This angry fight back caused Reagan to quickly reverse field and announce that he would sponsor legislation in congress to overturn his own decisions.

This did not negate the fact that his original decision continues to stand and, as of now, racism is being directly promoted by the government.

Nor did Reagan explain how he would push this legislation through Congress when his principal ally there, Senator Strom Thurmond of South Carolina is a prime supporter of "Seg Academies", e.g. Bob Jones University of Greenville (SC) which expels students for inter-racial dating.

Spearheading the counter-attack against this latest form of racist Reaganism has been the NAACP. Executive Secretary Benjamin Hooks charged that when the Administration "sneaked through this announcement they were abandoning a twelve-year-old policy, buttressed by numerous federal court decisions." This "Friday evening syndrome," he said, "is devious, deceptive and furtive" in an obvious allusion to the effort to release the decision during a slow news period.

Hooks announced that the NAACP has committed \$10,000 and has launched a fundraising drive to support a broad legal challenge to the tax exemption ruling.

The NAACP also announced that it would ask the Supreme Court to appoint the general counsel of the NAACP to serve as "special attorney general for the limited purpose of prosecuting these two cases on behalf of minority people."

## Affirmative Action:

### Reaganism Is Racism

By Gerald C. Horne, Esquire

The NAACP went further and decided to seek an injunction to block the Internal Revenue Service from granting tax exemptions to racists.

Finally, the NAACP will "convene an emergency conference of top civil rights attorneys" to plan an "even broader series of actions designed to stop this IRS action... as well as the pattern of retreat it portends."

Hooks called for letters, telegrams and telephone calls to the White House and Congress protesting the shift.

This was a timely call for at the same time Bob Jones, III, president of Bob Jones University, has called on his 6,300 student body and their racist supporters to launch a massive letter writing campaign directed at Congress and the White House.

Thus, the gauntlet has been tossed down decisively at the feet of the black community. Tony Brown and other black Reagan supporters have been applauding the peanuts the White House has allocated to black colleges and universities. It will be interesting to see what public pronouncements they

make criticizing this latest outrage.

Reagan has also moved to slash government loans to students; he has declared war on the school lunch program that feeds millions of black youth; Head Start, which has improved the educational capabilities of a generation of black students, has been under constant bombardment by the Administration.

Clearly, with the coming age of robots and the increased use of computers and chip technology, Reagan and his supporters see no utility in blacks becoming educated, since it is assumed they'll be unemployed anyway.

But 1982 is an election year with congressional seats up for grabs. The groundwork should be laid now for inflicting a mighty blow against Reaganism. Political committees in churches, unions and neighborhoods need to be established immediately. Only such an organized and determined response can ultimately extirpate the 'Racism that is Reaganism.'

# WE'RE JUST AS UNHAPPY ABOUT HIGH ELECTRIC RATES AS YOU ARE.

## YOU'RE MAD AND WE DON'T BLAME YOU.

If you're not unhappy about your electric bill, you should be. Because in the last ten years the cost of electricity has nearly tripled. And within the past few months we've had one of the biggest rate increases ever.

We know you're going to find this hard to believe, but we don't like the situation any more than you do.

We're people too. Citizens of the communities we serve. And we're not about to place an unnecessary financial burden on our friends and neighbors.

## YOU HAVE QUESTIONS AND WE'D LIKE TO ANSWER THEM.

### Why another rate increase?

There are two major reasons. The first is inflation. Almost everything it takes to operate a power system costs more this year than it did last year. Poles, transformers, vehicles, labor, maintenance, you name it.

The other factor is the McGuire Nuclear Station.

### What about McGuire?

The first generating unit at McGuire is complete. Now we have to begin paying for it. It was absolutely necessary to build McGuire to meet the public demand for electricity. And in our minds, it was absolutely necessary that we make it a nuclear plant. Because although nuclear plants are more expensive to build, they're more economical to operate.

For example, let's take a look at our Oconee Nuclear Station, completed in 1974, and our Belews Creek Station, the most efficient coal-fired plant in the country, which was completed about the same time.

If the electricity generated by Oconee in the last eight years had been generated by Belews Creek instead, its cost to customers would have been about \$500 million more.

The cost of electricity went up because McGuire was built. But future costs would go up even more had the plant been designed to use coal, oil or gas instead of nuclear fuel.

### We cope with inflation; why can't Duke?

You really don't need to be told about runaway inflation. You've been living with it for years.

And you've been coping with inflation by cutting back on the things you need and want. And in some cases, by simply doing without. So if you can make it without a pay raise every time prices go up, why can't Duke?

The answer is that if we cut back on the things it takes to provide your electric service, the entire economy of our service area would suffer. Your job, health and safety would be in jeopardy.

Although we've been able to offset some of the effects of inflation by delaying non-essential spending, there are a few items that we just can't do without.

Like the fuel we use to make your electricity. In 1980, our total fuel bill was about \$680 million. In 1981, fuel costs increased to more than \$790 million. And while we drive a hard bargain to get the best fuel prices, there's no way we can stop buying it just because the prices have gone up.

