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FOCUS

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1912–1997

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The Godfather of Black Politics

This issue of *FOCUS* is dedicated to the memory of Louis Martin, one of the great African American political prophets and practitioners of the 20th Century. He was the principal black advisor to Presidents Kennedy, Johnson, and Carter. The *Washington Post* dubbed him "the godfather of black politics." He was one of the founders of the Joint Center, its first chairman, and, despite his lifetime devotion to the Democratic party, he was an ardent supporter of the non-partisan Joint Center until his death.

Louis was my friend and mentor, a trusted advisor and confidant. I was honored when Mrs. Martin asked me to deliver his eulogy on February 1, 1997. The Joint Center was honored when the Martin family chose to help establish here the Louis Martin Internship in Politics and Public Policy.

My favorite Louis Martin story deals with how we met in 1953 and later in 1960. Our first encounter came when I was a college summer intern at the *Tri-State Defender* newspaper in Memphis and Louis visited our office in his capacity as an executive with the parent *Chicago Defender*. When he came into the office, he greeted all of us junior staff in the outer office before disappearing behind closed doors for his business meeting. He asked me a few questions and with a big smile and a hearty handshake he said: "You're a student in a great profession. Keep up the good work. You're a great American."

"You're a great American," I thought to myself. What on earth did he mean by that? I didn't see Louis Martin again until the Winter of 1960. Having worked in the 1960 elections with the Democratic Study Group in the U.S. House of Representatives, I was invited to the John F. Kennedy presidential transition office to discuss job prospects. There I encountered what to me appeared to be hundreds of people who had received similar invitations. I was told to get in line. I was one of a handful of blacks in the waiting area, and I had seen only one black member of the transition team walking in and out of the waiting room. He looked vaguely familiar, but I did not know why.

As time passed, I tried to think of creative ways to get to the head of the line of applicants. My best angle, I thought, was to seek the help of the black man on the transition team who was conducting interviews. I mustered up enough nerve to ask the receptionist who this man was. "You mean Mr. Louis Martin," she said. "Where is he from?" I asked. The receptionist conferred with someone by phone and said: "He is with the *Chicago Defender*." Finally, my light bulb came on. This was my "Great American" guy.

When Louis came out to get another interviewee, I rushed up to him and blurted out: "Mr. Martin, I was a reporter for the *Tri-State Defender* when you visited that newspaper seven years ago." Ever the consummate politician, Louis said, "Yeah, I remember you. You're a great American. Come on back with me." I finally got to the head of the line, which resulted in a job in the U.S. Department of State. Louis and I collaborated on getting the State Department and the White House to agree on the appointment of a number of African Americans to ambassadorships and other key posts in the department between 1965 and 1968.

Louis put me at the head of the line again in 1972 when he recruited me from a vice presidency at the University of Chicago to head the 18-month-old Joint Center whose board he chaired. For me, as with so many others, he was the wind beneath my wings. He was truly a great American. ■



PRESIDENT

FOCUS

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He Walked With Presidents

The Godfather of Black Politics and White House Adviser Has Departed But His Contributions to the Nation's Political Life Endure

by Kitty Garber

One of the most important figures responsible for the growth of black political power, Louis E. Martin, died January 27 in Orange, California, of pneumonia. Martin, who was 84, had suffered a stroke in 1988. A trusted adviser to Presidents Kennedy, Johnson, and Carter, Martin linked the civil rights leadership with the White House during the crucial civil rights era and promoted the appointment of blacks to all levels of the federal government, including Thurgood Marshall to the U.S. Supreme Court. In 1970, Martin helped found and lead the Joint Center. His biography, Walking with Presidents: Louis Martin and the Rise of Black Political Power,* *is being published by Madison Books and will be available in bookstores this spring. Under the sponsorship of the Joint Center, the book was written by Alex Poinsett, with an introduction by David J. Garrow.*

For more than five decades, Louis E. Martin, acknowledged as the "Godfather of Black Politics," pursued racial justice, political empowerment, and economic opportunity for African Americans through every means available to him—as a crusading newspaperman, labor activist, and political operative, as well as White House adviser. Many of his achievements are easy to document, such as his influence on the appointment of black Americans to senior government positions previously held by whites only. In other areas—as adviser to presidents and builder of bridges between black America and the white power establishment—Martin's legacy is more difficult to measure.

Growing up in the segregated South, Martin learned about the American problem of race at an early age. Despite his own comfortable life—his Cuban-born father was a well-to-do physician in Savannah, Georgia—Martin was driven by a desire to fight racism. In 1936, after graduating from the University of Michigan, Martin found what he later described as "a lever for moving a mountain of racism." He was offered a job as a reporter with the *Chicago Defender*, an important black newspaper owned by Sengstacke Publications. Just three months later, he was entrusted with starting a new Sengstacke weekly in Detroit, the *Michigan Chronicle*.

For Martin, the paper provided a means to expose racial injustice and inequality. He began a crusade to support Franklin Roosevelt's New Deal and the flourishing labor movement, two forces that Martin believed could bring change to the lives of ordinary black people. Before the founding of the *Chronicle*, the newspapers read by black Detroiters reflected the pro-business, pro-Republican orientation of most of the city's black middle and upper classes. Although white city officials and business leaders labelled Martin a radical, he believed devoutly in the American political system and its capacity to deliver on the promises of the Constitution.

