

# OPINION FORUM

**THE CHRONICLE** 36 Years

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## Is There Really A Deficit Crisis?



**Julianne Malveaux**  
Guest Columnist

In the wake of the State of the Union Address, there is likely to be much partisan conversation about the direction of our nation. President Obama will address the economy and jobs, and Republicans will talk about the health of the economy and cutting budgets in their rebuttal. Citing growing deficits, both parties are concerned that spending is out of control. Yet, some spending is absolutely needed to create jobs, just as \$700 billion of spending was needed to bail out banks. It intrigues me that the same folk who eagerly bailed banks out have now suddenly discovered the concept of budget cuts and are pushing them, even as they have added to the deficit by insisting on extending Bush tax cuts.

President Obama has furthered the notion that there is a budget crisis by appointing Erskine Bowles and Alan Simpson to make suggestions to manage the federal budget deficit. The Bowles/Simpson commission would trim about \$4 trillion from the federal budget in the next decade by increasing the Social Security retirement age, freezing federal pay, leveling Pentagon spending, and making other cost-cutting suggestions. There were 18 people on the National Commission on Fiscal Responsibility and Reform, and 14 had to approve the suggestions for them to be accepted, but only 11 went along with some of the draconian plans that were announced, so the suggestions are only suggestions.

It is important to raise questions about the nature of the deficit crisis. Is this a cyclical crisis, connected to the economic downturn? Is it more structural, something that would have occurred without the downturn? How should it be managed, and will there be equal pain around curtailing the deficit, or will only one or two sectors pay for the challenges the deficit creates?

For example, there has been talk of raising the social security retirement age for years, and always we have looked at an across the board age increase, whether workers are high income or low, whether they have pensions or not, whether their work is physical or not. It's entirely different to ask a professor to work until 70 than it is to ask a waitress to do so, but these plans that increase the Social Security retirement age do not seem to take these things into con-

sideration, thus continuing a class-based economic inequality that also creates racial inequality. Is this our goal, to widen gaps instead of narrowing them? Increasing the Social Security retirement age indiscriminately will do this.

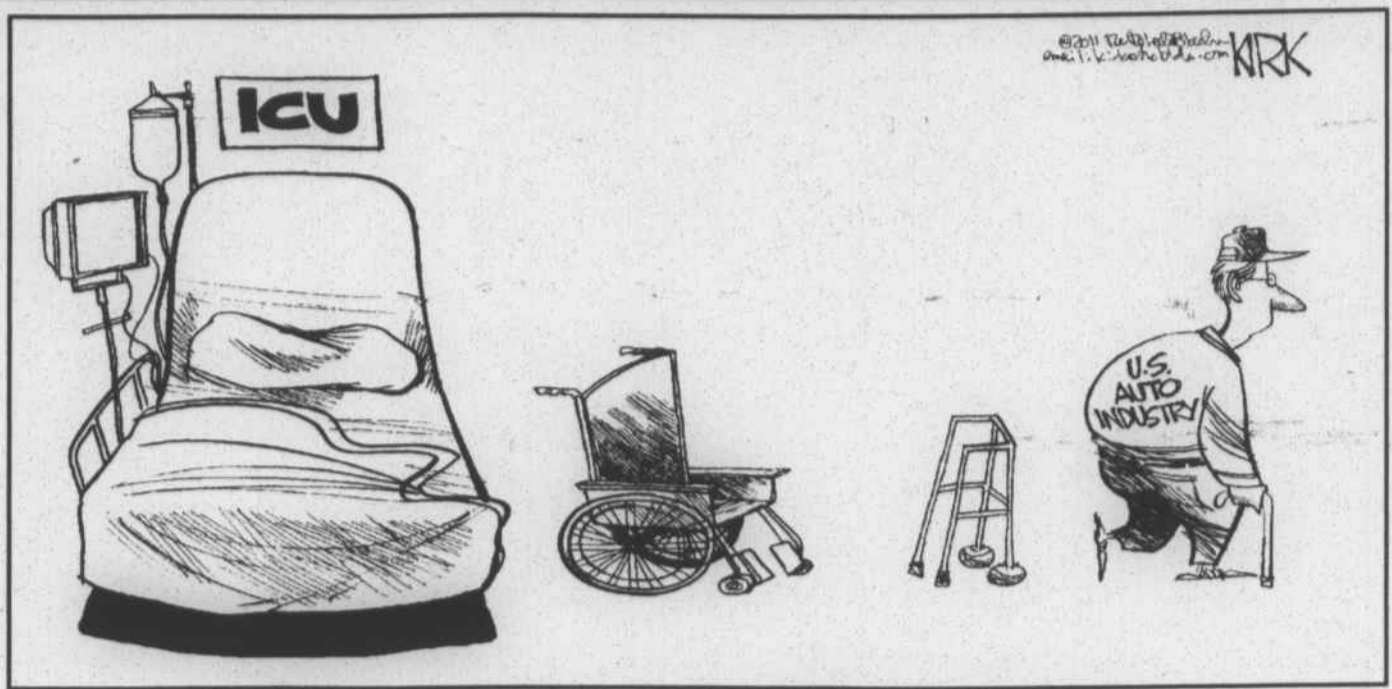
Similarly, the attack on federal employees is an attack that has a differential impact by race and gender. Women and people of color are both more likely to be employed by the federal government, but also more likely to get more equal pay in the public sector than in the private sector. United for a Fair Economy released their annual State of the Dream report last week. Entitled, "Austerity for Whom," the report explores the ways that so-called budget cutting measures actually hit women and people of color more severely.

