



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.

The Politics of Austerity

Black folks are generally told to accept "less" by white America. We're told to "work hard" and to get off welfare, when in many communities there are few jobs at decent wages which can be found. We're told that affirmative action rewards the incompetent and discriminates against whites—and never mind the centuries of racist discrimination against us. We're told to take pay cuts, to lower our wage expectation, to accept whatever is handed out to us, in order for the U.S. to become "competitive." We're told to tighten our belts—when many of our people don't even have belts. In short, the politics of racism is also usually the politics of austerity: "stop complaining, work harder and earn less."

But in the late 1980s, the financial "chickens" are finally coming home to roost. As millions of white skilled workers, farmers, and white collar employees experience joblessness and welfare lines in the age of Reaganomics, there's a growing mood which questions the basic ideological assumptions of modern political conservatism. The "Iran-Contra Scandal" plus the Democratic congressional victories last November are manifestations of a broader and more decisive political change which may lie ahead.

Reagan was elected twice by campaigning against Big Government, Big Labor, and "Reverse Discrimination" against whites. After six years of disastrous budget cuts in social services, job training programs, and other human-needs oriented programs, a growing section of the white middle class finally recognizes that the fundamental problem isn't Big Government at all, but Big Business. Back in 1979, according to Lou Harris polls, 69 percent of Americans gave large corporations a "favorable rating." Last year, by way of contrast, barely 35 percent judged Big Business favorably. The popular mood against Wall Street and the corporate giants has turned more hostile following the scandals and greed inherent in recent takeover maneuvers and the Boesky affair. Even some Reaganites have begun to distance themselves from their financial backers—at least in public. Former Treasury deputy secretary Richard Darman, a chief architect of Reaganomics, has used the denegrating term "corpocracy" to attack U.S. corporate inefficiency, greed and mismanagement.

The American public increasingly supports the idea that liberal, activist government can provide meaningful

solutions to social and economic problems. In short, the public is calling for "more" government, not less. Recent opinion polls illustrate that three-fourths of all Americans believe that the Federal government "should play a more active role" in expanding programs to promote public health care, to address environment ills, and to provide aid and shelter to homeless people. Over half of all Americans desire increased federal spending for low-to-moderate income housing, loans and financial grants to university students, and nutrition programs for mothers and children. Less than one-quarter of Americans polled favor hikes in "Star Wars" expenditures. More significantly, even some Republican voters are becoming uncertain and uneasy about their commitment to the "politics of austerity." About 55 percent of all GOP voters polled state that they would allocate more money to social welfare, education and health programs than on the Pentagon if they had to choose between these options.

Are the Democratic presidential candidates for 1988 listening to the people? So far, there's little indication that many white Democratic leaders will move beyond a lukewarm version of Reaganism—or what can be termed "Reaganism with a human face." Delaware Senator Joe Biden frequently and favorably quotes Martin Luther King, Jr., and Missouri Congressman Dick Gephardt repeatedly condemns the waste, inefficiency and corruption of Big Business. But neither they nor their ambitious white colleagues recognize the new political equation which could spell victory in 1988—that an activist, progressive government which addresses people's needs and checks the power of the U.S. corporate sector is required for the 1990s.

Only Jesse Jackson has expressed this understanding to date. More than in 1984, Jackson is making ever greater efforts to reach the economically disposed and alienated of all races. Campaigning throughout Iowa last month with the message "Farms, Jobs and Justice," Jackson called for massive new investments in housing and education. Only Jackson has questioned why the government doesn't "blink over a \$17 billion cost overrun for the B-1 bomber" yet hesitates to "bail out the farmer." The Rainbow Coalition and Jackson represent the clearest challenge to the state politics of austerity in both major parties.

Letters to the Editor

On Shopping Black

I am encouraged by the Observer's show of support for N.E. area Black businesses by the public service announcement which appeared in your paper on April 23, 1987. The article, while not calling for a total boycott of white and oriental businesses, did ask Black shoppers to patronize local Black merchants by setting aside one day a week to "shop Black only".

