## THE SHAW REPORT:

By the time you read this article, the Presidential election of 1984 will be history. The White House will be the official residence of a man—democrat or republican— who will lead the United States government in setting policies for the allocation of over \$700 billion in Federal dollars for the 1985 fiscal year. In other words, the Federal government will spend a great deal of money buying goods and services from many companies in the private sectors.

In addition to spending billion of dollars with the private sector, the government of 1985 will create policies and laws that will effect how business is conducted in America.

New regulations and laws will determine how the ecvironment is proteced, what businesses will benefit from new tax laws, and most importantly to us, the new laws will determine just how effective black economic development will be for at least the next four years.

The point here is clear. There is a direct and important relationship between economics and politics in America. Far too often, politics determine the profitability of our business endeavors.

Therefore, it is more important than ever that black people begin to understand, analyze, and react to the economic ramifications of every political decision. In order for us to effectively do that, we are going to have a better understanding of our economic system and how we can utilize it for financial reward.

The very first thing we can do is find out from the Federal government where the money is. That's right, ask them.

## There is a direct and important relationship between economics and politics in America.

The "Freedom of Information Act" gives any citizen of the United States the right to ask questions and get answers from the Federal government about almost anything. (The only exempted information is that which relates to National Security).

You may feel that black America has been doing 'okay' with non-profit political protesting. But we've gotten very little of the hundreds of billions of dollars that the Federal government spends every year.

Let's hope that some folks don't feel that black people with money are security risks. Instead, I'm more inclined to believe that any "broke" person is a security risk because most "broke folks" that I know are mad or are about to get mad.

Each department of the government buys goods and services. Find out what goods and services these departments are looking for. Now I understand that there are a great deal of government departments.

Surely, however, you know what goods or services you can provide. For example, if you know nothing about missiles or defense equipment, it is nonsensical to call the Pentagon and squable about the MX Missile contract.

You probably won't get it and you won't get it, not because you're black, but if you don't know anything about missiles, you won't get it because you wouldn't know what in the hell to do with it if you did get it.

Know what goods or services you can offer then proceed to find out from the different departments of the government what they will be purchasing. If you intend to get government money, it wouldn't hurt to be in close contact with your Congressperson.

Let them know that you are interested in doing business with the government and that you may need their assistance. They were elected to represent you. That does not mean only representing you on social causes but also on economic ones— like making money from the Federal government.

It always helps to be involved with the election of your Congressperson. If you have donated time and money to aid their campaign, they are more interested in accepting your call and listening to your problems. I know they are supposed to represent your interest whether you donate to their campaigns or not. But let's not be silly! Business is business and just like a businessman is in the business of making money, politicians are in the business of getting elected.

For too long now, we've presumed too much about the political process while continuing to ignore political reality. Money talks and B.S. walks— even in politics.

You may feel that black America has been doing "okay" with non-profit political protesting. But we've gotten very little of the hundreds of billions of dollars that the Federal government spends every year.

There's no wonder that we're broke. We're asking for the wrong dollars. We're looking in the wrong places. Of course there are people who are unable to work and who need assistance.

Then why is our political policies heavily skewed towards resolving social ills without equal emphasis on economic development: We'll approach our elected with an agenda that rarely ever addresses the billion of dollars available to us as black capitalists.

Since the government has the power to create laws, they often create laws which benefit a specific group at the expense of others.

A successful black capitalist not only makes us feel good but he'll put some money in our pockets directly or indirectly.

For example, our tax laws allow for deductions which benefit special interest groups who ask for the government's help. The housing industry, for one, benefits from our tax laws because the interest on your home loan is tax deductible. Why? Because the housing industry wants it that way.

They got the tax laws that way because they asked for it. They support Congress people who thought the same way the housing in-

## On Black Economics

dustry did. We can do the same thing if we add to our political agenda issues that will affect black economic development. One such issue is the Minority Investment Tax Act of 1984.

