

Editorials & Comments

U.S. Should Bail Chrysler Out?

As the debate grows over whether the federal government should bail out the presumed financially troubled Chrysler Corporation, it is appalling to observe how ignorant of historical facts are many of those who oppose possible government aid on the assumption that it is inconsistent with the so-called free enterprise or free market capitalism.

In the late 1760s the East India Company, then the world's largest corporation, was near bankruptcy due to inept management. The British Parliament granted a 1.4 million pound (British currency) loan, a trade monopoly, and legislated a tax on all tea sold in the American colonies. This led to the famous Boston Tea Party-rebellion of December 6, 1773. Thus, America was born in part by a reaction to mercantilism - government interference in economic affairs; nevertheless, the American government's involvement in economic affairs began with the authors of the U.S. Constitution.

The late Richard Hofstadter wrote in his book "The American Political Tradition," that "the members of the Constitutional Convention were concerned to create a government that could...regulate commerce...prevent currency inflation...(provide) freedom from fiscal uncertainty and" protection from foreign economic powers.

Furthermore, in the 140 year period 1790-1930 federal and state money made possible the building of roads, canals, railroads, the establishment of protective tariffs and corporate and banking charters as well as contributing to industrial expansion through Civil War defense contracts. In effect, America has developed in the midst of an economic paradox, that is, the growth of private investment that has been protected, subsidized and partly regulated in such a way that an illusion has been created about what is incorrectly called the free market capitalist system.

Michael Reagan put this in perspective when he said 16 years ago, "The myth of a self-regulating, individually operated free enterprise

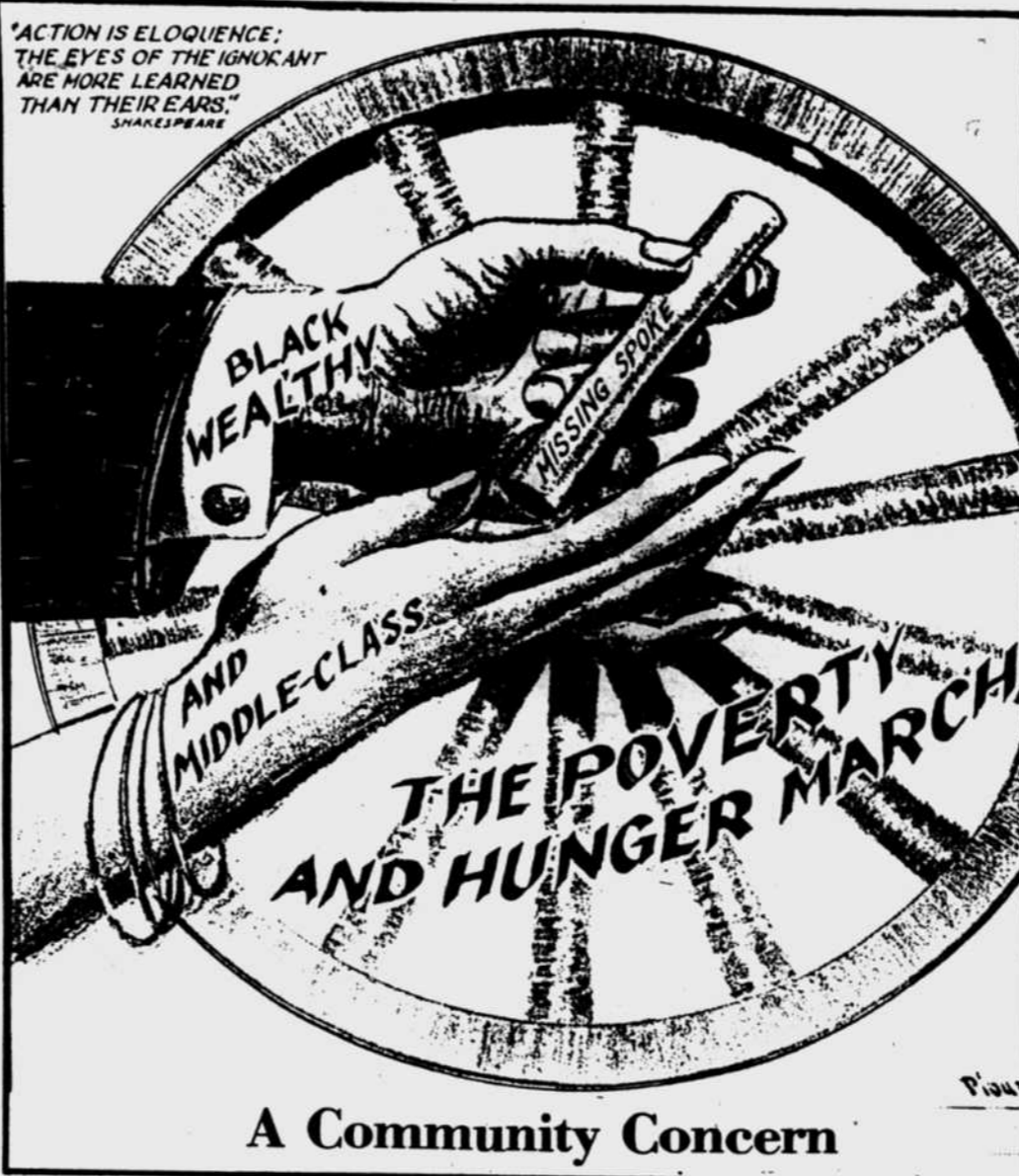
system was exploded by the Crash (depression) of 1929. It was formally buried by the Employment Act of 1946, by which it became the explicit responsibility of the national government to promote maximum production, employment, and purchasing power. Yet, the myth lives on." Therefore, when we look beyond the myth we can see that the federal government already has a mandate to bail out Chrysler.

