

Editorials & Comments

Wanted: A New Economy

There is a growing belief in America that the conventional conservative rhetoric about too much government, particularly from the "New Deal" of the 1930s through the "Great Society" of 1960s and beyond, can no longer supply answers to the complex problems faced by what is called the "free enterprise" capitalistic system.

Ironically, conservative economic thinkers have had difficulty since the very beginning of our nation's history in explaining their so-called "free-enterprise" system. The Founding Fathers - the framers of the Constitution - did not want freedom of trade, the late historian Richard Hofstadter has said. They had abandoned classical economic thinking and felt that failure to regulate trade was one of the central weaknesses of early American political economy.

Furthermore, it was public funds and public policy that helped build the roads, canals, railroads, establish protective tariffs and provide bank and corporate charters. In effect,

government intervention, or more accurately involvement in the economic affairs of the nation from the Colonial period through the 1930s is a part of the traditional political economy of the nation because it is characterized by the paradox of the emerging free market system with the assistance of government which has been persistent-ly denied.

Myth Lives

This denial of the role of government in helping to create the free enterprise system undoubtedly led Professor Michael D. Reagan to write, "The myth of a self-regulating, individually operated free enterprise system was exploded by the crash 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."

The myth has survived Richard Nixon's embrace of liberal economic policies, the attacks of Milton Friedman, the drift toward greater corporate monopoly and the increasingly vague utterances about too much government. The fact is, government's involvement in the economy beyond its constitutional requirement - and thus the reason for its bigness - has been brought about by both the activities and demands of consumers, organized labor and the business community itself largely in accord with the Employment Act of '46.

For example, the nearly bankrupt Chrysler Corp., the nation's 10th largest corporation, has

asked the federal government for a loan guarantee of \$1.5 billion. Part of overall plan calls for the United Auto Workers to make concessions of \$203 million in its new three year contract with the firm. Chrysler would be required to give its employees \$150 million worth of stock over the four-year life of the guarantees. This too is nothing new since through pension funds, employees of American business now own at least 25 percent of its equity capital, which is more than enough for control.

Chrysler's need to seek a loan from the federal government while at the same time charging that government regulations were the cause of its problems brings to mind more clearly the fact that big business, like big labor, clings to an outdated set of values that are incompatible with today's reality.

Murphy's Point

Thomas A. Murphy, board chairman of another auto maker, General Motors, said it best in these words: "...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 or particular industries. We are dead set against controls on prices - but wage controls might be worth a look."

Republican George (the son of Henry) Cabot Lodge puts Murphy's point of view in clearer perspective in his book, "The New American Ideology." He contends that the traditional ideology of free enterprise is disintegrating and that by clinging to this outdated ideology business people and public officials are failing to face reality. A result of this failing has led to the use of ineffective policy decisions for the solving of some of the nation's most serious problems such as inflation, unemployment, poverty and the energy crisis. Each of these has serious implications for the economic well being of black Americans.

It is unfortunate too that government is guilty of failing to face reality when in conflict with traditional ideology. For example, when the Federal Reserve Board raised the discount rates for commercial banks in October to help off-set the nation's inflationary problem the President immediately told the building trade unions that the government not cause any loss of jobs or slow down in their industry.

The myth of free enterprise and the reality of government involvement in the nation's economic affairs should be enough to warn us that we need to search for a new economic ideology.



Blacks Destiny In Own Hands

Brooks Praises National

Call For Education Overhaul

"A comprehensive report issued Wednesday by the Carnegie Council on Policy Studies in Higher Education is a call for major adjustment within our secondary school system that all North Carolinians must hear," N. C. Labor Commissioner John C. Brooks said today.

Brooks praised the report particularly for advocating massive efforts to provide job training for high school students.

"This study provides much welcomed support for my proposals that North Carolina high schools and private employers provide apprenticeship opportunities for 16- and 17-year-olds," Brooks said of the 322-page report entitled "Giving Youth a Better chance: Options for Education, Work and Service."

The Carnegie study called specifically for new apprenticeship programs for 16- and 17-year-olds, and other work-study combinations for high school youth. "College youth have been assisted by federal initiatives far more than non-collegiate youth, and it is time to redress the balance," the report said.

Brooks concurred with the study's finding that "failure to act poses the danger of creating a permanent underclass, a self-perpetuating culture of poverty."