The Minority Investment Tax Act of 1984, HR 5096 (That's Congress talk, Don't worry about it) is a proposed bill that was introduced by Rep. Charles Rangel (N.Y.). Simply stated, what this bill intends to do is change the Internal Revenue Code of 1954 to give tax breaks to investors who reinvest proceeds from the sale of their assets in certain "minority funds".

Now these particular "minority funds" would invest money in minority businesses. This new found money would most assuredly fill a need for many minority companies that are struggling due to a lack of sufficient funding. If such a bill were to pass, the obvious benefits are apparent.

Any person that wants to avoid paying taxes on the capital gains they would receive from a profitable sale of their company or its assets, would only need to reinvest their money in this minority fund.

it not only to hire the black unemployed, but to train those of us who don't have employable skills.

It is a fact that all the money in the world won't save a company if the people it employs don't know how to do their jobs.

The profits from many of these newly funded companies could be invested in many nonprofit programs that are designed to render help to the needy and relieve the government of the strain of administering a social welfare system that is already too bureaucratic and ineffective.

There are many other benefits to becoming a successful black capitalist in America. With the funds that the Minority Investment Tax Act could create for black businesses in America, many marginal and small black businesses could become large successful businesses.

As these black businesses become successful, all black Americans can bask in the glory of their success— as we all feel good when Walter Payton carries the football, when Stevie Wonder and Patti Labelle sing, and States Government. Also, contact your Congressperson.

Find out what they have and if you have something they need, sell it to them. The U.S. Government also buys illegal drugs but I would strongly recommend that you not sell them any! There is no need for you to call the F.B.I. (Federal Bureau of Investigation) or the D.E.A. (Drug Enforcement Agency).

If you're in that business, don't worry, they know it. They'll be contacting you shortly to make a buy!

If by chance you are not a black business person with goods or services to sell, and you still want to have your Congressperson lobby for black economic development, call him or her or write them and ask them to support H.R. 5096— the Minority Investment Tax Act of 1984.

Remember your Congressperson is there to represent you. You pay his or her salary. I don't care how many other bills they have on their minds. Ask them how many bills do they have under consideration that affect black economic development.

Remember your congressperson is there to represent you. You pay his or her salary. Ask them how many bills do they have under consideration that affect black economic development.

As a result of this law, investing in black economic development becomes a tax shelter with social ramifications. The social ramifications can only be good. Since good black economic development can only make all of America stronger.

This one bill, the Minority Investment Act of 1984, could significantly effect the quality of life for all black Americans. This could do it very swiftly. Millions of dollars would be available to black businesses that would in turn, be able to provide much needed training programs and jobs for many of our black unemployed.

Many of our black unemployed are unemployed because they don't have employable skills. Therefore, I hope most of the recipients of this new money would use

hopefully, when you read a Rufus Shaw article!

The point is that a successful black anything makes us all feel good. A successful black capitalist not only makes us feel good but he'll put some money in our pockets directly or indirectly.

If you've followed me so far, you can probably see how politics and economics relate more closely than we ever imagined. Hopefully, you have gotten some idea of how we can better utilize our political system to effect economic gain for ourselves.

I strongly recommend that if you have a goods or service that you can sell to the government, by all means, contact the United

"I'll bet they don't have many— and they should. Add this one to their list. You owe it to yourself. After all, I'm talking about doing business with the government. I'm talking about getting tax laws changed to benefit black economic development.

Finally, I'm actually talking about black people finally getting a chance to do business with our own money because the government's money is really your money!

Rufus Shaw's books from Rufus Shaw Publishing P.O. Box 15568, Dallas, TX. 75215 are: 1) "How To Be A Rich Nigger" \$8.95; 2) Hustling: The Art of Black Financial Survival" \$8.95; and 3) "Street Economics" \$10.95. The triology (three books) is \$24.00.

For Lecture Information call: Lynn M. Flint (214) 373-7557.