

Parsons: Black business to rise under Obama

By Hazel Trice Edney

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WASHINGTON (NNPA) — Time Warner Chairman Richard “Dick” Parsons, a member of President-elect Barack Obama’s Transition Economic Advisory Board, says Black and other minority-owned businesses, which dominate the rock bottom of the economic crisis will be swept upward as the bailouts and stimulus strategies begin to work.

“We all know it’s the people on the bottom who suffer most. But you’ve got to fix it on a holistic basis. You’ve got to get credit going,” Parsons told a standing room only audience at the Howard University School of Business last week.

“No one is unaware of on whom the burden falls the heaviest. That’s just a reality. But, how do you make things better for the people at the bottom? How do you make things tolerable? How do you make things bearable? You’ve got to fix the whole system so that it works top to bottom.”

Parsons was responding to a student’s question about how the Obama administration would specifically attend to the woes of “minority businesses” as much of the focus appears to be on bailouts of banks, lenders, major corporations and even the

automotive industry.

Parsons says the excitement of an incoming new president will give people the hope and confidence to help jumpstart spending and keep the economy flowing. But the reality is that America’s economic condition at the moment is very bad.

“How bad is it? Actually, it’s pretty bad,” he told the audience of Howard business students, professors, and economists.

Parsons says the high hopes for the new and historic administration of President Barack Obama after the Jan. 20 inauguration are fearful because people tend to overestimate what he can do single handedly.

“One of my big concerns and fears for our incoming president is that the expectations for this guy are so off the charts. People think that he can walk on water,” he said to chuckles in the audience.

“You know, he may be able to walk on water, but he’s not going to get this economy turned around in a nanosecond. There’s no silver bullet. I just hope somehow that we can really get people really grounded in what’s going to have to happen to get us out of this so that their expectations for a President-elect Obama can become somewhat more re-

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alistic.”

A member of Howard’s board of trustees and former Time Warner chief executive officer who recently led the entertainment corporation out of its own financial woes, Parsons gave the first hints of the strategy that Obama may use to strengthen the failed economy.

“The real problem is that virtually most of the growth around the world over the last half a dozen years has been funded through credit,” he said. “Banks jumped off the rail and started lending money to people who didn’t have the jobs or financial strength to otherwise pay the loans back, and the housing crisis started with this spiral downward.”

He said the economic rescue must start at the top of the economic chain because without credit, businesses will fail, jobs will be lost and people will not have money

to spend.

“First, businesses can’t get access to credit. That means they can’t build new plants, can’t replace obsolete or worn out equipment, they can’t innovate as progressively as they were before. That means jobs begin to go away,” he explained. They begin to cut costs — human capital — and begin to ask, “How do we get people off the payroll?”

Then, he said, people “stop spending, don’t have jobs, can’t pay credit cards.”

Recently the U.S. House and Senate passed a \$700 billion economic bailout largely for Wall Street investment bankers and lending institutions across the nation.

“They are not saving these people because they are their friends,” Parsons said. “You’ve got to save them because they get credit to people and they will get jobs to people who need jobs. So, you have to look at it in a balanced way.”

Still, people want immediate relief, he conceded with understanding.

“People are hurting. People are losing their jobs. People are scared. What can we do to get this thing jump-started... to get the engine going again?”

He says the following are a few points that Obama can start to focus on:

He said, first he must explain to the American people what happened.

“How did we go from prosperity to what seems like the brinks of depression?” I think that if people understand what happened and if their leader would articulate a path forward, that will help them,” Parsons said. “People will have to say, ‘I understand what’s going down.’ And that the man has a plan that will restore some confidence. That’s a plus.”

Then the economy must start going again, he said, pointing to the need for “some kind of stimulus package that has some kind of tax relief for the middle and lower class.”

There must also be some kind of infrastructure investment and development that includes roads, rails, bridges, broadband fibers and business needs, he said.

“My guess is that you’re going to see people debating how much stimulus and in what direction the stimulus will go,” he said.

Among the most recent industries pleading for help is the automotive industry.

Parsons said the failure of the automotive industry — which he said affects 15 per-

cent of America’s payroll — could plummet the nation into full-fledged depression.

“You can’t let these guys go down. You just can’t let it go down because then you’re talking depression... You could be talking about levels of unemployment exceeding 20 percent and we’ll be under depression-like conditions.”

But, credit is key to all, he said.

“As soon as the credit stuff is resolved then [people will] start buying cars again.”

It seems that because we have a new president it is going to give people a sense of courage and optimism that will help materially.

Among the following are some of what Parsons also outlined as “keys to recovery”:

— The banks must gain courage to start lending again.

— More banks must consolidate.

— With consolidation must come more regulation.

— Though more than a million housing stocks will crumble, many will be taken over by new housing stock.

Recovery will happen, Parsons concludes: “We will get out of this slowly. We didn’t get into it overnight. We won’t get out of it overnight... The good news is not whether we will be able to recover, the question is when and how much pain is going to be experienced in the period between now and the recovery.”

Arkansas Blacks shut out of races for state offices

LITTLE ROCK, Ark. (AP) — Arkansas remains the only state from the former Confederacy not to elect an African-American to Congress or any statewide office since Reconstruction — and last week it soundly rejected the man set to become the nation’s first Black president.

Barack Obama lost by 20 percentage points, even though fellow Democrats control all of Arkansas’ statewide offices, both chambers of the Legislature and three of its four congressional districts.

Many Blacks say race is the reason, and consider the poor showing to be another frustrating chapter in Arkansas’ long and tortured civil-rights history.

“To vote for an African-American at a statewide level would show we’re willing to move forward. We have an obligation to continue to be-

lie that piece of history that is indelibly in people’s brains,” said Joyce Elliott, a Democrat unopposed last week in a state Senate race in Little Rock.

Elliott, who is Black, said she would someday like to run for statewide or congressional office but is not encouraged by the state’s history. “It’s important for all of the state to say this is something we want to do. This is an opportunity gap we need to fill,” she said.

Obama’s losing Arkansas was not unexpected. He made no trips to a state that had gone Republican in every presidential election since 1980 except when its former governor Bill Clinton was running for the White House.

Since Obama did not campaign here the way he did in the Southern states he won — Florida, Virginia and

North Carolina — it’s hard to predict how future Black candidates might fare in Arkansas, said Jay Barth, a political scientist at Hendrix College in Conway.

“There really wasn’t a dialogue about his candidacy in the state,” Barth said. “In the absence of that conversation, it allowed certain stereotypes and assumptions about Obama to really lock in, in the eyes of the Arkansas electorate.”

Exit polls conducted with Arkansas voters last week showed that 68 percent of White voters went for Republican John McCain, with 30 percent voting for Obama. In 2004, President Bush carried 63 percent of the White vote, compared to 36 percent for Democrat John Kerry. Among White women in 2004, 60 percent voted for Bush; this year 68 percent (See Arkansas, Page 3)

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