

# Editorials & Comments

## Ethics And Politics

By Hoyle H. Martin Sr.  
Post Executive Editor

A recent issue of THE CHARLOTTE NEWS (Nov. 18) reported that three black ministers had received \$1,021.81 from Ken Harris' campaign fund for services rendered. This is a cause of concern to the POST as well as the fact that the report failed to mention how the remaining 80 percent of the \$4,894 in campaign worker money was spent. Inquiries at the NEWS revealed that Harris' campaign headquarters had provided a list of 133 campaign workers of which 130 individuals had received payments ranging from \$20 to \$30. However, the three black ministers, James E. Barnett, W.M. Cavers and James Palmer were paid \$518, \$383.81 and \$120 respectively or over 20 percent of the total amount paid to campaign workers. Reportedly, these funds were used for legitimate campaign expenditures.

The POST sees nothing wrong with single individuals receiving payment for services rendered. However, individuals - such as ministers - who profess to be community leaders should be sufficiently strong in their convictions and influence to be able to raise funds for the support

of a political candidate. In so doing, the leader can truly offer support to the candidate or candidates of his choice, and, of equal if not greater significance, he can demand in return that the candidate, if elected, respond to the needs of such a supporter. On the other hand, if that support is primarily a reflection of the compensation received for services given to the candidate, then the supporter is nothing more than a hired-hand going to the highest bidder.

A paid supporter of this type is not in a position to make demands on an elected candidate because it could easily be argued that he'd been paid for his services and thus no further obligation is necessary.

In summary, the POST has long opposed the idea of community leaders accepting money from political candidates to aid in the latter's bid for public office. We believe if such leaders truly favor a candidate they should express that by raising funds on their own effort to help the candidate and at the same time maintain their sense of independence, self-respect and integrity. To do less is to prostitute one's self and cloud the issue of the sincerity of the individual's beliefs and convictions.

## Houston, Another Look

Since the recent visit to Houston by a group of Charlotte business and political leaders, the local news media has had much to say about the booming Texas city. In addition, a survey by Battalia, Lotz and Associates Inc., a New York City-based recruiting firm, reveals that the cities favored most by business executives seeking new jobs lists Houston second only to San Francisco and far ahead of Atlanta. Furthermore, the 2,000 delegates to the National Women's Conference appeared to be unanimous in their praise of Houston's convention facilities in spite of some minor mixups over hotel reservations.

Even with all of this fan-fare about a city that the WALL STREET JOURNAL recently referred to as "currently one of the most prosperous in the country," a second look at Houston reveals "all that glitters is not gold." For example, many of the local business and political leaders who visited Houston came away with the feeling that the city is without question making considerable progress but considering its size - more than three times larger than Charlotte - its progress is not substantially greater than that of our Queen City.

Significantly too, Houston's prosperity may be short-circuited by a development that should only be in the past history of a truly progressive city. That development is in Houston's affluent nearly all-white West Side's continuing battle to separate from the Houston Independence School District and reduce

Houston's tax revenue by 10 percent to establish a separate school district.

During the midst of the Charlotteans visit to Houston and the women's conference, the Houston West Siders took their separate school district battle to court. The Houston school district, with support of the U.S. Justice Department and civil rights groups, is strongly opposing the secession attempt on the grounds that the loss of the 8,000 predominantly white students and \$5.3 million in operating funds could lead to a serious deterioration of Houston's inner city schools. The secessionist group claims that they simply desire quality education, not "white flight" from the Houston district where 66 percent of the 206,000 students are black and Hispanic.

We support the Houston school district's opposition to the secessionist plan even if the existing system is offering something less than quality education. We believe this because it was a historic pattern of falsified "separate but equal" education that created the conditions that gave Houston's schools whatever quality of education they now have. Furthermore, it proves that to deny your neighbor something means, in the final analysis, to deny yourself something. Thus, the many years that Houston and other school systems were preoccupied with denying blacks a quality education they were also denying, or setting the stage for denying, themselves the same quality education. The current development in Houston is simply evidence of that fact.



## LETTERS TO THE EDITOR

### The Promise Of Humphrey-Hawkins

By Bayard Rustin  
Special To The Post

The most tragic aspect of the unemployment crisis affecting the black community has been the discouraging prospects of speedy and significant improvement. Over the last several years, the Humphrey-Hawkins full employment bill has come to express our concerns and represent our hopes. Unfortunately, despair and frustration have become so pervasive that now that President Carter is supporting the bill whispers have begun that Humphrey-Hawkins is an empty promise. Some people argue that the bill has been so watered down that it is virtually meaningless.

Rarely has there been as much confusion about a single measure as about Humphrey-Hawkins. The contradictory press portrayals of the bill as both ineffectual and wildly inflationary have come close to transforming enthusiasm into skepticism. An unwarranted disillusionment with the bill could, in the end, prove more damaging to the cause of full employment than the onslaughts of outright opponents.