Our second biggest expense is the interest that has to be paid on money that was borrowed to build the power plants and other facilities that are needed to provide you with electricity. That's right, we have to borrow money to build power plants just as you have to borrow to buy a new home or car.

The difference is that we can't stop building a power plant just because the interest rates are too high. If a plant is truly needed to keep up with the area's growing demand for electricity, we have to keep building—and borrowing. In 1980, our total interest payment on borrowed money was more than \$220 million. In 1981, interest payments shot up to more than \$245 million.

Just those two items—fuel costs and interest payments—cost us more than \$1 billion in 1981. That's about \$135 million more than we paid in 1980. And the cost of virtually everything else involved in providing your electric service went up, too.

To be perfectly honest, we'd like the option of not having to buy fuel or borrow money when the costs are too high. But we can't. Because no matter what it costs to produce your electricity, we have to make sure there's enough for everyone.

### HOW WE COMPARE.

In a sense, it isn't fair to compare our electric rates with those of power companies in other parts of the country. Because you don't live in other parts of the country. You live here. But comparisons do prove a point: They prove that power companies everywhere are having problems with high electric rates. And Duke Power is doing a better job than most in coping with those problems.

The following comparison of electric bills in selected cities is based on 1,500 kilowatt-hours of usage, tabulated on comparable rates for residential service with electric water heating. All rates effective January 1, 1982.

| City               | Total Bill<br>With Fuel<br>& Taxes | City             | Total Bill<br>With Fuel<br>& Taxes |
|--------------------|------------------------------------|------------------|------------------------------------|
| New York, N.Y.     | \$196.46                           | Houston, Tex.    | \$ 97.27                           |
| Philadelphia, Pa.  | \$120.85                           | Columbia, S.C.   | \$ 89.37                           |
| Cleveland, Ohio    | \$118.13                           | Richmond, Va.    | \$ 87.62                           |
| Chicago, Ill.      | \$114.30                           | Charlotte, N.C.  | \$ 78.64                           |
| Los Angeles, Ca.   | \$111.24                           | Atlanta, Ga.     | \$ 78.59                           |
| Jacksonville, Fla. | \$109.27                           | Knoxville, Tenn. | \$ 69.50                           |

### WHAT WE'RE DOING.

We're not throwing up our hands about this high rate situation.

We're fighting hard to keep rates from rising so rapidly. In fact, we've been fighting rising costs with definitive action for many, many years. Here are just a couple of the things we've been doing:

#### Reducing the need for new plants.

Our job as a public utility is to produce enough electricity to meet the needs of the people we serve. If the people demand more through population increases and industrial growth, which brings new jobs, it's our job to make the power available.

Often, that means more power plants. And more power plants cause rates to go higher.

So we've come up with a program that gives customers the electricity they really need without so many new plants having to be built. The program is called Load Management. And it's many faceted.

We'll be discussing these plans in the months to come. But mainly they involve using electricity more efficiently in homes and businesses and industries, and shifting electric usage to times of the day when the overall demand for electricity is not so high. By 1990, this program can reduce plant construction costs by more than \$10 billion.

#### Using fuel efficiently.

One of the reasons our rates have remained consistently lower than most other companies is that we use fuel more efficiently. In fact, Duke Power's coal-burning electric system has been the nation's most efficient for seven straight years.

That's a record no other power company has ever approached. But we're not sitting on that record. Our goal is to be more efficient every year.

Load Management and Fuel Efficiency are two highly effective programs.

But we don't want to lead you to believe that electricity's ever going to be cheap again. Because it won't.

Duke Power and its customers can, however, slow the rate of increase. By managing our electric usage and using it as efficiently as possible.

DUKE POWER

## Reagan's Broken Promise

By Congressman Augustus F. Hawkins

Upon becoming President, Ronald Reagan trumpeted a call to revitalize the American economy. In a speech before the National Urban League in August, 1980, candidate Reagan pronounced, "Unemployment is not the answer to inflation. Unemployment means only lost jobs, and blacks, who all too often are the last hired, are usually first fired."

Despite this pronouncement, in the year President Reagan has been in office the number of American men and women who are unemployed increased by nearly two million, while the total number of Americans working shrank by half a million.

At the same time the unemployment rate for blacks went from 13.9% in January, 1981 to well over 17% in December of last year.

Indeed, as evidenced by President Reagan's state of the Union address, this Administration has abandoned that commitment to reduce joblessness and has instead endorsed a discredited policy of deliberately creating unemployment in a vain attempt to control inflation.

In his address, the President went on to predict that the economy would improve. Unfortunately the American people did not elect Mr. Reagan to predict the future, nor do we pay him in excess of \$200,000 a year to be a fortune-teller; no more than a football coach is hired to predict the outcome of a given game. The football coach, like our President, is paid to come up with a plan which will achieve results.

Mr. Reagan was elected to deal with the problems facing America TODAY: a sinking economy, a hemorrhaging budget and an unemployment level nearly rivaling that of the Great Depression. However, rather than dealing with these critical

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