



Along the Color Line

by Dr. Manning Marable

Dr. Manning Marable is professor of sociology and political science at Purdue University. "Along the Color Line" appears in over 140 newspapers internationally.

Welfare:

Myths, Realities and Solutions

In recent weeks, politicians and policy makers from every corner of the ideological spectrum have advanced proposals to revise the federal government's welfare system. Some of the propositions have been generous and liberal-minded; more frequently, others have advanced a crippling and distorted view of the poor. The later case is represented by President Reagan, who quite predictably has recently denounced the "welfare monster."

Many Americans' perspectives on welfare and poverty are nearly as backward as Reagan's, despite the fact that the welfare system was initiated a half century ago, during the depths of the Great Depression. Several myths obscure the social realities which welfare seeks to address.

The first myth is that "all people on welfare live in the urban ghettos, and nearly all families on public assistance are single-headed households with Blacks and Hispanics." But according to Harvard professor David Ellwood, "at the absolute outside, 10 percent of the poor people in America are living in ghettos in our big cities. A lot of them are in suburban areas, some of them are in rural areas." The majority of people on public assistance are neither Black nor Hispanic, but are white women and children. Despite all the recent rhetoric about the collapse of Black families and the rise of one-parent households, the bulk of all families with no husband present are white. As of 1985, about 2.9 million Black households were without a husband present, compared to nearly 7 million comparable white families. According to the Commerce Department's Census Bureau, the growth of female-headed households in the Afro-American community has "declined significantly since the mid-1970s."

A second myth is the argument that welfare creates long-term economic and social dependency upon the federal government among all or most recipients. Actually, federal statistics show that more than half of all Aid to Families With Dependent Children (AFDC) recipients go off welfare within two years or less. Most people—Black, white, and Hispanic—use public aid simply between jobs, after a divorce, marital separation or childbirth. Only a small minority, about one fourth of all AFDC recipients, get public assistance for many years. It is this hardcore group, primarily young women with less than a high school education and meagre vocational skills, who take over half of the total welfare budget.

Another myth indirectly related to the welfare debate is the assumption that "people on public aid just don't want to work—they're lazy and shiftless, and they could find jobs if they really wanted to do so." Actually, the system is designed in a way to discourage individual initiative. If AFDC recipients work more than 100 hours in one month, they lose all benefits. So if a poor single mother with children, let's say, earns an additional five dollars for one hour's work beyond that minimal level, she'd lose \$10,000 worth of Medicaid benefits for herself and her children.

Most conservative politicians would rather promote stereotypes of poor folk, the "welfare queens" supposedly created by the system, rather than deal with hard realities. The recent Reagan welfare proposal would give states greater latitude in the use and distribution of welfare funds, and would direct states to create alternative test programs to determine which approaches worked best. But nearly all experts believe that the Reagan administration's real motive is simply to

cut social spending again and reduce the federal government's role in addressing national poverty issues. If enacted, the states would probably consolidate food stamps with other programs and greatly reduce overall benefits.

On February 17, the National Governor's Association termed Reagan's plan "inadequate" and proposed a more comprehensive plan. The bipartisan plan includes child day care programs, transportation and vocational education for welfare recipients, plus "a new cash assistance program based on a national formula reflecting the actual cost of living within each state." Recipients with children age 3 or older would "participate in a work program." The key component of the plan is government's stated commitment to "provide adequate support" for all education, medical care, child support enforcement, and job placement in return for the recipients' commitment to "strive for self-sufficiency."

Democratic Party liberals are advancing more creative and constructive solutions. Senator Ted Kennedy proposes that financial "bonuses" should be paid to states which "succeed in training and employing long-term welfare dependents." He and other welfare reform advocates point to the experience of Massachusetts' Employment and Training Choices program, called E.T., which spends an average of \$3,400 per person to train and place them into jobs. If left on welfare, this same individual would have received \$7,940 annually—including an average of \$5,600 in AFDC payments. The E.T. program has reduced Massachusetts' hardcore welfare cases by one fourth.

One major contradiction of E.T. and other reform programs of this type is that there are simply not enough jobs at decent, living wages which are being created today. Senator Daniel Patrick Moynihan, the chairperson of the Senate's subcommittee on Social Security and Family Policy, observes: "Our problem in this country right now is that we're not producing any good-paying jobs." Senator Paul Simon of Illinois is one of very few national figures who is trying to address one part of this central issue.

