

EDITORIAL/OPINION



Along the Color Line

by Dr. Manning Marable

The Crash of 1987

Last month's panic-driven collapse of the stock market has been much discussed, but little understood. When the Dow Jones Industrial Average plummeted in one day over 508 points, or more than 22 percent, it represented the greatest single-day loss on record. More than \$500 billion in losses occurred. For investors large and small alike, it was as if the financial sky was falling.

Compounding the sense of impending crisis were the signals out of Washington, D.C. Like scurrying rats on a sinking ship, politicians were trying to interpret events which they had indirectly created but no longer controlled. Officials from the Reagan administration, the Securities and Exchange Commission (SEC) and the Federal Reserve Board caucused at the White House, but had no coherent suggestions. SEC Chairman David Ruder voiced the fear that a temporary suspension of trading might be necessary if the market fell too much. In response, one White House aide virtually shrieked, "That's a crazy thing for the chairman of the SEC to ever talk about."

Reagan was the worst of all. A charitable interpretation would be that the President lacked the analytical capacity to fathom what was occurring all around him. His statements were marked by apparent confusion and characteristic banalities. In the end, Reagan basically imitated Herbert Hoover: "Everyone is a little puzzled . . . there is nothing wrong with the economy."

The financial panic quickly spread abroad. The London and Tokyo stock exchanges listed their biggest losses on record. Across the world, stocks dropped more than \$1 trillion in value in a twenty-four hour period. The following day the Federal Reserve and several large banks took action to roll back interest rates. This welcome news pushed the market up by 200 points. In several hours, however, the Dow fell again, this time by 215 points. In the closing hours the Dow was up again, closing at 102 points — a one-day record. In the following days, despite some gains, the market was characterized by extreme instability.

But contrary to Reagan's opinion, the current chaos in the stock market was easily predictable. For the past decade, consumers have been spending income which they don't have, stimulating both the economy as a whole and the stock market specifically. As of this August, for instance, the personal savings rate dropped to only 1.8 percent of disposal income — well below the 6 percent norm. Families relying more and more on credit cards to cover normal household expenditures created the potential in the long run for bankruptcies and economic retrenchment.

There were additional warning signs that the economy was moving toward trouble. In August, housing starts declined by 1.5 percent, to the lowest level since early 1983. Inflation rose at an annual rate of 6 percent that same month. Banks sharply increased interest rates several times in September and early October. And from the White House, there was absolutely no sign that the administration was going to initiate realistic proposals to reduce federal deficits while protecting human-needs programs. Taken together, these separate elements combined to generate an atmosphere of fear and uncertainty for the future.

The mass panic and roller coaster-type activity of the stock market illustrates graphically the bankruptcy of Reaganomics — the tax cuts for the wealthy as a means to promote investment and savings, the President's irrational opposition to any type of protective legislation to cut the record trade deficits, and so forth. The market plunge will clearly hurt millions of middle class, small investors, most of whom voted for Reagan and placed their faith in a system which has absolutely no guarantees. But many millions who hold absolutely no stock are also hurt as well. Businesses will reduce spending because raising capital by selling new issues of stock becomes much more expensive. So fewer jobs will be created, and many jobs will be eliminated to save costs. The elderly who have placed their funds in Individual Retirement Accounts in mutual funds will have lost precious resources upon which they had depended.

The Crash of 1987 is the first decisive signal that Reagan's economic agenda leads to a dead end. The market may recover, temporarily. But the severe economic recession caused largely by Reaganomics may be just around the corner.

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though the average stay for homeless families is 12-13 months. And remember, these monies were already restricted — they can only be used for temporary shelter. They cannot be used to assist families with apartment rents or to build permanent housing. And now, if the Reagan Administration has its way, these families will be put out on the street after one month. In New York City alone some 4,600 families and over 11,000 children will be affected.

While we are at it, let's talk about why so many families are homeless in the first place. Once upon a time our cities had more low and moderate-income housing. Not anymore. Why? For one thing, during the first six years of the Reagan Administration federal housing funds for construction of public housing and renovation of abandoned buildings has been slashed from \$31 billion to a mere \$8 billion — a \$23 billion dollar cut.

Then, to make matters worse, the administration deregulated thousands of apartments all over the country which were previously covered by federal rents subsidies. This means that the owners of these buildings — many of them located in prime metropolitan areas — are now free to charge whatever the market will bear as the neighborhood is gentrified. This also means that many of the present low and moderate income tenants of these buildings may soon be joining the burgeoning ranks of the homeless.

