

BUSINESS

DOWN TO BUSINESS

Greenspan, Rubin, Ludwig smartening up on fairness issue

By John William Templeton
Special to Sentinel-Voice

Have Alan Greenspan, Robert Rubin, Eugene Ludwig and Arthur Levitt gotten "good religion" about the need to open up American capital and lending markets to blacks?

Thanks to the lonely and prodigious efforts of Art Fletcher, the father of affirmative action, Harry Alford, chairman of the National Black Chamber of Commerce, Rep. Maxine Waters, chairwoman of the Congressional Black Caucus and the Rev. Jesse Jackson, the four top federal regulators of financial markets were hanging out in some unusual places recently.

Greenspan was back on the block in South Central Los Angeles and all of them joined President Bill Clinton for a conference on targeting diversity on Wall Street in New York.

As chairman of the Board of Governors of the Federal Reserve Bank, Greenspan is probably the most important government official on the planet. When he talked about "irrational exuberance," capital markets plunged around the globe. Rubin is secretary of the Treasury, Ludwig is controller of the Currency and Levitt is chairman of the Securities and Exchange Commission.

In New York, Greenspan said the current disparities in wealth and access to capital are "economically inefficient." A whole cottage industry has grown up around interpreting the meaning of Greenspan's words, but this time he was fairly clear. The fed chairman said that economic growth was smaller and gross domestic product depressed, even in boom times, because the whole economy is not participating.

The markets didn't bounce one way or the other in response to these remarks. The one significant change, however, was that for the first time, the

New York Stock Exchange and other markets closed on Monday, Jan. 19 in honor of Dr. Martin Luther King Jr. Day. Just 14 years ago, Jackson was booed on the floor of the New York Stock Exchange during a presidential campaign visit.

But much of Greenspan's clout comes from inner city Los Angeles in the person of long-time Rep. Augustus Hawkins, co-author of the Humphrey-Hawkins Full Employment and Growth Act. The act requires the chairman of the fed to make twice-yearly reports on monetary policy and how it will further full employment by controlling the supply of money. It is these reports that market analysts await breathlessly.

Like the Community Reinvestment Act, another law Greenspan and colleagues are supposed to enforce, the Humphrey-Hawkins act has been used to prime the pump by lowering interest rates only when White unemployment is high. During Greenspan's 12-year term, he's always choked off the recovery when Black unemployment began to drop.

Two major suggestions that both Greenspan and Rubin have rejected are to track the race of owners of companies applying for business credit in the same way that mortgages are tracked today; and requiring or encouraging pension funds to invest in Black communities for such projects as supermarkets and factories.

As for the experience with the Community Reinvestment Act, mortgage lending has gone down in tandem with an increasing concentration in bank ownership, despite well-publicized covenants to make billions in loans to depressed communities. Ludwig's team in the controller's office regularly gives outstanding ratings to 90 percent of the 1,600 national banks it regulates although actual

(See Business, Page 8)

NAACP study targets telecommunications

Special to Sentinel-Voice

WASHINGTON—NAACP President and CEO Kweisi Mfume announced Monday that the civil rights group will study whether leading firms in the telecommunications industry are giving minorities a fair deal in hiring, promotions and contract procurement.

Mfume called economic empowerment "the new frontier for civil rights activism," during a Monday press conference they outlined how the group will survey 18 national and regional telephone service providers including Ameritech, MCI Communications Corp., Sprint and WorldCom Inc.