The coalition Martin helped forge between the black community of Detroit and the United Auto Workers in the late 1930s and early 1940s occurred at a time when most black community leaders were suspicious of the labor movement. Yet this coalition quickly became crucial in solving many of the immediate problems blacks faced in Detroit, as elsewhere: lack of decent housing, job discrimination, police brutality, and racial strife. On these issues, the black community found that labor could be a strong ally. This partnership extended well beyond Detroit, leading to the development of a strong bond between labor and the NAACP that would prove useful in the civil rights struggles ahead.

During that period, Martin gained national recognition for his advocacy of equal housing and job opportunities for blacks. His articles in the *Chronicle* and in nationally circulated magazines about racial conditions in Detroit led city and state leaders to accuse him, along with NAACP leaders, of inciting the 1943 race riots in Detroit that resulted in the death of dozens of people, mostly at the hands of the police.

Martin Joins the Kennedy Team

By 1944, when he worked on his first presidential campaign—President Franklin Delano Roosevelt's third reelection bid—Martin had fallen in love with what he described as "the crazy, unpredictable interplay of forces" that makes up American politics. "This is the reason he got along with John Kennedy," Harris Wofford explained years later, "because the President's game in life was also politics." Perhaps this was what Wofford recognized when he and Frank Reeves recruited Martin to join them in John Kennedy's 1960 presidential campaign.

Martin's profound understanding of the power of the black vote was crucial to Kennedy's election. At the start of the 1960 presidential campaign, many blacks felt Richard Nixon had a stronger civil rights record than the young senator from Massachusetts. With Martin's help, that view changed in the last two months of the campaign. A few

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This article was adapted by Kitty Garber from the biography, *Walking with Presidents: Louis Martin and the Rise of Black Political Power*, due to be released this spring. Ms. Garber is an editor at the Joint Center. * For more information, call Madison Books at 1-800-6420.

Presidents

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weeks before the election, Martin was instrumental in convincing John Kennedy to place a call to Coretta King, expressing concern over the jailing of her husband in Georgia on a minor traffic violation. To publicize the call in the black community, Martin and Wofford put together a pamphlet about Kennedy's telephone call and had it distributed in black churches the Sunday before the election. This brilliant strategy was generally credited with clinching the crucial turnaround in black support in an election so close that if Kennedy had lost just one vote per precinct in Illinois, he would have lost the election.

Asked by Sargent Shriver to join the transition team charged with staffing the new administration, Martin set about compiling a list of 750 black candidates for all kinds of positions. At the time, he later noted, there had been barely enough black professionals in the federal agencies in Washington to hold "a decent poker game." With typical verve and optimism, he seized the opportunity to help mold the new administration into one that better reflected the nation's ethnic and racial mix. His nationwide search for talented blacks broke new ground and proved so valuable that he was asked to continue this work by Presidents Johnson and Carter.

Martin was also a vital force in shaping the character of the Democratic party. Beginning in 1960 with his appointment as the first black deputy chair of the Democratic National Committee (DNC), he actively recruited black voters and supporters. As liaison with the black community, Martin made sure that its voice was heard. Equally important, he added his own voice to move the party toward greater advocacy on behalf of the poor and disadvantaged. It was a critical time. During Martin's tenure at the DNC, the Democratic party gradually turned away from its policy of appeasing southern Dixiecrats and toward its emerging black constituency. By the time Jimmy Carter became president, the liaison role that Martin had created while deputy chair of the DNC was elevated to an official position on the White House staff.

Before Louis Martin, no African American had been granted regular, direct access to the president of the United States. Even though President Kennedy did not make Martin the White House adviser on civil rights as Wofford had suggested, Kennedy made it possible for him to shape his own role as deputy chair of the DNC. According to Ernest Green, the "Little Rock Nine" graduate who went on to become assistant secretary of labor under Jimmy Carter, Martin was probably the most influential civil rights insider in the Kennedy, Johnson, and Carter administrations. "The outsiders—whether Martin Luther King, or the NAACP's Roy Wilkins or the National Urban League's Whitney Young—could not have wrung concessions from those administrations without Louis," Green concluded.

A Voice for Civil Rights and Appointments

Martin was loyal to the presidents he worked with, but he was also honest in his criticism. In the early spring of 1963, with black protests and marches reaching a crescendo in Birmingham and elsewhere, his outspoken criticism of the Kennedy administration's go-slow approach to civil rights legislation was expressed through memos to the president and attorney general, as well as passionate appeals during high-level meetings in the White House. Against the advice of the overwhelming majority of Kennedy's aides, he urged the president to bring a comprehensive civil rights bill before Congress and to support the 1963 March on Washington. Ramsey Clark, who became acting attorney general in 1966, credited Martin as a key factor in persuading Kennedy to include Title II, forbidding discrimination in public accommodations, in the Civil Rights Act of 1964.

