

Point of View

Editorial

A recent press report has disclosed that many homeowners are being foreclosed today because of the lagging economy, and are being overcharged by the foreclosure companies who split their huge profits with lending institutions.

Several San Francisco homeowners are among those who have been overcharged, and are now suing for damages.

We have not heard of any behavior of this sort in the Las Vegas area. However, we must keep ever on the alert for those unscrupulous human beings who represent themselves as agents for an institution which is trying to foreclose on our homes.

If such should happen to any of our readers, we suggest that a lawyer be called immediately, and the agent told that all transactions must be handled through your attorney.

Many money-hungry companies, and even some fairly reputable lending institutions may become involved in a scheme to split profits by overcharging.

If in doubt about any business proposition from a stranger, don't. See a lawyer first.

*The Ballot!
Use it or Lose it!*

*" We must
all come together
each fighting the enemy
in his own way ...
with bow,
or arrow,
or spear,
or paper bullets . "*

Malcolm X

To Be Equal

Justice Department Trying To Roll Back the Clock

By JOHN E. JACOB

Instead of devoting its resources and energies to removing the remaining vestiges of racial discrimination, the Justice Department is trying to dismantle affirmative action programs that have resulted in major gains for blacks and other minorities and women.

Its latest shot against affirmative action came last month when it took the City of Indianapolis to court. The city's crime? It is implementing consent decrees ordered by federal courts in 1978 and 1979 to desegregate its police and fire departments.

Before the decrees those vital public services had few blacks, the clear result of discrimination. To redress that wrong, the city agreed to fill a percentage of its training classes with qualified minorities.

That's what bothers the Justice Department. Those numerical "quotas." I have to wonder if they would be as upset by the quotas blacks have always been subjected to — the ones freezing us out of jobs and creating segregated workforces.

The Indianapolis case is just the start of what looks like a last-ditch effort to scrap affirmative action plans

that include numerical goals. Earlier this year the Department sent letters to over 50 cities that had signed similar consent decrees, advising them to ditch their court-ordered plans and substitute



John E. Jacob

new, vague programs without numerical goals.

The Justice Department bases its views on last year's Supreme Court decision that overturned affirmative action plan of the Memphis fire department.

But the Memphis case is simply not applicable. That case concerned the conflict between an affirmative action goals and seniority protections embodied in a union contract. The Court said the contractual seniority provisions had to take precedence in making layoffs for budgetary reasons.

Not only is the Memphis

case not applicable, but every single time the Justice Department has challenged similar court orders designed to reverse discriminatory hiring results, it has lost. It will lose again this time, too.

Indianapolis has insisted that the plan has worked for the total good of all of the city's citizens and that it

struggles in and out of the courts. Communities were disrupted and the facts of scandalous discriminatory hiring and promotion policies were made public.

With the decrees, action was taken to right the wrongs done minorities and women. But instead of encouraging a process that

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won't change it unless forced to. The other cities on the Justice Department hit list say the same thing — that the department's view of the law is all wrong and that they will fight any attempt to change their compliance practices.

It is important to see what the Justice Department is trying to do here. First, it is threatening cities with legal action unless they defy perfectly valid previous court orders. The Justice Department, supposed to enforce the law is interpreted by the courts, is encouraging defiance of those courts.

Second, the department is reopening old wounds that are in the process of healing.

When those decrees were originally handed down, it was at the end of long, bitter

struggles in and out of the courts. Communities were disrupted and the facts of scandalous discriminatory hiring and promotion policies were made public.

With the decrees, action was taken to right the wrongs done minorities and women. But instead of encouraging a process that

resulted in expanded opportunities and desegregated local government workforces, the department is trying to tear that progress down.

The Justice Department's action would destroy black, minority and female gains, increase social tensions, and defy the authority of the courts. Congress ought to step in and stop this blatantly irresponsible campaign.

The Las Vegas Sentinel-Voice welcomes expressions of all views from readers. Letters should be kept as brief as possible and are subject to condensation. They must include signature, valid mailing address and telephone number, if any. Pseudonyms and initials will not be used. Because of the volume of mail received, unpublished individual letters cannot be acknowledged. Send to: Letters to the Editor, The Las Vegas Sentinel-Voice, 1201 S. Eastern Ave., Las Vegas, Nevada 89104.

Subminimum Wage Masks the Real Problems

By NORMAN HILL

Conservatives both black and white have long argued that poor people do not benefit in the long run from Welfare and other "interferences in the free market" such as minimum wage laws; rather they are priced out of the labor market and they become sucked into a cycle of dependency. For example, the black conservative Thomas Sowell has attributed the rise in black teenage unemployment in comparison with white teenage unemployment since the 1950's to the rise in the

minimum wage.

Such arguments have resulted in many policy prescriptions. The latest to be pushed in a big way is the youth subminimum wage bill, which is meant to combat teenage unemployment, especially black teenage unemployment.

The bill would allow youth under 20 to work for \$2.50 an hour (the minimum wage is now \$3.35). It would supposedly prevent the displacement of older workers by taking effect only between May and October,

and by mandating heavy penalties to employers who take on under-20 youth to replace older workers. Proponents of the bill say it would create 400,000 new jobs and give many unemployed youth sorely-needed experience in developing work habits and discipline.

There are serious flaws in this plan. Even Walter Williams, the black conservative economist who has long advocated a subminimum wage for youth, when he was asked some years ago, "How many more jobs for teenagers might be created with a subminimum wage?" replied: "There's no theoretical evidence to answer that question. It all

relates to what economists call "elasticity" — the response of employment to wage increases or decreases — which is more than some proponents of this bill will admit.

The idea that a subminimum youth wage would create jobs and not displace older workers is very hard to believe. People who are working at the minimum wage are already at the margins of the workforce, in jobs that are by their nature not permanent. Employers will not find more low-skilled jobs to offer merely because they can legally pay \$2.50 an hour. However, if they can get away with firing their \$3.35-an-hour workers and

replacing them with the cheaper teenagers, they may very well do so.

It is highly unlikely that such employers will be caught. There is already a form of youth subminimum — it's called a student subminimum, and it's set at \$2.85 an hour. In 20 years the Department of Labor has not sanctioned one employer for displacing an older worker to hire a student.

The subminimum bill cannot really create jobs; it can only depress wages at the bottom level of the labor market. The minimum wage itself has become an ipso facto subminimum, since it has steadily fallen with respect to the average wage. It fell from 51 percent of the

average wage in the 1960's to 45.8 percent in the 1970's — and today is 40.7 percent. According to Sowell's thesis, then, black youth unemployment ought to have fallen during the 70's and 80's, but instead it was skyrocketing.

Proponents of the bill are also ignoring the fact that a large percentage of businesses are already exempt from minimum wage laws — mainly small businesses, which employ a third of the workforce. That's not counting employment in the "underground" economy.

The real causes of the rise in black youth unemployment over the decades can be

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