Hopefully, non-Blacks will not view this as "racist"

(some probably will), but truly understand that in the Black community, the survival of Black businesses rests solely in the hands of Blacks and non-Blacks who reside in the Black community.

Congratulations on a job well done.

Sonny Booker
S.E. Portland

Racism in Portland Blatant Racism

Racism is very much alive & kicking in Portland today. We are not speaking of undercover racism, but "blatant" racism such as what recently happened to me. While working in a warehouse for five months with a true racist, (most likely I'm the first Black man he ever spoke to let alone worked with) having to listen to "nigger jokes" day in and day out, I discovered my good judgement, hard work and honesty didn't count. His only intentions were to use my color as a tool to make his miserable life better. He attacked me viciously without warning. He put my integrity at stake by bla-

tantly lying saying I stole company property, and the sad part is the company backed him up 100%. There are seventy five people working in this Jewish steel and shipping company and no Blacks, and when there was one, look what happened!!!! A terrible injustice has been done, but does anyone that matters really care? I care for reasons that we all know, this happens every day. I refuse to close my eyes and let this pass quietly as so many other people do. Somewhere it has got to cease. No better place or time than here and now.

Eugene Nabors

MONEY

MANAGEMENT

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

Home Improvements Can Pay You Back

Location. Location. Location. If you have ever been in the market for a house, chances are you've heard these words referred to as the three golden rules of real estate. But, according to the Oregon Society of CPAs, many people don't realize that location is an equally important factor to be considered when planning major home improvements.

Because the value of your home is largely determined by the value of the homes around you, you're not likely to recover remodeling costs that take you home well above the values of similar homes in your neighborhood. As a general rule, you should not expect to sell your house for more than 20% above the average in your area. So if you buy a \$90,000 home in a \$100,000 neighborhood, you probably shouldn't spend more than \$30,000 in home remodeling costs.

Homeowners often overlook the way in which remodeling can actually help to cut their tax bills. While many people are aware of the tax advantages of buying and owning a home, fewer homeowners equate remodeling with tax savings. But with careful recordkeeping, your remodeling efforts can cut your tax bill considerably when you eventually sell your house.

Like any other investment, you must report to the IRS any profit you make when you sell your house. In order to determine your profit, you must first calculate your cost basis by adding the cost of all improvements you have made to the original purchase price. (You may also add in the non-deductible closing costs from your original settlement sheet.) Subtract this total from the sale price of your home, less any selling expenses, and you have your profit.

It's very important to keep good records and save receipts for all improvements. A good way to do this is to keep a notebook where you record all expenses, project by project. With the notebook, keep a large envelope marked "HOUSE" and stuff it with all the receipts, invoices and contracts that represent your projects. Don't trust your memory—most homeowners will remember the \$4000 they spent to put in a fireplace but not the \$1000 they spent on landscaping because it was done \$100 at a time.

This recordkeeping has long-term implications, as well, because when you sell your home, the profit you realize can be deferred by buying or building a more expensive home, or one of the same value, and moving in within two years from the date you sold your old one. Each time you sell a home you must file Form 2119 as part of your tax return. Be sure to file a copy of Form 2119 in your "HOUSE" envelope. Since one house sale affects the cost basis for the next house, you need to keep track of how much profit you are deferring.

A Repair or Improvement?

It is important that you distinguish an improvement from a repair because it is only improvements that you may add to your cost basis. A good rule of thumb to follow is that an improvement adds to the value of the property, prolongs its life or adapts to a new use. Repairs just maintain the home in good condition.

Contrary to what many people think, an improvement need not be visible or essential. Generally, it's consid-

ered an improvement if you insulate your house, panel a den, add shrubbery, fence the yard or put in new plumbing or wiring. But repainting inside or out, mend-

Contrary to what many people think, an improvement need not be visible or essential. Generally, it's considered an improvement if you insulate your house, panel a den, add shrubbery, fence the yard or put in new plumbing or wiring. But repainting inside or out, mending leaks or fixing floors are usually considered repairs. It's not always easy to determine the difference. If you paint a basement room that was unfinished when you bought your house, you've made an improvement. But painting a room that was previously papered does not constitute an improvement for tax purposes, even though you may consider it a vast improvement over that dreadful floral print on the paper you covered.