In California alone it is estimated that as many as 70,000 units will no longer be subsidized. Nationally, thousands of tenants have already been pushed out to make way for those who could afford the new astronomical rents. As a Chicago tenants union organizer noted, "We think this is the beginning of a wave of dislocations."

We see here an example of the double-whammy. First the Reagan Administration refuses to adequately fund construction of low and moderate income housing. Then it brutally slashes funding for emergency shelters and cuts needed housing subsidies. Of course, this kind of policy is to be expected from a man who suggested the homeless were sleeping on city grates "by choice."

The Reagan Administration has carried out a conspiracy against the homeless and against low-income families as well. The homeless are not homeless "by choice." Many have been pushed into it by the callous and inhumane policies initiated by this administration.

We in the church and civil rights communities must speak out against this insidious conspiracy. Buy beyond that, we must also embrace the homeless, by helping to stop Reagan's evil policies.



FREEDOM & SOCIAL JUSTICE

BY

ALEXANDER R. JONES

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America Hurts

Earlier this year the CBS affiliate in Washington, D.C., aired "America Hurts: The Drug Epidemic", a chilling television documentary on the drug epidemic that is destroying young and old alike. It covered the destruction of lives, the disruption of families, the violence, the crime and the guilt left in the wake of American drug abuse.

The program quoted Dr. Carleton Turner, former White House advisor on drug abuse policy, who unequivocally placed a major share of the responsibility for our current drug problems with psychiatry and psychology.

"I think that . . . the psychologists", Dr. Turner charged, "that took a let's teach kids how to use drugs recreationally, let's make them responsible in their drug use, let's define drugs, soft drugs, hard drugs . . ." I think those people bear, as a group, the major responsibility for our society having the problem that it has today. And the psychiatrists and psychologists that said marijuana and cocaine were innocuous drugs were ignorant of history. But more importantly, they were ignorant of what the father of their profession said. They didn't bother to go back and read Freud and I can never forgive them for that . . . If they had, they would have read that Freud concluded that cocaine is a very hazardous drug. It will kill you and don't fool with it."

Indeed, there are startling examples of the mental health industry actually PROMOTING THE SAFETY OF COCAINE. For example, the documentary cited an article on cocaine appearing in the March 1977 issue of "Psychology Today" which concluded "for work that requires wakefulness, or the suppression of boredom and fatigue . . . it [cocaine] can be helpful."

Dr. Mark Gold, another expert interviewed during the program, pointed out "The premier textbook of psychiatry, in the 1980 edition, said, to the effect, that cocaine could be used many times a week without negative effects."

So when you read about a young man dying from cocaine overdose, or you see a teenager's grades plummet because of drug abuse, or you see a group of eight year olds passing a joint in an alley, remember you have drug-pushing psychiatrists and psychologists to thank for this affliction.

Letters to the Editor

Can't Thank You Enough

Dear Mr. Al Williams,

I can't thank you or the Portland Observer enough for publishing the Town Hall "Street Life" press release recently. It's a serious problem today, and your running the notice on the front page hopefully alerted the community to the problem of street kids.

This program was taped at the Burnside Projects Youth Shelter, and

Letters to the Editor

will air on Sunday, November 22nd from 6-7 p.m. The kids that participated painted a very clear picture of what life is like on the streets. It's worth seeing!

Again, thank you Mr. Williams, for being aware of the importance of this issue.

Sincerely,
Mary Fetsch
Senior Producer
Town Hall

EDITORIAL

Anti-Drug Plan

by Nyewusi Askari

On Friday, October 30, the Regional Drug Initiative Task Force unfolded a five-year plan to combat and reduce illegal drug use in the Portland metropolitan area. Comprised of representatives from churches, schools, business, government and law enforcement agencies, the task force spent the last year investigating drug use in Portland. Some of the findings were: 73 percent of the inmates in jail in Multnomah County are drug users; and drug-related prosecutions increased by more than 100 percent in 1986 in Multnomah County.

Alarmed by its findings, the task force asked for immediate adoption of the goals set forth in the plan which calls for the elimination of an estimated 1,000 drug houses that operate in the Portland metropolitan area; the establishment of a public information anti-drug campaign targeted at youth; and increased coordination among schools, citizens, agencies, business and government.