"For three years now, I have been referring to the vicious cycle of poverty that is a way of life for North Carolina families. Current North Carolina high school curricula and CETA youth programs are inadequate to relieve sufficiently this situation for the future. What is now needed is provision for the

training in industrial skills needed by so many of our youth and wanted by so many industries," Brooks said.

"Citing these needs is not intended to take away anything at all from the variety of scholarships, loans and college work-study opportunities which have been made available to college-bound students. Such financial assistance enables many students to attain a higher education than would otherwise be possible," Brooks explained.

Noting high unemployment rates for minority youth, Brooks reiterated a proposal he first made in a January, 1978 speech to the Governor's Conference on Balanced Growth and Economic Development, in Charlotte.

"North Carolina must develop a more logical and comprehensive program to ease the transition from education to employment for the full 35 percent of youth who now do not elect additional education or training after age 16. I recommend that 16- and 17-year-olds have the option in their high schools of participating in apprenticeship programs certified by the N. C. Department of Labor (as are all apprenticeship programs in the state). The youth would work for pay with a private firm while receiving on-the-job training in such high-skill crafts as machine or automotive repair, or tool-and-die making, while continuing part-time instruction in the high school," Brooks stated.

"At age 18, the apprentice would transfer to a community college or vocational institute to complete a high school degree

program and continue necessary skill-related instruction.

"By age 20, the apprentice could receive not only a high school diploma, but also certification as a journeyman craftsman. As a journeyman, an individual may earn well over \$20,000 a year, in an occupation that offers the reasonable expectation of a secure career for the future.

"This option would give many 16- and 17-year-olds a greater incentive to stay in school, even if they do not want to go on to college. Upon completion of the high school curriculum, there wouldn't be just a diploma and the prospect of a low-paying job, if indeed a job at all. Rather, the graduate would have learned specific skills and be headed toward a satisfying, productive and well-paying job," Brooks said.

Re-Enforcement

Of Living Witnesses

Sought

Dear Mr. Johnson:
Can you print an appeal for help for me in the CHARLOTTE POST?

I would appreciate the re-inforcement of living witnesses - anecdotes, reminiscences, impressions - for a "Portrait of Langston Hughes in His Own Words," of those who knew him, met him, were influenced by, and had any connection whatsoever with him. Thank you.

Sincerely,
Kathleen A. Hauke
Department of English
University of Rhode Island
Kingston, RI 02881



1979-A Mixed Year

1979 began with a stunned nation trying to understand the mass suicides in Jonestown and it ended with an angry nation concerned with Americans held hostage by Iran, in gross violation of international law and any standards of accepted diplomatic practice.

In between came twelve months of continued hardship for poor people, some important gains for minorities, and some setbacks as well.

Perhaps the most important plus in 1979 was the Supreme Court's WEBER decision. Especially after the disappointing result of the BAKKE case the previous year, WEBER brought fresh hope to millions.

In its decision the Supreme Court upheld an affirmative action plan condemned by some as an unconstitutional quota system. The Court's action gave a big boost to affirmative action just when it looked as if it might be swept away by the rightward tide.

The Court also laid down some ground rules on what makes an affirmative action program acceptable. Since those rules are consistent with every such program I've ever heard of, the outlook for progress on this front is bright.

The WEBER case takes on greater importance since it came against the backdrop of continued high black unemployment and a predicted recession that may yet inflict heavy damage on black workers.

Well, that kind of thinking is all wrong. No

That recession, now starting, was deliberately engineered to curb inflation. It's the old story - you beat inflation by damping down the whole economy. If people lose their jobs, why it's only a temporary inconvenience. They'll be back at work when the recession ends, and inflation will be under control then. It's a small price to pay for controlling inflation.

Well, that kind of thinking is all wrong. Not only does it make the poorest people pay the greatest price for controlling inflation, but it won't work. In the seventies, we've had both high inflation and high unemployment, and there's no reason to expect conventional economic policies to work now.

The nation's economic problems may be a factor behind the withdrawal from support for minority rights and for the rise of fringe groups like the Klan. When the economy is expanding, the majority isn't worried about competition from minorities. But in hard times, everyone takes a "me-first" attitude and sees justice for others as a personal threat.

That's also part of the reason for the disarray of the old civil rights coalition in the seventies. The last and most devastating blow to the coalition came in the summer, when Andy Young's resignation from his post as UN Ambassador led directly to increased tensions between Jews and blacks.