To further complicate matters, if you make repairs as part of an extensive remodeling or restoration, the whole job may qualify as an improvement. As you can see, it's not always easy to distinguish between a repair and an improvement. If you're not sure, it's best to get expert advice to determine which of your expenses are considered maintenance and which are capital improvements.

Cost vs. Value

Although there are many good reasons for remodeling your house, resale value should always be considered, particularly if you plan to move soon. Although the recovery rate of specific remodeling projects vary by a number of factors, including locale and the quality of the individual projects, some renovation projects stand to pay off dramatically better than others when the time comes to sell your house.

With the kitchen being the nerve center of most families, a major kitchen remodeling almost always gives you an excellent return—anywhere from 50% to 100% is possible. A full bath added to a home with only one bath is another improvement you can bank on. If you don't have one, a fireplace, particularly a new energy efficient type, can do one of the best investments you can make. The reason may be strictly emotional—particularly for the first-time buyer who conjures up all sorts of homey scenes involving the family gathered around the hearth. Improvements that have limited use and appeal, such as a swimming pool or tennis court, are likely to have a low recovery ratio, and in some cases, may actually decrease the desirability of your home. A conveniently located family room has become a must these days, but an addition that clashes with the style of your house or disrupts the traffic flow can detract from your house's worth. And don't forget that energy conservation measures can bring you returns even before selling by lowering your fuel costs.

If you are thinking about major home improvements, CPAs advise that you carefully consider the financial aspects of remodeling before calling the contractor.

Looking for a CPA in your community? Call the Oregon Society of CPAs at (503) 641-7200 for a free statewide referral.

EDITORIAL/OPINION

Needed: An Economic Development Plan for N.E.

It is tragic to witness the decline of businesses in northeast Portland, especially Black-owned or operated. The Union, Vancouver, Williams Avenue corridors, along with other Black enterprises throughout the area, are suffering unlike any other area of the City.

The reluctance of local banks and other lending institutions to grant business development loans to minorities (especially African Americans) is a prime factor in the continuing decay of area businesses.

The Observer, on April 22, 1987, ran a public service announcement calling on Blacks to buy Black on Tuesday in support of Black merchants. The public service announcement points out that whites support whites, orientals support orientals, but Blacks are reluctant to support Blacks.

This phenomenon of Blacks traveling out of their own community to shop in neighborhoods with white or oriental merchants without other neighborhoods' reciprocating appears to be an irreversible travesty.

The announcement did not call for a boycott or non-support of non-Black businesses. It merely pointed out that, historically, Black-owned businesses in Black communities depend on the support of Blacks for survival, for without it, failure is imminent.

The lack of a comprehensive economic development plan for N.E. Portland clearly demonstrates the City's lack of support for area businesses. The failure of the UVW Project, after being heralded as the much-needed

"shot in the arm" and after thousands of dollars for outside consultants, leaves businesses in the area puzzled as to what to expect.

In the name of beautification and consumer appeal, the Union Avenue median was approved and constructed. What this dirt and concrete monster has done is kill any hopes of shopping on Union Ave. due to the fact that it is now illegal to park on the street, and the vast majority of shops have no off-street parking. Subsequently, if shoppers want to patronize Blacks on Union Ave., they must park on an off-street or use Tri-Met. But, in doing so, they chance an encounter with another eyesore: Union Ave. prostitutes. Past history and the continuing problem of streetwalkers serves notice that the City has no immediate resolution.

Governor Goldschmidt, in his "Oregon Comeback" document, fails to mention what he plans for Northeast Portland. The City claims it has a budget problem and no plan for economic relief is being announced. Therefore, Black merchants in N.E. Portland are appealing in the only manner possible—asking Blacks to buy Black—one day a week, selecting Tuesdays as a possible day.

Hopefully, non-whites will not look upon this as advocating a boycott of white businesses, but as a means of survival of the Black businessperson, which lends far more credence to local support than the lip service that is currently being given.

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