White women earn 82 cents for every dollar White men earn in the public sector, compared to 71 cents in the private sector. Black men earn 80 cents to the White male dollar in the public sector, but a scant 57 cents for every dollar in the private sector. Black women earn 73 cents to the White male dollar in the public sector, but 56 cents in the private sector. Latino men earn 86 cents to the White male dollar in the public sector, but just 48 cents to the dollar in the private sector, while Latina women earn 71 cents to the dollar in the public sector, but just 46 to the White male dollar in the private sector.

The solution may not be to maintain a large public workforce, but any solution will include an awareness of these differences and, perhaps, a strong Equal Employment Opportunity Commission (EEOC) to enforce anti-discrimination laws. Who wants to bet that the EEOC will be another of the budget cutting casualties? In an anti-regulatory climate, the combination of federal employment cuts and an indifference to enforcement of anti-discrimination laws is designed to increase the racial unemployment gap.

It makes sense that the deficit should rise during an employment crisis. While we should be careful with our resources, we should certainly not cut the budget and federally-funded opportunities significantly in a recession. The so-called deficit crisis could become a more complex crisis if we don't put people back to work, no matter what it costs.

*Dr. Julianne Malveaux is president of Bennett College for Women. Her latest book, "Surviving and Thriving: 365 Facts in Black Economic History," can be ordered at [www.lastwordprod.com](http://www.lastwordprod.com).*



## Racial Health Disparities



**Greg Mathis**  
Guest Columnist

Republicans, trying to make good on campaign promises, are working hard to repeal the 2010 healthcare law that, once fully implemented, will provide health insurance in some form for all Americans. Those who supported the law realize that it's imperfect, but recognize that the law's passage was an important first step.

Over time, the law will save billions of dollars and ensure that Americans, regardless of income, can access medical help when they need it.

A new study shows us that money will be saved in other ways, too. A report released by the Centers for Disease Control and Prevention reveals shocking racial health disparities. Billions of dollars are spent each year treating illnesses in advanced stages. With

healthcare more readily available, it is safe to assume that chronic conditions can be treated regularly and early, avoiding costly hospital stays and saving the larger public money in the long run.

It's never been a secret that race and income play a part in the quality of medical care an individual receives.

But these numbers are shocking. In a country as rich as America, the expectation should be that all children live through infancy and grow into healthy adults.

However, children born to African-American women are three times more likely to die before they make it to their first year than those born to women of other races. If the child does make it to adulthood, they will be twice as likely to suffer from high blood pressure and much more likely to suffer from heart disease or have a stroke than their White counterparts. And unfortunately, their chances of contracting HIV, the virus that causes AIDS, is shockingly higher than that of



Whites. Granted, each of these illnesses are preventable. Personal responsibility – eating right, exercising, practicing safe sex – goes a long way in making sure an individual is not afflicted with these diseases. However, if one does find themselves struggling with one of these illnesses, they should be able to access quality medical care early and often and not have to worry about costs. If the diseases go untreated, the long-term effects go far beyond the individual: society ultimately pays - \$7 bil-

lion to be exact. That's how much is spent a year treating preventable diseases in this country. And, African Americans have twice the rate of preventable hospitalizations than Whites.

Before Republicans continue with their plan of repealing the healthcare law, with no workable proposal for a replacement, they should first think about what price the country will have to pay if they are successful.

The Republican party should not only leave the current healthcare law intact, they should sit down with Democrats and strategize to improve it. One of those improvements should be funding more community clinics in urban areas – clinics that educate and counsel residents on disease prevention. The Republican party needs to realize that honoring campaign promises is important, but only if that promise is in the best interest of the entire nation.