President Carter's support for the Humphrey-Hawkins Full Employment Act represents a major political victory for blacks and working people in general. The bill is still sufficiently advanced that an administration preferring caution and uncomfortable with bold domestic initiatives had to be persuaded to give its support by intense pressure from a broad coalition including the Leadership Conference on Civil Rights and the labor movement.

The Humphrey-Hawkins bill is much more than a pious

repetition of the Employment Act of 1946, which first committed the United States to the goal of full employment, though in a vague and ambiguous manner. It not only reaffirms the goal of full employment, but it also provides effective means to achieve that goal. For the first time there would be a declared ceiling in how much unemployment the United States is willing to tolerate. Targets for economic performance and jobs would be established with a degree of specificity and concreteness never before known. The President would be required to prepare programs to cut the seven percent joblessness rate to four percent within five years, while reducing adult unemployment to three percent.

Under Humphrey-Hawkins, the President will be required each year to give numerical goals for employment, unemployment, real income, and production. In addition, he must present his projections of the programs and appropriations necessary to achieve the goals. A third major proposal in the bill calls on the Federal Reserve System to explain to the Congress how its plans for monetary policy would affect the President's program. Finally, if, after two years, not enough jobs are being created to meet the 1983 goals, it will be the President's duty to present a program for "last resort" jobs in such priority fields as energy, mass transportation, environmental improvement, housing, and health.

The compromises which were necessary to gain the support of the Carter administration resulted in both less ambitious goals and a less realistic program for achieving full employment than con-

tained in earlier versions of Humphrey-Hawkins. The bill will not itself immediately create new jobs. It may not even lead to significant inroads against unemployment until two years after its passage.

While the present version of Humphrey-Hawkins is not perfect, its shortcomings, nonetheless, are clearly outweighed by its promise. Without the clear goals and framework for policy-making provided by the bill, substantial progress in reducing unemployment will only happen accidentally and with extremely good fortune. In fact, if the bill is not passed, then the chances of yet another recession in the near future will be much greater. Although I would have preferred more ambitious and socially-conscious goals, the bill still merits strong support. The goals in the bill should be understood as a declaration of the minimum progress the nation aims to achieve in reducing unemployment. It is my hope that we can move more rapidly and effectively toward full employment than the bill envisions.

The Humphrey-Hawkins bill will come before the Congress in 1978. It is an important first step, but achieving full employment will require on-going work: mobilizing support, registering more people to vote, and electing more creative and concerned people to office. It is essential that we wage a hard fight for the passage of Humphrey-Hawkins and then continue to fight just as hard for the job-creating and economic stimulus measures which are needed to make genuine full employment a reality.

By Vernon E. Jordan Jr.

## TO BE EQUAL



Vernon E. Jordan Jr.

### The Humphrey-Hawkins Compromise

The now famous Humphrey-Hawkins Bill had its origin in the valiant effort of Congressman Gus Hawkins and his colleagues in the Black Caucus to frame legislation that would guarantee jobs for all.

Such a tremendous change in our traditional acceptance of unemployment as a fact of life is likely to be accomplished by smaller steps. And one of those smaller steps is the President's acceptance of a compromise Humphrey-Hawkins Bill.

The proposed new Bill creates no new jobs, nor does it create structures that would deliver new jobs. Instead, it sets a national goal of four percent unemployment by 1983.

The compromise has been criticized, but it would be self-defeating to take an all-or-nothing stance. The revised Humphrey-Hawkins Bill has great symbolic value. It commits the President and the Congress to pursue policies that will shrink the numbers of unemployed.

That represents a major new commitment. Instead of vague promises to bring down unemployment, the Bill provides a firm promise to do so. It represents a short-term promissory note to be redeemed in jobs.

By setting a national goal, the Bill places Congress and the Administration under pressure to meet the goal, and it provides a much needed framework for further full employment legislation.

And even while admitting that a four percent unemployment goal is inadequate, it is far better than the five and even six percent some economists pretend is full employment.

So the first order of business is to get the revised Humphrey-Hawkins Bill passed. And that has to be followed up with swift action to create the jobs to meet its modest goal.

That action should include greatly expanded public service employment and training programs. But it also has to be directed at increasing private sector job-creation through incentives that expand capital spending and production and aid businesses in hiring and training the jobless and young people.

The private sector has to be given a central place in job-creation efforts. Most jobs are -- and will continue to be -- in the private sector, and no full employment policy can or should ignore that fact.

Some of the steps necessary to get full employment may be unpopular since too many citizens don't mind high joblessness so long as they are not among the unemployed. It's always easier to tell someone else that unemployment is inevitable when you've got a job.