Of equal importance were Martin's efforts on behalf of the struggle for voting rights. During the Selma protests in 1965, he was in constant communication with civil rights leaders in Alabama, passing along requests for federal intervention and keeping the attorney general informed. For Martin, passage later that year of the momentous Voting Rights Act represented the culmination of a lifetime quest. The Act also resulted in an explosion in the numbers of black elected officials.

During the Johnson years, Martin continued to press his agenda to include blacks and other minorities in all levels of government—in positions where they could make public policy, not merely influence the decisions of others. Although he lobbied successfully for literally hundreds of appointments, the extent of Martin's impact on black political power is best represented by some historic firsts: Thurgood Marshall, the first African American to sit on the U.S. Supreme Court; Andrew Brimmer, the first African American to serve as member of the Federal Reserve Board; Robert Weaver, the first African American to serve in the president's Cabinet; and Clifford Alexander, Jr., the first African American to serve as secretary of the Army. Martin also convinced Presidents Kennedy and Johnson to appoint blacks as ambassadors to countries outside Africa and the Caribbean.

President Carter believed that one of his greatest achievements on behalf of blacks was in the area of judicial appointments, and in later years he spoke warmly of Martin's role in this achievement. With his help, Carter named a total of 37 blacks to federal judgeships, including the first ever to serve in U.S. district courts in the South.

Creating the Joint Center

But Martin's legacy extends beyond the corridors of power in official Washington. In 1970, he helped found the Joint Center for Political and Economic Studies. The mission of the Joint Center dovetailed perfectly with Martin's own political philosophy: to help achieve racial justice and economic opportunity through full participation in the political arena and to provide black officials with the

Continued on last page

In His Own Words

Before Coming to Washington, Martin Gained Prominence as a Crusading Journalist Who Fought for Equality and Decent Housing

by David C. Ruffin

Long before Louis Martin became a presidential adviser, he was one of the most influential voices in the black press. His career as a crusading journalist began during the 1930s and 40s, first as a reporter with the prestigious Chicago Defender *and then as the founding editor and publisher of the Detroit-based* Michigan Chronicle. *At a time when black Detroiters faced police brutality and discrimination in housing and employment, his editorials and columns championed racial justice. Martin also was one of the first black leaders in Detroit to embrace the labor movement.*

Martin expressed his views forcefully and unequivocally, even when they were unpopular with white business interests and elements of the black upper and middle classes, many of whom branded him as a radical. By the 1940s, Martin's calls for equality, decent housing, and fair treatment by police had gained him national prominence. And although he was often seen as inciting racial unrest, in reality, Martin shunned violence and believed fervently in the American political system as the means for seeking justice. Martin wrote about many issues confronting African Americans in the 1940s that continue to challenge us today. Excerpts of his writings on a variety of topics are presented here in Martin's own words.

Police Brutality

Martin wrote about many of the facets of black oppression. This piece written about police abuses in Detroit on April 22, 1939, could have been a present-day response to the numerous accounts of police brutality and reports of law enforcement officers targeting innocent African Americans for prosecution:

Last week some sixty citizens including representatives of twenty-odd organizations met in a conference to discuss methods of solving one of our most pressing problems, police brutality. Records crammed with instances of police brutality and violations of our civil rights attested to the magnitude of this menace to our citizens in Detroit. Every Negro, no matter what his station in life happens to be, is a suspect whenever the police have a notion that they need to arrest one. Treated like a race of instinctive criminals, we are often shot before we are questioned.…

Blacks and the Labor Movement

In this excerpt from the article "Blood, Sweat, and Ink," published in Common Ground *in the winter of 1944, Martin explains how he came to be one of the first black leaders in Detroit to see the possibilities of an alliance between blacks and labor:*

There was a lot of talk of a union back in 1936—a new kind of union which welcomed Negroes along with whites and which promised higher wages, seniority, and better working conditions. I began to speculate on the possibilities of a new deal for the thousands of Negro workers who swept the floors and fed the furnaces of the great auto industry.

… I had seen first hand the subordination of men to machines. I saw workers literally crushed by a system over which they had no control, their lives dependent upon the whims of a straw boss. I saw the patronage system at work where a letter from the right man landed you a soft job and the word of another would throw you in the street. I saw how Negroes were subtly pitted against whites, and native Americans against the foreign-born.

Many Negro leaders who had "friends" in the industry were opposed to this union talk, but the workers told me the leaders were always opposed to changes which inevitably brought an unpredictable future. The workers were not afraid of the word reform, and they welcomed support. I talked with the leaders of this new union movement and debated the issues out. Thereupon we began the long campaign to win over the masses of the Negro people to the union way of life.

Anti-Semitism

In this June 3, 1939, editorial, Martin warns blacks that antisemitism and racism are just two sides of the same coin:

In a brilliant article in the current issue of *New Masses*, William Pickens of the NAACP indicates how utterly foolhardy it is for Negroes to believe that they can help themselves by joining the chorus of damnation against the Jews. Fascist-minded citizens in our own country would be glad to annihilate Jewry, but, as Pickens points out, the Negro will get the axe first. He decries the misinformed Negro who swallows the lies perpetrated by those who feel that Jews are a menace to American progress.…

Any honest thought on the problem would lead inevitably to the conclusion that neither the Negro nor the Jew can afford to hate anybody, and least of all, each other. Racial hate is a poison in itself and its presence in any age has always resulted in widespread disaster.... If all the Jews vanished tomorrow, we would still have the oppression which now shackles us.…

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Mr. Ruffin is the editor of *FOCUS*.