Simon's recently published book, "Let's Put America Back to Work," proposes that a job should be considered a basic human right for anyone over 18 years. A new agency would be established, the Guaranteed Job Opportunity Program, which would guarantee jobs at minimum wage levels to all those who could not find employment in private firms. Simon estimates that the project would create at least 3 million new jobs at a cost of \$8 billion. But the ambitious program would save additional billions in AFDC and food stamps checks, while creating a greater sense of pride and self-initiative among poor people. However, even Simon's humanistic project does not call for the creation of jobs at higher wage rates which are absolutely necessary to maintain stable family and home situations.

The welfare-poverty debate is still regrettably generating more heat than light, more rhetoric than policy clarity. So long as many politicians in both parties refuse to address the fact that 33 million Americans live below the poverty line, and that unemployment levels of 7 percent and above are largely responsible for crime, household violence and social disruption, we will not begin to develop meaningful solutions to poverty. Tinkering with the system is insufficient, and nothing short of a national, comprehensive employment act and vocational training system will resolve the welfare crisis.

EDITORIAL/OPINION

Cooper/Holloway Cases:

Examples Why Death Penalty Should be Abolished

The murder trials of Pamela Cooper and Jeffrey Gordon Holloway illustrate why the death penalty should be abolished once and for all. Cooper, an 18-year-old Black girl, presently is on death row in an Indiana prison for the 1983 murder of a 77-year-old white lady. During the trial, Cooper admitted to stabbing her victim 36 times with a knife during a robbery. At the time of her sentence, Cooper was 15 years old.

Holloway, a 19-year-old white youth from Beaverton, was convicted of first-degree burglary and nine counts of "capital murder" in connection with the deaths of Danna Lee Salver, 20; Joseph Grote, Jr., 62; and his son Kenneth P. Grote, 25. Unlike Cooper, Holloway wasn't given the death penalty. Instead Clackamas County jurists sentenced him to life in prison.

The Constitution of the United States requires that the judicial functions of trial and sentencing be conducted with fundamental fairness, especially where the death penalty is involved. The criminal justice system in America has, and continues to, discriminate against African Americans, particularly in the death penalty cases.

Example: Between 1930 and 1980, over 3,875 persons were executed in the United States. Of these, 2,078 (51%) were Black. In addition, national studies have shown Black killers and killers of whites are more likely to receive a death sentence. The Cooper case is an example of this phenomena.

Both Cooper and Holloway committed brutal crimes. However, it's grossly unfair for institutions of law to sentence individuals for crimes based on their skin color. Cooper robbed and took one human life and was given the death penalty. Holloway also committed the crime of robbery and took three human lives but only received a sentence of life in prison with the possibility of parole.

Given the discriminatory manner in which the death sentence is administered by the judicial system, it's time for the death penalty to be abolished as a form of punishment for those who commit crimes in our society. For the criminal justice system to continue to allow this injustice to go unabated, makes a mockery of the entire judicial system and the U.S. Constitution.

MONEY MANAGEMENT

A weekly column on personal finance distributed by the Oregon Society of Certified Public Accountants.

Homeowners: Are You Eligible For a Bigger Tax Deduction?

Owning a home is an expensive proposition in today's economy. But remember, a house is more than a home—in many instances it is an investment. The Oregon Society of CPAs offers tax tips for homeowners to help make the most of their investment when filing their 1986 tax returns.

Specific tax deductions which may be available to homeowners include mortgage points, home equity loan interest, and real estate taxes. These can save tax dollars for many homeowners if they meet specific criteria.

Mortgage points may be deductible on your tax return. If you paid points on a loan to purchase your principal residence in 1986 (not an additional home), you may be able to take a full deduction on your tax return. To qualify for this deduction, you must meet three criteria: 1) the loan must be secured on your principal residence, 2) points must be a common practice in your geographical area, and 3) the points you paid cannot exceed the average fees for loans in your area.

If you refinanced your home, or if you purchased a second home, you may be able to take a partial deduction. In this case, each point is equal to one percent of the amount borrowed and is usually amortized (gradually deducted) over the life of the mortgage. For example: if you secured a 30-year mortgage, each point is deductible to the extent of one-thirtieth of the fee paid in 1986. Depending on the amount borrowed and the number of points paid, this can add up.

All homeowners are eligible for the mortgage interest deduction. When you take out a mortgage, your monthly payments may include principal payments, interest, insurance, and taxes. Of that payment, your interest and taxes are deductible. At the end of the

year, your bank will send you a statement of precisely how much interest and taxes were paid over the year. Don't forget to deduct this interest and taxes on your tax return.

If you sold your home in 1986 and were charged a prepayment penalty, the good news is that it is totally deductible on your tax return. However, if within two years you bought a new home which cost less than the selling price of your previous home, you will have to pay taxes on any realized capital gains. The cost of any home improvements you made can be used to reduce the gain. If you're over 55 and meet certain requirements, you can elect to exclude up to \$125,000 of the gain on a one-time basis.