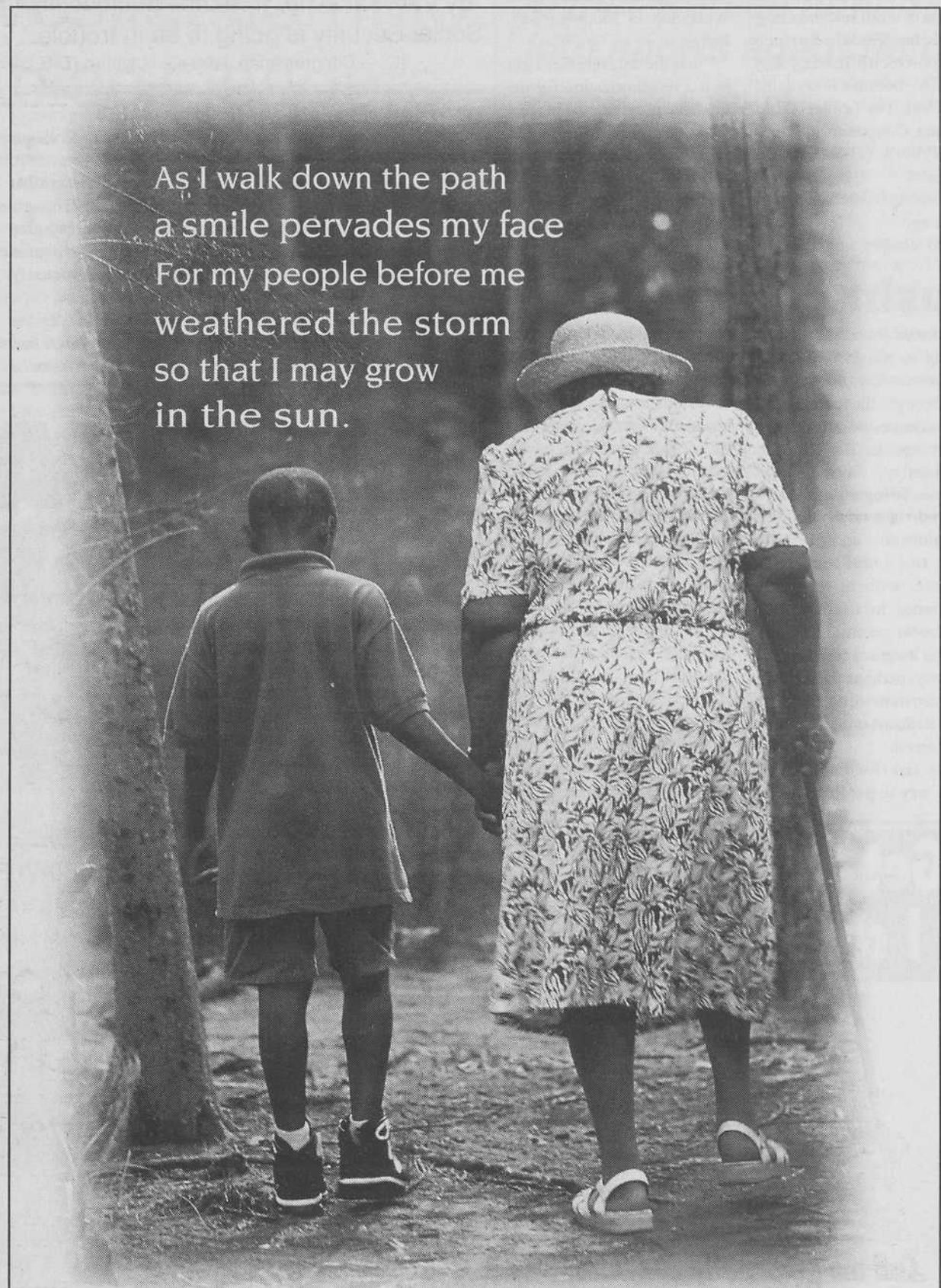
Mfume said the companies will get questionnaires in the

next 10 days that will help the NAACP look at how minority interests are being served. Results are expected to be released in July.

The telecommunications study is the second phase of the NAACP's Economic Reciprocity Initiative designed to maximize minority buying power in corporate America.

Last year, the NAACP launched a boycott of 10 national hotel chains because of their hiring and promotion practices.

Mfume said the boycott resulted in positive changes in the industry, including the hiring of minority marketing firms and the promotion of an African-American to one hotel chain's board of directors.



As I walk down the path
a smile pervades my face
For my people before me
weathered the storm
so that I may grow
in the sun.

Bank of America joins you in the celebration of Black History.



Bank of America

Member FDIC

Davey Deals
AUTOS • BIKES • BOATS
1717 FREMONT at BRUCE
E-Z FINANCING & LOW PAYMENTS
HOME OF THE \$300 DOWN
WE SELL 'EM FAST
CUZ WE SELL 'EM CHEAP
474-7777

