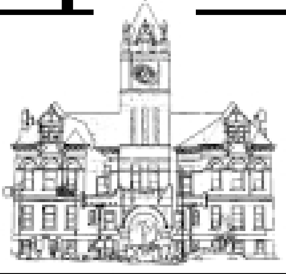
Opinion



Letter Drop

● Our Readers Sound Off

Mr. Boyles must go

This is a copy of a letter to Roger Petrik, President, Rural Health Development in Cambridge, Neb., from the Area Citizens for Health Care which was sent on Oct. 7, 2002. It was delivered to the Free Press by John Kern, President, Area Citizens for Health Care, and Carol Voisin, Secretary. They asked that it be shared with the general public. The views expressed are theirs.

Dear Mr. Petrik:

We are writing about the deteriorating situation at the Citizens Medical Center in Colby. We have a problem, Mr. Petrik. That problem is Michael Boyles who is the CEO of the hospital and your employee.

We are outraged! We are outraged because of his incompetence in managing our hospital.

1. Mr. Boyles alienates his colleagues to the point that they leave for other employment. Moreover, he presumes to have the knowledge to make decisions that only doctors should be making. Mr. Boyles is not a medical doctor.

2. Mr. Boyles is constantly misrepresenting managerial issues to the hospital board. He circumvents board bylaws. He took an employment issue to an attorney then presented it as resolved to the board. The bylaws call for consultation with the board not for him to unilaterally determine a course of action. We feel he knows no boundaries and is not a team player.

3. Mr. Boyles is inconsistent and unfair in the application of standards and policy with physicians. The hospital's criteria for obstetric physician privileges are negligently administered literally endangering the lives of mothers and infants. Not to mention the hospital clinic surgeon, who is not allowed to practice in Colorado, is employed by Mr. Boyles.

4. Mr. Boyles is leading the hospital to financial ruin. He has discontinued services that contribute to the revenue strain — laboratory, nuclear medicine, home health care, meals on wheels. Physicians are sending their patients to other hospitals because of the lack of services offered at Citizens Medical Center.

We are demanding that Michael Boyles be terminated immediately. If he is not terminated, we will take action to have Rural Health Development's contract severed with Citizens Medical Center.

We are counting on your cooperation and look forward to hearing from you within the week.

Sincerely,

Area Citizens for Health Care
John Kern, President
Henry Vette, Vice-President
Dennis Horney, Treasurer
Carol Voisin, Secretary
Plus over a thousand-person petition available upon request.
(Letter #145)

Comments to any opinions expressed on this page are encouraged. Mail them to the Colby Free Press, 155 W. 5th St., Colby, Kan., 67701. Or e-mail td@nwkansas.com.

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U.S. Sen. Sam Brownback, 303 Hart Senate Office Building, Washington, D.C. 20510. 202/224-6521

U.S. Rep. Jerry Moran, 1519 Longworth House Office Building, Washington, D.C. 20515. 202/225-2715

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About Sunday night's forum

Jay Kelley

● Speaking My Mind

I might have been in the minority Sunday night at the gubernatorial debate at Colby Community College. I went, having not really made up my mind as to who I would vote for, so I was particularly interested in what the minority party candidates, Libertarian Dennis Hawver and Reformist Ted Pettibone, had to say.

The other candidates, Republican Tim Shallenburger and Democrat Kathleen Sebelius also answered some of the questions I had, although their positions were clearer going in because of their more intensive campaigns.

I left the debate more informed than I entered, so I have to say it scored on the most important point, but the format left a lot to be desired. Most of that was due to the time frame allowed. One hour is simply not enough for candidates to give any real answers on a variety of issues.

In fact, it would be fair to call it a forum rather than a debate. Each candidate was given one minute to answer each question. After introductions, there were only 45 minutes left and with four candidates and, well, you do the math as far as how many questions could be addressed.

Some of the eight questions asked had some real implications, had follow-up questions been allowed. For instance, expansion of legalized gambling, which has enormous implications for the state.

A lot of folks think expanding into areas such as slots and casinos will help the economy, but we need to look at both the economic and moral implications. First, it doesn't help our economy as much as the proponents would claim.

Most of the people who spend large amounts on the lottery are people who would be better served spending that money in more important areas, such as food and shelter. Much, if not most of the money thrown away in state-sponsored gambling never sees the government coffers, but instead lines the pockets of those hired to supervise and promote a system that takes advantage of the very people who need the money the most.