Another deduction available to homeowners is the interest paid on a home equity loan in 1986. Based on the market value of your home after subtracting what you own through any outstanding mortgages, this money can be used to finance anything. After August 16, 1986, you are not able to deduct interest on loan amounts exceeding the original cost of your house plus any improvements, except for medical and educational purposes.

Depending on your personal financial situation, these and other deductions could save you a substantial amount on your tax bill. If you need more information regarding these and other deductions available to homeowners, contact a CPA. He or she can give you more detailed information regarding your specific needs.

Owning a home is the American dream. These deductions help make it possible to achieve.

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Letters to the Editor

PSU to Offer Minor in Black Studies

In your March 11, 1987 edition appeared an editorial encouraging support for the Black Studies Department at Portland State University (PSU) in its effort to offer a minor in Black Studies at the University. As chairman of the Department it is always encouraging to see that there exists an interest in the fate of our department and strong community support for our goals and objectives.

It is my pleasure to report that the minor for Black Studies was approved by the University Faculty Senate on its second consideration of that proposal on March 2, 1987.

This was very satisfying to me because I am personally convinced that the discipline of Black Studies can make a significant contribution to the reduction of racial tensions and hostilities in future generations of American life. Since its inception in the late 1960s the discipline has been in the forefront of developing new information and perspectives on the world's multiracial past through vigorous research and new interpretations of historical events and relationships. The Black Studies Department at Portland State has been a contributing member in that process since 1970, making it one of the oldest programs in the nation. Over that time Portland State's support of the Department has been consistently evident in its willingness to commit hard money budget dollars to the program and not rely on soft money support from external sources as was the case in many other departments around the country. Consequently, our department has not disappeared as many others did when the soft money disappeared. Instead we have endured and now are on the verge of making the kinds of contributions to the education of students from all racial backgrounds at PSU that may truly have a positive impact on future race related developments.

Survival and endurance in an academic community is often a complicated and difficult task. Pursuit of departmental goals and objectives in the competitive environment of campus politics is tough for all academic units. Since all higher education campuses are reflections and extensions of American society it would not be unexpected if occasionally race became a contributing factor in such an environment. At the same time it is a debilitating approach to consider all decisions, setbacks or advances, as directly attributable to racial factors. We try not to make that mistake in our department as we approach our involvement in pursuing program objectives.

The proposal for a minor in Black Studies at PSU was initiated in the Spring of 1986 along with a large number of other proposals from other departments. All had to work their way through a complicated process of review and approval at departmental, school and finally University Curriculum Committee levels. While most proposals received approval at the University Curriculum Committee level in December of 1986, several others

which had been proposed by units with current "certificate programs" (formally recognized aggregation of courses without "major" status) were held back so that the Committee could gain clarification on the relationship between a certificate and a minor. Black Studies was one of the proposals in this category along with proposals from Urban Studies, Women Studies, and Dance. At the February meeting of the Faculty Senate at which most of the minors were approved, the Senate also instructed its Curriculum Committee to bring its recommendations on the minors from the certificate programs to its next meeting. This was done. The Curriculum Committee reported back at the March meeting with positive recommendations for Black Studies as well as the other certificate program minors. At that March meeting the Faculty Senate approved our minor and the others without a single dissenting voice and with no debate. Those familiar with legislative bodies will recognize the rarity of such an occurrence. I believe such unanimous support was influenced by opportunities taken by the Department in the time between meetings to explain our position and the importance of the minor in our long range plans to many of the Senate members. I also believe that the Department benefited greatly by the unsolicited words of support offered in private conversations between senators and other PSU faculty made on the Department's behalf.

Our department is very pleased to have achieved approval for our minor. We consider it a vote of confidence by the University community in what we have been able to achieve in the previous 17 years and what plans and objectives we have been able to communicate about our future direction. I believe that confidence is not only evident in the faculty, but in the University's administration as well. Dean William Paudler in his over three years at PSU has consistently expressed his support for the Department. Since he is the Dean to which we report, none of our recent progress would have been possible had he opposed it. Dr. Natale Sicuro has arrived as the new President at PSU only this year. He too has expressed his support for the Department in both the campus community and the black community.

It would be unrealistic to expect that the future of Black Studies at PSU will be without disagreements, sidetracks or setbacks. That is simply not the nature of life in a large academic institution for any department. I do expect that with the continued support of faculty and administration at PSU as we are able to articulate and communicate our vision of Black Studies' role in higher education in this city and state, the Department will continue to make a valuable contribution to the education of our younger generation of all races.

Dr. Darrell Millner
Chairman

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