

# GAO AUDIT REPORT CLEARS SOUL CITY PROJECT

Family Members Hired

Have Education

And Experience

**EDITOR'S NOTE:** This is the first in a series of articles dealing with Soul City, North Carolina and the controversy which has surrounded the project since its beginning.

In an 84-page document dated December 18, 1975 (and not yet generally distributed), THE CAROLINA TIMES has learned that the new and much-criticized community of Soul City in Warren County stand vindicated beyond a shadow of a doubt.

Charges and counter-charges have persisted since its inception, with perhaps the most vocal and vehement coming from North Carolina Congressmen Jesse Helms and L. H. Fountain.

It was at the formal request of Fountain on March 5, 1975 and the subsequent agreement reached with his office and the United States General Accounting Office (GAO) on March 12, 1975 that an in-depth examination of the financing and operations of Soul City was launched.

The GAO obtained information on the project's history, current status, and sources and amounts of Federal, State, and local financial aid going directly to Soul City or to the surrounding municipalities for the benefit of Soul City.

Examinations were also made of the various allegations relating to the project and tested the ability of expenditures of four Soul City organizations.

## HISTORY AND STATUS

Quoting directly from the Comptroller General's report, "Soul City ... is one of 15 active new community developments authorized by Title VII of the Housing and Urban Development Act of 1970. The Soul City project was first announced in January of 1969 by Mr. Floyd B. McKissick, president of Floyd B. McKissick Enterprises, Inc. A

preapplication for a Federal loan guarantee was submitted to the Department of Housing and Urban Development (HUD) on April, 1969, and the final application was submitted on February 24, 1971. HUD's offer of commitment for a loan guarantee was granted in June 1972.

The project agreement, a contract with HUD, incorporates all the legal, financial, and program arrangements for the new town development, and provided that the developer could issue up to \$14 million of debentures which the government would guarantee.

"Soul City's development using federally guaranteed funds began in March 1974, when The Soul City Company, the developer, sold \$5 million of debentures," according to the report.

The report continues, "There are five other federally assisted organizations at Soul City - the Warren Regional Planning Corporation (WRPC); the Soul City Foundation, Inc.; Health Co. Inc.; the Soul City Utilities Company; and the Soul City Sanitary District. Other major organizations at Soul City are Floyd B. McKissick Enterprises, Inc., McKissick Soul City Associates, and the Madison and McKissick Development Company, Inc."

(See SOUL CITY, Page 11)

## Issues In Campaign '76 Topic For Common Cause Meet January 20

At a Common Cause-Durham meeting on Jan. 20 at 7:30 p.m. issues in Campaign '76 will be discussed by Jerry Hancock, state chairman of Common Cause.

The meeting will be held at the Durham YWCA, 515 W. Chapel Hill St., at Gregson. All interested persons are invited and the more than 300 Durham members are urged to attend and participate.

Organization of the Durham chapter will be explained by John Summerhays, coordinator, and the role of the Durham group in the state program.

Fact sheets on all Durham state legislators will be available for study.

The fact sheets are complete records of performance in the last state legislature. Each covers party affiliation, terms served, occupation, home and business address, committees served, percentage of votes won in the last election, campaign finance report, bills sponsored and the stand taken on all bills backed by Common Cause.

## J. C. Smith U. Gets 10-Year Accreditation

Johnson C. Smith University has successfully completed its Institutional Self-Study and has received official notification reaffirming its accreditation, according to a statement released by Dr. Wilbert Greenfield, president of the 109 year old institution. The re-accreditation of Smith follows an eighteen month self-study program and an on-site visitation conducted last spring by a team representing the Southern Association of Colleges and Schools. At its annual meeting held in December of 1975, the College Delegate Assembly received the Smith report, and recommended the accreditation. The recommendation was acted upon and the reaffirmation of accreditation was declared valid for the next ten years.

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## MUTUAL SAVINGS AND LOAN SHAREHOLDERS PAID LARGEST DIVIDENDS IN HISTORY OF ASSOCIATION

### Savings Increase In Spite Of Recession

Approximately 100 enthusiastic persons including about ten children, attended the annual Shareholders Meeting of the Mutual Savings and Loan Association here Tuesday evening. W. J. Kennedy, Jr., Chairman of the Board of Directors, presided.

J. S. Stewart, in the President's Annual Report, said that "although the nation was faced with the longest and most severe postwar recession and continuing inflation, 1975 had been a fairly good year for the association."

"Savings deposits, which had slowed during the latter months of 1974, picked up considerably during 1975," Stewart reported. "At the close of 1975, savings balances at Mutual Savings amounted to \$11,134,960. This compared to \$10,558,197 at the close of the previous year and represented an increase in savings accounts in the amount of \$576,676."

Mutual Savings paid its savers \$636,695 in dividends during 1975, the largest payment in the history of the Association.

Members of the association elected to serve on the Board of Directors for the year 1976 are: F. V. Allison, Jr., R. E. Dawson, J. W. Goodloe, J. I. Henderson, William Jones, W. J. Kennedy, Jr., A. T. Spaulding, C. C. Spaulding, Jr., J. S. Stewart, Josephine S. Strayhorn, J. H. Wheeler, and N. B. White.