*A former District Court judge, Greg Mathis is the star of the "Judge Mathis" syndicated television show.*

## Opportunities for Black Businesses in China

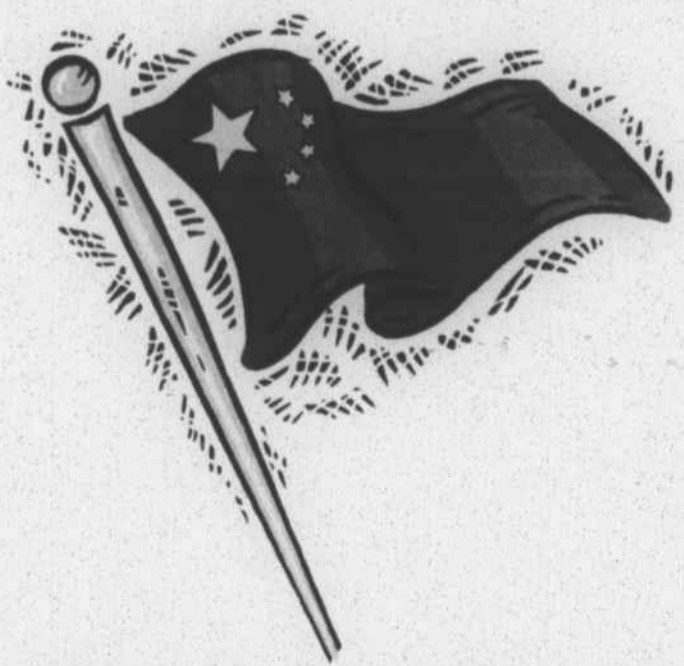


**Ben Chavis**  
Guest Columnist

In the wake of the tremendous White House welcome and state visit of President Hu Jintao of China to Washington, D.C. and Chicago, Ill., President Barack Obama was successful in continuing to improve the overall relations between the United States and China. It is strategically important for African American business leaders to explore ways and means to develop and expand economic ties with China. Timing is important. We should not take for granted what is happening throughout the world in 2011, when it comes to doing business with China.

In particular, the Black American business community should always be seeking new opportunities to expand and grow. If we are ever going to get the majority of African Americans out of poverty, it will be through education and economic empowerment. The world is changing to enhance international trade and commerce. African American spending power as consumers is a trillion dollars annually. We buy a massive amount of products that are made in China. It is past time for us to see our situation differently from an economic perspective.

The truth is Chinese business leaders are eager and interested in developing joint business ventures with African American business leaders. Beyond being consumers, we should be ready to move to be more in the



productive side of the U.S. and global economy. What better place in the world would there be for African Americans and other minorities to do business than in one of the world's rising economic powers? Today, China is also the leading trading partner for all of Africa. African business owners are finding profitable success through numerous joint ventures with their Chinese counterparts.

I encourage many of the existing African American Chambers of Commerce in Los Angeles, Houston, Chicago, New York, Georgia, Florida and in other cities across the United States to accelerate their outreach to China. President Obama has opened the business development door wider than ever before for new business proposals and ventures to be established with Chinese business leaders. It is urgent, therefore, for African Americans to be at the forefront in seeking out these real opportunities.

In all of the leading

economies in Africa, China has emerged as a reliable and substantial business partner. South Africa's first African billionaire is Patrice Tihopane Motsepe, whose business interests span a wide array of diverse ventures, including African Rainbow Minerals that has done extremely well in gold, ferrous metals, base metals, and platinum. Chinese business leaders have reached out to Motsepe on a number of ventures in South Africa and throughout other regions of the continent of Africa.

Champion Motors International, Inc (Chamotor) is headquartered in Sunrise, Fla. and led by Philippe Lenoir. Chamotor has regional offices in South Africa and in China. Chamotor China has manufacturing plants in six different provinces of China. Chamotor is now a global business and is a leading manufacturer and distributor of high quality mass transit vehicles and industrial equipment. Chamotor's main product line includes luxury coach and urban

buses, light duty commercial and heavy industrial trucks, electric vehicles as well as a line of construction and agriculture equipment. Chamotor's manufacturing capabilities are based on a strategic joint venture partnership in China.

Dr. Willie Wilson, owner of Chicago's Omar Medical Supplies company, is another success model of how an African American businessman in the United States established a multi-million dollar business venture with China. I know Dr. Willie Wilson personally and he is a visionary business leader who has a genius for entrepreneurship. Dr. Wilson is role model not only for business success, but also for giving back to the African American and other communities. In fact, Dr. Wilson was somewhat ahead of the pack because he has been building factories and working with China for many years.

I salute brothers Motsepe, Lenoir and Wilson for their business success and for their leadership in building strong bridges of economic development with China that has in turn helped to improve the quality of life in Africa and in the African American community. The NNPA readers should spread this word. China is a new economic power base for African people. Let's hope that these new business opportunities in China will help us to have a stronger hand in ending poverty in our communities.

*Dr. Benjamin F. Chavis Jr. is Senior, Strategic Advisor for the Black Alliance for Educational Options (BAEO) and President of Education Online Services Corporation.*