Own Words

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Racism and Politics

In his article "Detroit—Still Dynamite," published in Crisis *in 1944, Martin again spoke of the use of racism as a political weapon. Although he was referring to Detroit in the mid-forties, he might well have been referring to playing the "race card" in some of today's political battles:*

In the Detroit election we can see the frightful possibilities of racism as a political instrument which is no longer the property of southerners alone. The bogey of Negro, Jewish, and labor domination, in the skilled hands of the pro-fascist reactionaries, can achieve in America what all the armies of the Axis never will.

Operating through conventional and customary political channels, they can cloak their designs in a banner of Americanism and confound the unsuspecting. The minority groups which have a common stake in our democracy cannot ignore the threats implicit in the machinations of the hate-mongers. Indeed we have good cause to remember today that it may be better for our minorities to hang together than to be hanged separately.

Black Voter Apathy

The importance of black political participation was an abiding and passionate concern for Martin. In editorials, magazine articles, and speeches, he drove home the importance of voting and running for office. His February 21, 1942, column chided African Americans who left the selection of the nation's political leaders to those who are hostile to their interests:

As we review and analyze the issues that confront us now in Detroit, it is crystal clear that far too many of our problems stem from our own apathy and ignorance of our responsibilities. One of the greatest responsibilities and also one of our greatest privileges here is the simple exercise of our right to vote. We hold in our own hands precious power to implement the ideals which we so loudly prate about and yet, come election time, we are found wanting in both strength and purpose. No congressman and no councilmen in Detroit today fear this weapon which has been given us to defend our interests and our rights. Are we governed by representatives of our own choosing? Unfortunately thousands of us have been content to let our enemies choose our representatives for us.

Black Political Empowerment

Throughout his life, Martin wrote and spoke extensively on the subject of black political empowerment. His July 1943 article in Opportunity, *"The Negro in the Political Picture," emphasized the strategic use of the black vote:*

It is obvious that the struggle of the Negro for first class citizenship in America, if it is ever to be worked out through democratic processes, must employ all of the various forms of political action of which the race is capable. The political strength of the Negro is a major instrument for deliverance and without its maximum exercise in this period, social justice will be postponed. Ultimately all of the political techniques depend for their effectiveness on the Negroes who vote.

Later, in retirement from active political life, Martin continued to underscore the importance of voting. In a 1981 speech, his discussion of black politics and the proper role of the federal government is relevant to developments confronting African Americans today:

Today there is growing disillusionment among us over the political process. The euphoria of a few years ago, after the enactment of the Voting Rights Act in 1965, has begun to subside. There are those who feel that the political process is too slow, too complex, too costly, and too unrewarding. We have also found that black elected officials have no magic wands.…

… We see some dark clouds on the political horizon. We are caught in an economic squeeze, caught between declining job opportunities in the private sector and a demand for cutbacks in government. Some of the proposed cutbacks are so radical that no one dares predict what will happen next…

In addition, there has been a resurgence of the spirit of the Ku Klux Klan. There is a rising tide of terrorism at home.… Nevertheless, I do not believe that we have given the political process a fair trial. We have only put our feet on the first rung of the political ladder. We have an enormous, untapped, undeveloped, unorganized reservoir of political power…

We must mobilize a new army out of the millions of blacks of voting age who have never been inside a voting booth. Every single vote counts. With our growing black population as reported by the 1980 census, our crusade for registration can pay rich dividends.

The influence of [voter] registration statistics alone can be important. How many blacks do you have on the books? That is a familiar question in the backrooms of American politics. In Savannah, my home town, one black leader used to say: "Some white folks are crazy, but all of them can count."

… I believe that it is essential that we begin to focus our attention on the city hall, the county courthouse, and the state house just as seriously as we do on the White House. It is clear that this [Reagan] administration is hell-bent on decentralizing federal programs. Through bloc grants they are giving more and more resources to the states with no strings attached. Historically, we have always looked to the federal government for redress of our grievances and resolution of our problems. States' rights have meant the denial of black rights. It goes without saying that unless we have today effective political power at the state, county, and local level, we will be shortchanged and denied benefits that we need. ■

At the request of Gertrude Martin, we are establishing the Louis E. Martin Internship in Politics and Public Policy, to be awarded to an outstanding university student who exemplifies the principles that Louis Martin lived by.

Eulogy for a Great American

by Eddie N. Williams

We gather to celebrate the life of a great American. Louis Martin's father, a Cuban immigrant who died before gaining American citizenship, drilled into his young son his conviction that the greatest tribute one could ever receive was to be called a great American. It was a lesson Louis never forgot. "You're a great American," became his unique way of paying tribute to others and saying thank you.

Today we pay tribute and say thanks to Louis—the devoted family man, the accomplished journalist, businessman, and political activist, and the influential adviser to three presidents of the United States.