Chrysler's problem is simply an example of what many economists point out is the increasing size and complexity of an economic system that has made government intervention and subsidization inevitable.

Thus, those who oppose the use of public funds to salvage the Chrysler Corporation are like the business and labor groups that are clinging to the free enterprise myth which is incompatible with today's reality. Thomas A. Murphy, board chairman of General Motors Corporation and an unexpected source of aid to Chrysler, articulated the reality when he said, "...we business people are not consistent in what we say. Too often we rail against foreign competition. We oppose government handouts - except those (\$77 billion annually) used to bail out (our) particular companies...We are dead set against controls on prices - but wage controls might be worth a look." Chrysler, as a good example, has blamed the government for its financial troubles due to what they contend is an overzealous regulation of pollution. On the other hand, Chrysler wants a \$1 billion cash advance against future income which will invite more regulation.

Therefore, after Chrysler has received aid from all possible sources - GM, the State of Michigan, the Household Finance Corporation, the United Auto Workers and its own upper management, and a full research of the fact, then and only then, the federal government should consider some form of financial aid to the troubled auto makers. This may not be good for mythical free enterprise but it sure will be good for the potential new jobs and greater stability in the economy.

"ACTION IS ELOQUENCE: THE EYES OF THE IGNORANT ARE MORE LEARNED THAN THEIR EARS."
SHAKESPEARE



as i see it

Who Will Play In The Gold Bowl?

By Gerald O. Johnson

As the days start growing shorter and the leaves begin to turn brown, I know that my favorite season is drawing near.

The local high schools have dusted off their helmets and started practicing for the season ahead. The college boys are kissing their moms and girl friends goodbye because next week most of them will be returning to start their practice sessions.

It's that season when great football predictions are an everyday occurrence. It's when CBS and The Charlotte Observer give you the insight of football through the forever present keen eyes of Jimmy "the Greek." It is also the time when The Charlotte Post (unfortunately) gives you the hindsight of football through the forever closed eyes of Ned "The Nigger." All of us can't wait to see if ole Ned can predict this year's games as poorly as he did last year's games.