Young's departure from the Administration set off shock waves of anger in the black community. It has still not been fully explained to most people's satisfaction.

But the immediate effect was to intensify friction between blacks and Jews, since Young's resignation came in the wake of his meeting with a representative of the Palestine Liberation Organization.

Long-smoldering resentments about numerous issues broke to the surface and the groups are now engaged in dialogues to try to re-establish their past partnership on behalf of civil rights.

In a way, the break may have been healthy in that it provides a basis for realistic coalitions based on each group being completely aware of the other's position. Sometimes a fractured bone, when it heals, is stronger than it had been before.

From The White House

Americans Can Work On Several Problems At One Time

By Alfreda L. Madison
Special To The Post

President Carter recently presented a defense budget to the Senate Armed Service Committee, with an astronomical increase. His 1980 budget called for a 3 percent increase. Now his five-year military plan calls for an annual defense increase of 4.85 percent. This is added to the already 3 percent 1980 increase which means, roughly an 8 percent rise for 1981. This plan will increase the budget in constant dollars in successive years by: 5.6 percent, 10.6 percent, 15.5 percent and 25.4 percent. While this increase caused by defense spending is going on, there is an attempt to balance the budget. This can only be done through either an outrageous increase in taxes or a cut in the social programs.

In testifying before the Armed Service Committee, Secretary of Defense Brown said he and the President drew up this defense plan after consultation with the Military Services and Joint Chiefs of



Alfreda L. Madison
Staff.

Secretary Brown constantly made it known the increase is based on Soviet capabilities, and it is hoped that this proposal, being presented at this time, will aid in getting SALT II passed by the congress. It is reasonable to assume that the knowledge of Soviet weaponry came through our Intelligence agency. Yet, a great obstacle to SALT II has been that Soviet military power, after acceptance of SALT II, could not be verified. So one wonders if these pre-

sent Russian capabilities can be proved.

The President's message says "It is not merely the deterrence of direct military attacks on the United States that we seek; we also must deter attacks on our friends and allies." This certainly seems to mean that American citizens; the poor, needy and middle class will have to bear the burdens of defending European countries.

This huge defense budget, presented at this time when there is a climate of hysteria existing in this country over Iran while diverting attention from domestic problems is just about to pass congress. Mr. Carter knows that this is a satisfactory step to the huge defense budget proponents, which he hopes will get SALT II passed. The opponents are jumping on this political ploy to get their objectives into the agreement.

Nineteen senators have sent a letter to the President setting forth their considerations for revision of the treaty.

One of the points presented by the nineteen senators is great concern for SALT to deter Soviet aggressiveness in the Third World. In a conversation with Senator John Warner, one of the nineteen, we discussed the African leaders' reason for Soviet aid; that the western

City Council Faces Great Challenge

continued from page 1
growth" will be heard again in the New Year as city and county officials participate in a Growth Symposium, a series of community forums and planning sessions to determine growth problems for the total community.

"Charlotte is a boom town," said Dannelly. "We need to do all we can to keep Charlotte a beautiful city. We need incentives to distribute growth in underdeveloped areas."

As new industry moves into the area, Leeper favors the formation of a recruitment task force to look at the kinds of jobs these companies will bring

countries fail to aid black Africans in their fight for freedom from white oppression and I wanted to know if this point has been considered. He stated that the prime concern of the African countries is freedom, however, at that point his time ended.

It does appear that the

to the Queen City.

"We should examine how what these companies offer relates to our problems of unemployment," he said. "We don't just want big name firms coming in that bring with them their own people. We need companies willing to train OUR unemployed."

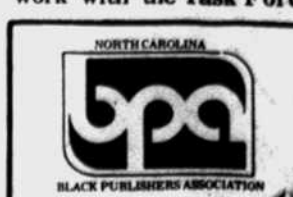
According to Leeper, the black community will be especially hit by inflation in the 1980's, and black business and black jobs will suffer the most. "Black unemployment is always higher than average," he said. "They miss those who are so discouraged they aren't even looking for work anymore. The

executive and legislative branches are tying together the astronomical defense budget with SALT II, and domestic problems

which bear heavily on the American people are being lost because of the election of the President and one third of the senate.

gap between black and white income continues to widen. Local and state governments must address this problem."

The councilmen all urged citizens to become more involved in the affairs of city government. "It's important to get involved in deciding who holds public office," said Leeper. Councilmen Leeper, Dannelly and Carroll will continue to work with the Task Force.



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