Louis Martin profoundly influenced the course of recent American history and the development of black political power, so much so that *The Washington Post* once dubbed him "the Godfather of Black Politics." He served as senior adviser to presidents Kennedy, Johnson, and Carter and was at the center of power during the critical years of the civil rights revolution. As the consummate political insider, he traversed the corridors of power for many years without calling attention to himself or his remarkable achievements in the political and public policy arenas.

He was especially effective in promoting the appointment of African Americans to prominent positions throughout the executive and judicial branches of government: Thurgood Marshall to the U.S. Supreme Court, Andrew Brimmer to the Federal Reserve Board, Robert Weaver to the cabinet as secretary of Housing and Urban Development and Clifford Alexander as Secretary of the Army, and the list goes on.

Louis never sought public acclaim for his enormous contributions to society. While he was little known by the public at large, among major power brokers in politics and industry, he was well known. The chairmen of Exxon, AT&T, Riggs National Bank of Washington were personal friends. International leaders knew him because of his role with the congressionally sponsored National Endowment for Democracy. He literally walked with presidents of the United States without losing his common touch.

The first biography of Louis Martin will be published in April by Madison Books. It will fill a major gap in recent American political history by bringing Louis out from the shadows and onto the center stage of American politics where he belongs.

I am pleased that the Joint Center, which Louis helped to create as the nation's black think tank, could sponsor the research of award-winning author Alex Poinsett, who wrote this biography, *Walking With Presidents: Louis Martin and the Rise of Black Political Power*.

For me personally, Louis was a friend and mentor for more than 40 years. As he was for so many others, he was the wind beneath my wings, the strong shoulders on which I stood. Twenty-five years ago he persuaded me to leave a comfortable vice presidency at the University of Chicago to become head of a fledgling 18-month-old organization called the Joint Center for Political Studies which he had helped to create, and whose board he chaired. In persuading me to make this leap of faith, Louis often told his friends "I had to take Eddie to the mountaintop so he could see the future of the Joint Center." The mountaintop was a delightful lunch at the Chicago Press Club, and the promising future which he predicted for the Joint Center has come true. The Joint Center will always be his living legacy.

Historians will record that Louis Martin was arguably the first African American to play in the big league of American politics. Like Jackie Robinson and other trailblazers, Louis used his intellect, skills, perseverance, and charm to break down discriminatory barriers and to create new opportunities for African Americans. His zest for life—whether on the political battlefield, in the world of ideas, on the golf course, or among his peers in Sigma Pi Phi fraternity—made him a very special person with an engaging sense of humor.

In the early 1980s, for example, he was appointed the first black board member of Riggs National Bank of Washington. Chairman Joe Allbritton was ecstatic, but many other white board members did not share his enthusiasm about Louis' appointment. Seeking to relieve the tension at Louis' first board meeting, the chairman asked if the new member had any questions or observations. Louis asked: "What interest rate is the bank charging nowadays?" Upon being told what the interest rate was, he said "OK, that's about what the Mafia charges in Chicago." The board cracked up, and Louis became an instant success.

He graced our midst and, by example, encouraged all of us to become more active in supporting our fellow man. When Louis Martin was in the seventh grade at St. Benedict's Catholic School in Savannah, he impressed his teachers with an essay about the philosopher, St. Francis of Assisi. The accolades he received caused him to become a more serious and disciplined student. We don't know what was in that essay, but these lines from St. Francis of Assisi may well have been the ones which shaped the vision and life-mission of Louis Martin:

"Lord, make me an instrument of your peace. Where there's hatred let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy.

"Grant that I may not so much seek to be consoled as to console; to be understood as to understand; to be loved as to love. For it is in giving that we receive; it is in pardoning that we are pardoned; and it is in dying that we are born to eternal life."

Farewell, my friend. Farewell, to a great American. ■

Mr. Williams is the president of the Joint Center.

Presidents

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information and technical support they needed to succeed in public office. The Joint Center became one more way for Martin to put into practice his vision of an inclusive American democracy, as well as a vehicle through which he could share his experience, insights, and wisdom with black leaders.

As the first chairman of the Joint Center's board of governors, Martin imbued it with the maxim that one should "draw a bigger circle, include more people in the struggle and exclude nobody." Although he was himself a loyal Democrat, he knew that the institution needed to be nonpartisan, so he brought on board prominent black Republicans, including Senator Edward Brooke of Massachusetts and attorneys Samuel Jackson and Wendell Freeland. He also encouraged the Joint Center to seek broad-based coalitions and develop programs with other groups and organizations.

The Joint Center's first contribution to the new cadre of black elected officials included training in the basics of governance and administration. As Martin often explained, many of the newest black public officials did not yet know how to seek federal funds for their municipalities or where to turn to get their roads paved. In 1972, Martin recruited Eddie N. Williams, then vice president for public affairs at the University of Chicago, to lead the still-evolving institution. Under his direction, the Center has become the nation's premiere black think tank.