There's also the barrier of the questionable link between full employment and inflation. Experience has shown that high unemployment doesn't necessarily mean low inflation, but the conventional wisdom is that it does. But how fair is it to tell someone he shouldn't have a job because full employment may be inflationary?

It is just incredible for a society such as ours to consciously waste the human resources and productivity of so many millions of people just to satisfy the myths of old-fashioned economics.

## as i see it

### All About F. I. C. A.

By Gerald O. Johnson

Editor's Note: This is the first of a two-part series. The second will appear next week.

Each pay period most of us receive a check stub explaining why our net pay differs so drastically from our gross pay. The stub will display indications that so much of our money goes for general taxes, so much for group insurance plans, and finally FICA.

I recently discovered that few people actually know what FICA is or why they pay it. So take a few minutes and read about FICA; what is, what it is, and what it should be.

FICA are the initials for Federal Insurance Contribution Act. This act requires by law that each employer withhold a portion of an employee's earnings as a tax to go into an endowment for Social Security purposes. The amount withheld from each employee is that employee's contribution to the program. A company must match each employee's contribution as is contribution to the program.

The amount withheld is determined by a set base and rate scale. The rate of pay is

the percentage taken out of your paycheck each pay period. The base is the maximum amount subject to this tax rate. For instance, a rate of 5.85 with a base of \$7,800 would mean that 5.85 percent of your paycheck would be deducted each pay period, until you had earned \$7,800. At this point no more FICA would be taken out of your check.

Both the rate and the base are set by Congress. The purpose of this money is to fund one of the two parts of the Social Security System of this country. Social Security is made up of Public Assistance and Social Insurance. FICA finances the Social Insurance part.

The Social Insurance Program covers (1) old age, survivors, and disability benefits; (2) Railroad workers' retirement benefits; (3) Unemployment Insurance; (4) Workmen's compensation; and (5) Sickness insurance.

It must be stated here that the amount you contribute to the Social Insurance Program has no relationship to the amount you are eligible for. The amount you are eligible for is based on need and even then you are limited to a



By Gerald O. Johnson

maximum amount you can receive. But as long as you work you must pay according to the dictates of the Government. Recent laws have been passed so that a person may receive benefits without ever having contributed.

Also, Government workers are exempt from Social Insurance Programs. Therefore, they pay no FICA. They have their own program that is similar to the Social Insurance Program. This makes the whole thing ironic since Congress are Federal employees and therefore are exempt from FICA. Yet they deter-

mine the laws that give Social Security its structure. More on this later.

The initial conception of the Social Insurance Program was in 1935. With rigid rules set up to handle who was eligible for benefits the program appeared to be a good one. In 1940, \$550,000 was contributed to the program and this amount collected another \$42,489 in interest.

During that same year \$15,805 was paid out in benefits with a mere \$12,288 for administrative cost. As the year's passed congress became liberal with who was eligible. By 1950 \$728,000 was issued in benefits \$56,841 needed to administer the program. But since the work force was strong in the 50's, primarily because of the wars, \$2,109,992 was contributed to the program.

Congress in the meantime was steadily liberalizing the laws to include more and more people and to increase the minimum benefits that by 1960 there were 15,400,000 people receiving benefits. It took \$10,798,013 in payments and \$234,291 to administer the program.

During this same period

only 10,829,764 was contributed with another \$584,000 added by interest. This was the first year that contributions to the program barely equalled benefits paid by the program. To rectify this situation Congress raised the rate of the tax from 3.18 percent of a base of \$4,800 to a rate of 3.62 percent of a base of \$4,800. But at the same time they increased the minimum payments and liberalized the laws to include even more people to the program.

In 1965 the program had 20,000,000 people receiving benefits. The rate of tax was boosted to 4.20 percent on a base of \$6,600.

By 1976 the program had contributions totaling \$67,867,099 plus interest of \$2,818,383. From this \$71,462,416 was paid out in benefits with \$1,200,326 going to administrative cost. During this same year employees were paying 5.85 percent on a base of \$14,100.

It was at this point that Congress stupidly decided that more money rather than better management was what was needed to revive an insecure Social Security Program. Congress passed in November a bill that would gradually graduate employee and em-

ployer contributions through 1987 so that by 1987 an employee would pay 7.1 percent on a base of \$42,600. While passing this bill our overly liberal Congress still increased the benefits.

This Social Security hike coupled with the minimum wage bill increase will have the country in a depression by 1982. Before elucidating the why of this point let's break down the Social Insurance Program.

The Social Insurance Program gets its funds from working people. It pays out money to non working people and to people to administer the program. This means that the program only works when the majority of the people are employed. Thus when a person is employed he contributes to the program and when he becomes unemployed he draws from the program. This unemployment can be because of retirement, disability, layoffs, or even death.

Here lies the problem with the program. There is nor can there be any control on the payouts of the program.

To be continued next week

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