At its Board meeting on Wednesday morning, W. J. Kennedy, Jr., was elected Chairman of the Board, J. S. Stewart, President; F. V. Allison, Jr., Vice President-Secretary; J. W. Goodloe, Vice President; A. T. Spaulding, Vice President; Mrs. Josephine Strayhorn, Treasurer-Ass. Secretary; Mrs. Annie A. Johnson, Assistant Secretary; and staff: Mrs. Margaret H. Davis, Misses Valeria J. Jarman, Esther Faye Pegram and Ruth E. McNeill.

Special recognition and congratulations were paid to Mrs. Annie M. Johnson for receiving the degree of Master of Science in Business Administration from North Carolina Central University last May.

President Stewart reported that assets of Mutual Savings as of the close of business on December 31 stood at \$13,807,165.67.

Commenting on the prospects for 1976,



PRESIDENT STEWART ADDRESSES SHAREHOLDERS



PRESIDENT AND STAFF

Mutual Savings and Loan Association, pose for photographer at the Annual Shareholders meeting Tuesday night. Left to right are: Mrs. Annie Johnson, Miss Ruth McNeill, John S. Stewart, President; Miss Esther Faye Pegram and Mrs. Margaret Davis. Not shown, Miss Valeria Jarman.

Stewart said "most economists agree we should have a sustained business recovery provided there are no significant price increases in the cost of oil, agriculture and industrial commodities."

Inflation is also a real problem and must be held in check if we are to have any substantial recovery," He said further that "due to the continuing economic uncertainties, your institution (MS & L) is maintaining a very careful, sound lending

policy. "We do have confidence in the future," Stewart said.

Stewart advised those thinking about buying or building a home who are waiting for mortgage rates to come down, "to buy now." "Every year," he said, "it seems the increase in building costs more than offset whatever savings may develop as a consequence of lower interest rates. Interest paid on a home is tax deductible with both federal and state, but the cost is not."

Encouraging and complimentary remarks were heard from many of the shareholders. Mutual Savings & Loan Association is completely computerized with one of the "finest on-line computer systems in the nation," and the shareholders liked the efficiency of operations of the Association, but chose not to change the forty-year tradition, having hot dogs at the close of their business meeting.

CONGRESSMAN PAREN J. MITCHELL, (D-7-MD.) TO CALL FOR AN END TO FACTIONALISM IN BLACK COMMUNITIES WHEN HE ADDRESSES THE DURHAM COLLEGE ALUMNI ASSOCIATION'S BANQUET ON SATURDAY AT THE DOWNTOWN MOTOR INN AT 5:30 P.M.

## Martin Luther King Day Observed In Salisbury

SALISBURY - "We've come a long way, Baby, but we still have a long way to go" the Rev. Edgar N. French told an audience of about 400 persons attending the observance of Martin Luther King Day here Sunday afternoon at Mt. Zion Baptist Church.

Speaking on the subject, "Our Unfinished Task", the former associate of Dr. King's

who assisted in the organization of the Montgomery (Ala.) Improvement Association warned members of his race that they have made great strides, but the end is not yet.

He urged his audience (See KING, Page 12)

## LESTER B. GRANGER, 79 DIES IN LA.

Lester B. Granger, 79, retired Executive Director of the National Urban League, died Friday morning, January 9 in Alexandria, La., following a lengthy illness.

Granger was the third man to serve as Executive Director of the League and held that position from 1941-61 when he retired and was succeeded by the late Whitney M. Young Services for Granger were held on Tuesday, January 13, 10 a.m., at The Riverside Church - Christ Chapel, 490 Riverside Drive.

## Supreme Court To Decide On Wilmington 10 Appeal

WASHINGTON, D. C. - The Supreme Court expected to decide to consider the appeal of the Wilmington Ten, Monday, January 12. The high court has received petitions from the "Ten" to overturn their sentences totalling 248 years, handed down in North Carolina in 1972, and, "in all probability", according to Attorney James Ferguson, will hear it.

Attorney James Ferguson, who has been in charge of the case from its beginning says, "with the amount of public interest that's been generated around the case, and the blatant injustice growing out of a state conspiracy against my clients, we are convinced the high court recognizes the necessity of hearing our appeal."

The Wilmington Ten were indicted and convicted on various charges of conspiracy after carrying out an organized, non-violent protest against racism in the Wilmington, North Carolina school system in 1971.

The group is widely considered to have been "railroaded" into jail. Representative Robert Kastenmeier (D-Wisconsin), who chairs the House Subcommittee on Courts, Civil Liberties and the Administration of Justice has requested information from both the FBI and the Treasury Department on (See WILMINGTON, Page 12)

## Black '76 Political Convention Plans Set

The National Black Political Assembly has completed the format and schedule for what may be one of the most significant national meetings in the long history of Black people in America. Some 6,000 delegate and observers are expected in Cincinnati, Ohio for the Third Bi-Annual National Black Political Convention, March 17-21. The first convention was held in Gary, Indiana in 1972. The theme for the 1976 Black Convention is "Which Way Black Nation? Towards a '76 Political Strategy". The convention will focus on the building of a mass based independent Black political movement for 1976 and beyond.

After preliminary Convention Committee meetings and Platform Hearings on Wednesday, March 17, the Convention activities will formally begin on Thursday, March 18, with a Testimonial Luncheon hosted by the Cincinnati Chapter of the National Assembly.



OAKLAND, CALIF. - Followed by a deputy sheriff, former Black Panther leader Eldridge Cleaver enters Alameda County jail where he was given a temporary berth last week. The 40-year-old Cleaver was brought to Oakland from San Diego County in order to appear at a superior court hearing Friday to face charges stemming from a 1968 shootout with Oakland police. UPI