The Martin legacy is pervasive, touching on many of the gains in black political empowerment that have occurred in the last six decades. From his labor advocacy in Detroit to his White House advisory role during the civil rights era, from his list of administration candidates under Kennedy to his list of judicial candidates under Carter, from his hard-hitting editorials and columns to his empowerment of black officials through the Joint Center, Martin broke racial barriers and pulled together lasting coalitions. His ability to persuade others to do the right thing and to bring people together to get things done is legendary. Always believing that it could be done, he enlisted many others to join the struggle to "move the mountain of racism." ■

Join Us at our Annual Dinner

Bob Eaton, chairman and CEO of Chrysler Corporation and Eddie N. Williams, president of the Joint Center for Political and Economic Studies, invite you to the Joint Center's Annual Fundraising Dinner on Tuesday, March 11, 1997.

This year's guest speaker is General Colin L. Powell (Ret.) former chairman of the Joint Chiefs of Staff.

The dinner will be held at the Washington Hilton Hotel, 1919 Connecticut Avenue, N.W., in Washington, D.C.

Dinner tables are available at the: Chairman's Circle, $25,000, Sponsor's Circle, $10,000, and Patron's Circle, $5,000 (single tickets are $500).

For reservations and further information, please contact Alfreda Edwards at (202) 789-3545.

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TRENDLETTER

POLITICAL REPORT

Democratic National Committee Honors Louis Martin

In a statement released January 28, 1997, the Democratic National Committee (DNC) paid tribute to **LOUIS E. MARTIN**, who was the first black American to be deputy chair of the Democratic National Committee, a post he held from 1960 to 1969. (See related articles.)

In a joint statement, DNC general chairman Governor **ROY ROMER** of Colorado and National Chairman **STEVE GROSSMAN** said, "The outstanding work and leadership of Louis Martin in laying a solid foundation for greater African American participation in the 1960s has made a meaningful and lasting impact on the Democratic Party's relationship with the African American community. He was one of our great heroes and we extend our sympathy to his widow and family."

Chairman of the DNC Black Caucus, Texas State Representative **AL EDWARDS** added, "In this century, no other African American has had the political power, tremendous access and influence with three presidents and made such a significant impact in black civil rights and political progress as Louis Martin. His political genius was respected by those presidents who benefited from his wise counsel."

At the 1996 Democratic National Convention in Chicago, Martin was recognized from the podium by former DNC Chairman **DON FOWLER** for his "historic and pioneering contributions to the Democratic Party" during the 1960s and 1970s.

In 1992, then DNC Chairman **RONALD H. BROWN** presented Martin with the first Lawrence O'Brien Achievement Award at a reception at the U.S. Capitol. He said of Martin, "More than any other person, Louis Martin has paved the way for the significant involvement of black Americans at all levels of the Democratic Party. He is an extraordinary human being who has done so much to make the Democratic Party a true party of all the people." ■

THE WHITE HOUSE
Washington

January 30, 1997

Dear Mrs. Martin:

Hillary and I were saddened to learn of your husband's death, and we extend our deepest sympathy.

Throughout his life and career, Louis Martin generously gave of his time and talents in service to our country and to his fellow Americans. As a journalist, a businessman, a distinguished political leader, and a Presidential advisor, he made lasting contributions to social justice in America.

Your husband felt deeply about equal opportunity, and he had faith in our society's capacity to achieve it. We will always be grateful for the wisdom, passion, and persistence that he brought to his life's work of making our nation a better place for all Americans. His death is not only a great loss for you and your family, but for our country as well.

Our hearts go out to you at this difficult time, and we are keeping you in our thoughts and prayers.

Sincerely,

Bill Clinton

Clinton's Second-Term Appointments

In his second term, President Clinton reaffirmed his commitment to establishing an administration that reflects the racial make-up of America while also appointing women to high-level posts. In addition to hold-overs Jesse Brown, secretary of Veterans Affairs, and Franklin Raines, director of the Office of Management and Budget, Clinton has named African Americans Alexis Herman and Rodney Slater to cabinet-level posts.

RODNEY E. SLATER, Secretary of Transportation. To replace **FEDERICO PEÑA** as secretary of Transportation, President Clinton has chosen Rodney E. Slater, a fellow Arkansan, who has served as head of the Federal Highway Administration (FHWA) since 1993. As secretary, he assumes responsibility for the nation's urban mass transit and rail, aviation, and maritime transportation, as well as the U.S. Coast Guard. This year, he will have to deal with the reauthorization of the Intermodal Surface Transportation and Efficiency Act (ISTEA) that supports community-based planning for transportation systems. ISTEA will parcel out $160 to $200 billion to the states in coming years. Slater must also address growing public concern over safety in air transportation, especially in the wake of the Valujet and TWA flight 800 disasters.

Before coming to Washington with the Clinton administration, Slater served five years as a member of the Arkansas State Highway Commission and was the commission's chair in 1992. He also was executive assistant to **BILL CLINTON** when he was governor of Arkansas.