Ned called me earlier this week because he wanted me to speak on the defection of Winston-Salem State and South Carolina State from the Annual Gold Bowl game. Each year, as you may know, the M.E.A.C. champion and the C.I.A.A. champion are supposed to square off at the end of the season. Last year the Winston-Salem State Rams



Gerald O. Johnson opted to play in the N.C.A.A. small college playoff where they were crushed in the 2nd round by the Delaware Blue Hens (a predominately white institution). South Carolina State, who had hoped for a bid in the N.C.A.A. playoff said they wouldn't play in the Gold Bowl if they received a bid to the N.C.A.A. When they didn't receive a bid, the Bulldogs from Orangeburg, S.C. refused to play in the Gold Bowl unless Winston-Salem State played.

Well, all of this is history now. The two second place teams played in the Gold Bowl, N.C.A. & T. and Virginia Union. Problem is the two teams that were the best didn't play.

This type of attitude displayed by Winston-Salem and S.C. State is not good for either

conference. Moreover, it cheats the dedicated followers of Black collegiate sports. I for one looked forward to the rematch between the two schools.

The problem here can't be placed on either school's shoulder. Winston-Salem is by far the class of the C.I.A.A. No other school comes close in the C.I.A.A. Virginia Union displays the necessary talent but falls short in coaching and disciplining. This is not a fault of the personnel but merely a monetary problem. No ducket, so forget it. (Smile)!! The same is true with S.C. State. South Carolina State's athletic budget will compare favorably with a lot of white schools. There is no other institution in the M.E.A.C. that can come near this school in class. N.C. A & T comes the closest, with Morgan State running a close third.

Consequently, by the year end both S.C. State and Winston-Salem feel that nothing has been accomplished. Having crushed their much weaker opponents, they look elsewhere to measure how good they are. Consequently, this means the white schools.

Unfortunately, the records against white schools for both are not nearly as impressive as their records against black schools. This is so, because the competition they play week after week does not adequately prepare them to meet this challenge.

by Vernon E. Jordan, Jr

TO BE EQUAL



Recession May Widen Gap

The long-awaited recession of 1979 has finally arrived, according to government economists. The outlook, they say, is for a "mild" slowdown extending into the early part of next year.

"Mild," however, is a relative term. I'm reminded of the old joke that it's a recession when your neighbor loses his job and a Depression when you do.

Even a "mild" recession will add two million people to the tanks of the officially unemployed. And for blacks, this new recession comes at a time when black workers have still failed to recoup their losses from the last recession.

The boom and bust cycle of the economy has been devastating for blacks. This recession is the sixth since 1953-1954. And after each one blacks slipped still lower while white workers bounced back to pre-recession prosperity relatively quickly.

That's been the story historically, but the most recent recession during 1974-75 was the most damaging of all. It was the worst of the recessions since the 1930s, and while there are indications that white workers have climbed back to their pre-recession employment levels, blacks have not.

A recent research report from the National Urban League's Research Department documents this. Among the report's highlights:

Between 1974-1977 blacks got only five percent of the new jobs created in the private sector. There was actually an eleven percent decline in black male employment in the private sector at a time when the total number of jobs was expanding.

The black jobless rate is 2.3 times higher than the white jobless rate. This is a sharply higher ratio than during the last recession.

The income gap between white and black families is widening. During the last recession median black family income was 62 percent of income that whites received; now it is down to only 57 percent.

Inflation is hitting black families harder, shrinking their real income. While white purchasing power increased by four percent between 1975 and 1977, black real income declined by three percent.

The proportion of middle income white families rose during the post-recession recovery period; the proportion of middle income black families declined.

In that same period, the numbers of the white poor declined; the numbers of the black poor increased.

This striking erosion of black people's already dismal economic condition has been virtually ignored. Instead, there's been growing strength to the myths of black progress that suggest blacks are at the threshold of real equal opportunity.

The research study documenting the widening black-white gap makes a mockery of such claims. It also signals serious problems ahead if the current recession is allowed to run its course without special efforts to insulate blacks from further economic losses.

Recessions mean higher unemployment.