☐ "Efforts" commended but . . .

While we commend the task force for the important work it has done, we also urge its members not to forget that for a very long time Black residents and neighborhood associations have been urging city and state officials to take more specific actions to reduce the threats of robbery, theft, prostitution and burglary in their communities. Their efforts have led to long-term neighborhood watches, marches against prostitution, and effective neighborhood policies. They have been joined by churches, television stations, radio stations, social agencies, some schools, performing arts groups, theaters, and newspapers.

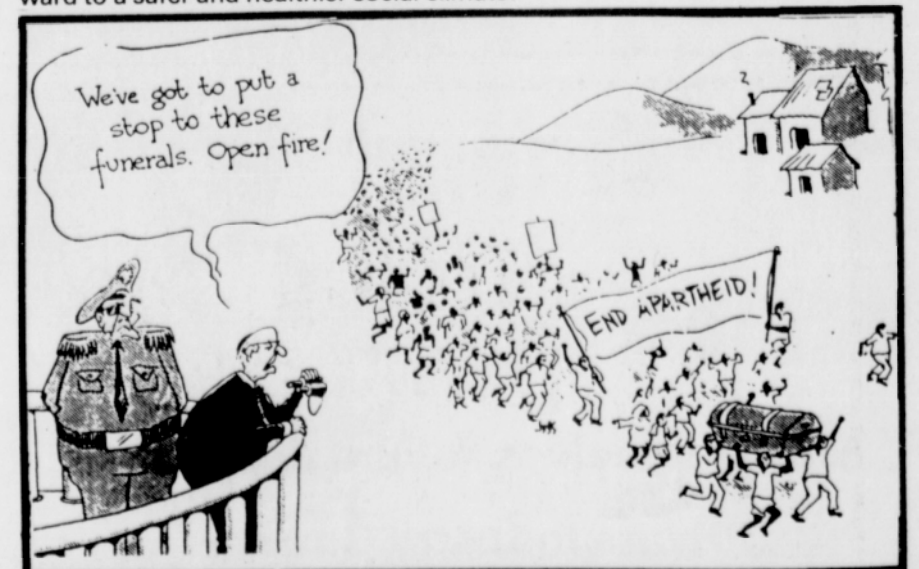
☐ "Resources" not forthcoming

Even so, it has not been enough, because the resources needed to make the Black community and city neighborhoods safe from drug abuse and crime have not been forthcoming. Nonetheless, if the task force is as serious as it claims, many communities, including the Black community, will be called upon soon to provide members of the Regional Drug Initiative with specific proposals and strategies which will serve in their best interest. It would serve the task force well not to overlook any individual agency, institution or group in the Black community, or elsewhere, that is currently involved in combating the problems of crime. Most citizens are serious about wanting to reduce crime in their neighborhoods, and, if given access to needed resources, they could and will play a major role in changing the social climate of drug-crippled communities throughout the State of Oregon.

☐ Black Community must examine plan

It would serve the Black community well to examine and analyze the Regional Drug Initiative plan before making a final decision on what its response will be. Questions should be asked: Will the plan make our community a safer place to live? Will the plan change social attitudes regarding drug abuse in the Black community? Will the plan provide an attractive climate for economic development in the Black community? Will the plan increase coordination between the Black community, city government, schools, business and social providers? Will the plan direct needed resources to the Black community? If so, how will it be done? And, by whom?

To answer these questions and others, a blueprint for change must be forthcoming. It must address the special needs of each specific community and not ignore the diversity of culture and heritage. If such a plan can be agreed upon and put into place, many Oregon communities can look forward to a safer and healthier social climate.



CIVIL RIGHTS JOURNAL
A NEWS SERVICE OF THE UNITED CHURCH OF CHRIST COMMISSION FOR RACIAL JUSTICE
by Benjamin F. Chavis, Jr., Executive Director

Reagan's Conspiracy Against the Homeless

President Reagan mouths easy platitudes about the sanctity of the family. The actions of his administration, however, tell a completely different story, particularly when we examine the latest attack against homeless families.

We have all seen the evidence of increasing homelessness: family after family packed in city shelters like sardines; young children roaming our streets at one and two o'clock in the morning. This terrible devastation will soon get even worse if proposed new federal regulations are allowed to go into effect.

The Reagan Administration has decreed that federal emergency support for homeless families will be abruptly stopped after 30 days, even

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