ALEXIS HERMAN, Secretary of Labor-Designate. Alexis Herman, currently serving as assistant to the President and director of the White House Office of Public Liaison, has been nominated by President Clinton to become the new secretary of Labor, replacing **ROBERT REICH**. Herman's nomination was marked by controversy even before it was announced. Some forces in the Clinton administration had pushed for the appointment of **HARRIS WOFFORD**, the CEO of the Corporation for National Service and former U.S. Senator from Pennsylvania. This split Clinton's supporters as several civil rights and women's groups were promoting Herman while some labor leaders and Senator **EDWARD KENNEDY** (D–Mass.) backed Wofford. To make matters worse, Senate Majority Leader **TRENT LOTT** (R-Miss) attacked the nomination even before hearings were scheduled by the Senate Labor and Human Resources Committee.

If she is confirmed as Labor secretary, Herman will bring with her considerable experience with labor issues. She served at the Labor Department during the Carter administration as director of the Women's Bureau. In the 1980s, Herman became National Director of the Atlanta-based Minority Women Employment Program, and later founded and operated her own company to advise state and local governments and private corporations on job creation, training strategies, and other workplace and workforce issues. As head of the Office of Public Liaison, she was responsible for educating the public about the president's programs and initiatives. Prior to joining the Clinton administration, Herman was deputy chair and chief of staff of the Democratic National Committee.

FRANKLIN D. RAINES, Director of the Office of Management and Budget. Franklin Raines, associate director of economics and government for the Office of Management and Budget during the Carter administration, was confirmed last September as OMB's director. Raines will be Clinton's point man for crafting budgets that support the administration's education programs while holding the line on military spending and protecting Social Security and Medicare.

Raines came to OMB from Fannie Mae Corporation, the nation's largest investor in home mortgages, where he was vice chairman from 1991 to 1996. Raines was previously a general partner in municipal finance at Lazard Freres & Company, an investment banking firm. His impressive educational credentials include a B.A. in government from Harvard, a J.D. from Harvard Law School, and a Rhodes scholarship at Magdalen College, Oxford University.

A former president of the Board of Overseers of Harvard University, he currently serves as chair of the visiting committee of Harvard's Kennedy School of Government. Raines is also a member of the Council on Foreign Relations.

JESSE BROWN, Secretary of Veterans Affairs. Appointed in Clinton's first term, Jesse Brown continues as secretary of Veterans Affairs. With a budget of $40 billion and 215,000 employees, the department administers the largest government-supported health delivery system in the country—171 hospitals and more than 350 outpatient and outreach community facilities. During his tenure, Brown has concentrated on helping homeless veterans and on upgrading the level of health care at VA hospitals, which has been criticized in recent years. Brown was wounded in Vietnam in 1965, where he served as a marine. He was the executive director of the Disabled American Veterans National Service and Legislative Headquarters from 1988 to 1993. ■

ECONOMIC REPORT

What Changing the Consumer Price Index Really Means

A panel of five economists headed by Dr. **MICHAEL BOSKIN** of Stanford University has recommended to the Senate Finance Committee that they adopt a procedure to modify the Consumer Price Index (CPI). Compiled by the U.S. Bureau of Labor Statistics, the CPI captures changes in the prices of a typical market basket of goods and services that households purchase. The panel recommended that this measure of the increase in the cost of living (or inflation) be adjusted downward by 1.1 percentage points each year.

Some downward adjustment of the CPI appears to have considerable bipartisan support, although the magnitude of the change is unclear. Indeed, both Senators **DANIEL PATRICK MOYNIHAN** (D–N.Y.) and **DON NICKLES** (R–Okla.) of the Senate Finance Committee have endorsed changing the way the CPI is measured. While the statistical arguments for this revision may seem removed from the concerns of the average person, the consequences of this action would be felt by every American household, and particularly by African American households.

Because the CPI is a widely used measure of the cost of living, the proposed revision in the index would have a number of immediate effects on household incomes. First, the CPI is used for union contracting and wage setting in the public and the private sectors. Reducing the CPI by 1.1 percentage points would mean lower salary increases for workers. Second, a lower CPI would mean that elderly individuals would receive smaller cost of living increases in their Social Security checks. This is particularly important to blacks who often rely on Social Security for a larger share of their retirement income than whites. Using the current method, next year's Social Security checks would increase by 2.9 percent, from $724 to $745 per month for the average recipient. If the revised index were used, benefits would increase to only $737. Although the benefits for the first year would only be reduced by $96, the effect would accumulate over time as each subsequent year's increase would be smaller and calculated from a lower base. The Economic Policy Institute has estimated that over the next five years this would cost the average retired couple $2,148 in benefits.

Just as Social Security and other government benefits (such as federal employee pensions and food stamps) would be reduced, a downward revision in the CPI also would increase the amount of income tax a typical household pays. The government uses the CPI to adjust federal income tax brackets, the Earned Income Tax Credit, and the standard deduction so that individuals are not placed into higher tax brackets simply because of inflation. A family of four with $50,000 in taxable income and taking the standard deduction would pay about $100 more per year in taxes under the new method. Citizens for Tax Justice estimates that the recommended change in the CPI calculation would increase the amount of taxes paid by the average taxpayer by $1,600 over the next decade.