Politics Of Brutality

The U.S. Justice Department filed a suit this week charging the City of Philadelphia, its Mayor Frank Rizzo and 19 top police officials with condoning widespread police brutality that has denied residents of their constitutional rights.

As if such charges weren't serious enough, Mayor Rizzo called the suit "hogwash" and responded to inquiries about police officers breaking their nightsticks on the head and shoulders of a man who rode through a stop sign by saying, "It's very easy to break some of these nightsticks nowadays."

Furthermore, after hearing of the Justice Department's charges of the arresting of and beating of motorists

without cause, the shooting of innocent people - mostly blacks and Hispanics, the harassment of political and minority group leaders who criticize the mayor or policemen, and the beatings of suspects to get

forced confessions, Mayor Rizzo simply said, "I've never seen any" police brutality. Rizzo, who was elected mayor in 1972 on a "law and order" campaign reportedly said recently he's losing faith in the law.

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The Black Beat

Black Americans Have Accomplished Much In Spite Of Obstacles

By Milton Jordan
Special to the Post

Black leaders often hurt business.

Okay, before you stuff this paper down the nearest commode, or stick a match to it, let me explain.

Our leaders, be they political or social, are in the business of showing white America how evil it is, and historically has been, for placing unusual and unnatural obstacles in our paths as we strive for equity in this country.

In doing that, our leaders often forget to say that Black Americans have accomplished much in spite of these obstacles.

And in my opinion, because we are so often portrayed as having "not made it yet," blacks in business have an additional difficulty trying to market our progress.

It certainly isn't my purpose here to castigate black leaders, but to simply point out a few things that I believe are important, and to demonstrate that often we have an alternative to protest.

Our concept of leadership developed more than a century ago when our major focus was protest. We were catching unmitigated hell in America, and we raised our voices in strident protest over the inhumane conditions we were forced to suffer.

From our ranks we produced eloquent, radical, strong, assertive, effective and often brilliant leadership. Most of their names are familiar. I need not mention them.

For years we struggled, through slavery, through reconstruction, through the depression, through two world wars, on into the 50's. We fought many, many battles, and more skirmishes than can be numbered. We won some, and we lost some.

But somewhere along the way, we've so perfected the art of protest, we seem to have forgotten that once barriers are breached, once laws are changed, once gains are made, we enter the age of contest.

But we've been so darn busy protesting, a great many of us weren't ready when the time came, and we don't seem to be ready today to dive into the mainstream and contest. We seem very unwilling as a people to seriously push up our sleeves and pull off the economic and political coup that seals our victories in the protest arena.

For example, folks fought and died for the right to vote, for freedom to exercise our rights as franchised citizens. But so many of us are dulled by the constant litany of doom and negativism from much of our leadership that we fail to



Milton Jordan

develop winning political strategies.

One of the most oft-heard excuses for not voting is: "It doesn't do any good. White folks will elect whomever they want to anyway. I don't see any progress we make by voting."

You see, we're so convinced that we're losers, that we're poor, and won't be any less poor if we vote, that we just don't, for the most part.

That attitude is indicative of a protest mode of thinking. You see, the victories of protest, small as they are, are often far more immediate than the victories of contest. Let's take a look at some specifics.

Beginning in the early 1900's, we protested and fought to end the "separate but equal doctrine" in education. It took us a half century, but we got the 1954 U.S. Supreme Court decision that outlawed the hated concept.

But, then, many of us seemed to relax, apparently operating on the assumption that now that we had the right to attend the "better" white schools, all would be hunky dory.

But many of us forgot to push our kids to strive for academic excellence, and therefore left them at the mercy of some educators who didn't care if our kids learned or not. So now as we live in the middle of the computer age, with even more technological advances expected in Century 21, our children are, in many instances, unprepared.

Oh sure, we blame the ravages of the segregated school systems, saying we still haven't overcome those ills. But the truth, as I see it, is we simply didn't prepare for the contest once the protest had accomplished what we wanted.

Let's take another example. Blacks went into business years ago, largely to provide for black people the goods and services that white businesses wouldn't provide. Black business operators enjoyed a