As a measure of the cost of living, the CPI has several well known deficiencies, which led the panel headed by Dr. Boskin to suggest that the CPI be adjusted downward by 1.1 percentage points annually. First, when prices rise at department stores, people tend to shift their buying to discount stores where goods are cheaper. Since the Bureau of Labor Statistics (BLS) continues to use department store prices to calculate the CPI, it will tend to overestimate how much people are paying for goods. This was thought by the panel to introduce a relatively minor bias in the CPI, 0.1 percentage point per year. More important, the CPI fails to capture the switch to lower priced alternative goods that occurs as prices rise. For example, when the price of steak rises, people tend to buy hamburger instead so that their food budget does not increase as much as would otherwise be expected. The panel estimated that the failure to measure this tendency adds about 0.4 percentage point to the CPI. The Bureau of Labor Statistics is already planning to publish an experimental price index next year that takes into account this switch to lower priced goods when prices rise.

According to the panel, over half (0.6 percentage point) of the proposed CPI reduction is a result of an underestimation of the improving quality of goods. For example, computers today are continually being upgraded so that a machine may still cost $3,000 but be capable of much more than a computer purchased just a few years earlier.

While the problems highlighted by the panel are real and may make the CPI overstate inflation, several other factors may lead to an underestimation of changes in the cost of living. The CPI does not reflect the increase in Social Security and other taxes consumers must pay nor does it capture changes in the quality of schools, service at gas stations or retail stores, or the extent of coverage

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people receive from their health insurance premiums. Therefore, it seems highly unlikely that the CPI always overstates the changes in the cost of living by the 1.1 percentage points that the panel suggests.

The fact that a lower CPI will reduce the rate of growth in government spending and increase tax revenues explains its broad political appeal. The Congressional Budget Office has estimated that even a 1 percent reduction in the CPI will reduce outlays for Social Security and other retirement benefits by $34 billion per year and increase tax revenues by $21.4 billion per year by the year 2002.

The cumulative effect of this revision could be to reduce the federal deficit by $500 billion over the next decade, making it considerably easier to reach the goal of a balanced budget. Whether or not the goal is desirable, this means of balancing the budget involves a hidden and regressive tax hike and spending cuts that fall mostly on low- and middle-income taxpayers and recipients of public benefits.

There are real problems with the CPI that need to be addressed. Instead of Congress legislating a quick fix for budgetary reasons, the Bureau of Labor Statistics should be given the time and resources to consider and implement procedures that would create a method for more accurately measuring changes in the cost of living.

Rising Consumer Debt Puts Consumers and Economy at Risk

According to recent data from the Federal Reserve Board, American consumer debt has reached massive proportions. In July of 1996, consumers owed $454 billion on their credit cards and about $1.1 trillion in total household debt. For all but the wealthiest households, this debt burden has been rising since 1992. Low-income households—under $25,000 in income—have consumer debt equaling 36 percent of their income, but even households earning between $50,000 and $100,000 annually have debt equaling nearly 20 percent of their income. When mortgage debt is added, the typical household has debt in excess of 80 percent of its income. This high and still rising level of debt has begun to set off alarm bells among policy makers.

With the number of delinquent credit card accounts at a historic high, a record one million people filed for bankruptcy in 1996, according to the American Bankruptcy Institute. Indebtedness has surpassed medical emergencies, unemployment, and divorce as the dominant reason for filing for bankruptcy. As a result of this record increase in bankruptcies, Congress is considering legislation to make it harder for consumers to escape payment of their debts by filing for personal bankruptcy.

The credit card companies have been among the leading proponents of changes in the bankruptcy laws, since they are often the biggest losers when individuals fail to pay off their consumer debts.

The recent increase in consumer debt is partly fueled, however, by credit card company policies that have made credit more readily available. Mass marketing campaigns, combined with offers of frequent flyer miles and other incentives, have generated a substantial expansion in the ownership and use of credit cards. Companies have found credit cards so profitable that even individuals who have filed for bankruptcy have been offered new cards by other companies. An estimated 80 percent of American households now have at least one credit card, which is often used in place of cash or checks.

Since the vast majority of users do not pay off their balances each month, they face high interest payments. In 1996, credit card interest rates averaged over 15 percent. The result is that consumers pay about $50 billion in interest annually on credit cards, according to **STEPHEN BROBECK** of the Consumer Federation of America. Some companies, such as General Electric, have even introduced fees for those users who pay off their balances each month and do not incur interest charges. The high interest rates on credit cards have meant that some consumers spend a substantial portion of their disposable income simply servicing their debt.

No doubt, increased consumer spending has helped fuel the economy over the past five years, but now many economists are concerned that consumers will not be able to sustain this spending pattern. Dr. **LAWRENCE LINDSAY** of the Federal Reserve Board indicated that since 1991, the average American household has spent $1.10 for every dollar earned. Debt is forcing consumers increasingly to either reduce their spending or file for bankruptcy. The potential impact on the economy could be serious, as lower consumer spending, if not replaced by increased spending elsewhere in the economy, may trigger a recession, making it even harder for consumers to pay off their debts.

While no one is currently forecasting economic doom, the risks associated with the rise in consumer debt indicate the need for vigilance, both with respect to individual finances and with respect to the mounting aggregate burden of consumer debt. ■