All the candidates thought the state could run more efficiently, but again, their answers were forced to be too pat and simplistic because of the time constraints, so we really didn't learn anything about how they planned to get where they wanted to go. In some cases we didn't even learn where they wanted to go in the first place.

Economics dominated the night, something to be expected in a forum during poor economic times, but I wish there had been more time for the moral debates that have been pushed to the back burner. Only one candidate even spoke on abortion, Pettibone, and then only in his opening statement.

I, for one, would have liked to known where each candidate stood and what they planned to do about their stand while in office. Some might argue the issue is too divisive, but it is precisely those issues that must be resolved if our society is to survive.

Avoiding controversy may be a good way to get elected, but it is not the right way to get anything of substance accomplished, in the long run.

Even the economic issues addressed, some of them no less controversial in some quarters, were not given the time or attention they deserved.

I know the candidates couldn't have addressed every issue in the broad spectrum of public concern, even if they had three or four hours to debate, but a series of controlled debates of substance, with follow-up questions from the audience and a limited number of issues in each debate should be possible. Perhaps that is the price we pay in world of soundbites and sitcoms. All in all, the debate was about as good as it could be, given the limitations, and I did finally decide on my candidate.

If you want to know who it is, you'll have to come and ask. Ill warn you before you ask, however, I like my steak thick and rare.

*****

A. Jay Kelley is the evangelist for the church of Christ in Colby. His e-mail is jkelley@nwkansas.com.

High CEO pay is costing U.S. big time

Chris Hartman

● Another Viewpoint

Excessive CEO pay has always been seen as unfair. But now it's becoming clear that those bloated CEO pay packages actually cost the rest of us some serious money.

The explosion in CEO pay during the 1990s was fueled by stock options. In 1990, the average American CEO made $2 million a year. But after rolling in stock options for 10 years, the average corporate chief was raking in $13 million a year.

Those stock options were supposed to align the interests of CEOs and shareholders. But by granting CEOs huge blocks of options, firms gave CEOs an incentive to pump up their stock prices by whatever means necessary. Layoffs were a popular stock-goosing device in the 1990s. As the stock market faltered, some companies turned to cooking the books.

A new report has now found a correlation between high CEO pay and aggressive accounting. According to the report, top executives at Enron, WorldCom, Tyco, and 20 other companies currently under federal investigation for their accounting practices earned an average of $62.2 million over the last three years. That's 70 percent more than the average of $36.5 million for all leading executives.

All told, the CEOs at the 23 firms under investigation pocketed $1.4 billion over the last three years. Meanwhile, their shareholders are dealing with massive losses. Between January 1, 2001, and July 31, 2002, the value of shares at these 23 firms plunged by $530 billion. Workers at these companies have taken it on the chin as well. Since January 2001, those 23 companies have laid off 162,000 workers.

But the costs of high CEO pay are not only felt by shareholders and laid-off workers. Taxpayers also bear a burden. Incredible as it may seem, corporations keep two different sets of books, one they show to their shareholders and one they show to the government for tax purposes. A recent Internal Revenue Service study found that the income corporations report to shareholders was 24 percent higher than the income reported to the government.

How can this be? Once again, the trusty stock option is at the center of the action. Companies are not required to show a stock option expense in the earning statements they release to shareholders. But what's good for the goose is apparently not good for the gander. When an employee cashes in his stock options, the gain does show up as an expense on the company's tax return, reducing the total tax due. These stock option deductions cost taxpayers an estimated $56 billion in 2000. That's $194 for every single person in the country.

This stock option tax dodge isn't a new discovery. Sen. Carl Levin of Michigan has been trying to get corporations to expense stock options since the early 1990s. He recently introduced a bill with Sen. John McCain of Arizona that would require that companies show the same set of books to shareholders and the government.

In 1994, Levin almost got a similar bill passed. But he was defeated at the last moment by an overwhelming barrage of corporate lobbyists. Had it passed, the bill might have discouraged the use of stock options, removing a powerful incentive for executives to cook the books. Who knows? Maybe the stock market bubble, and the crash, might have been averted.

Notions of fairness get short shrift when it comes to economics. Market fundamentalists scoff at those who argue that, regardless of how well a company or the stock market appears to be doing, it is simply "unfair" that CEOs are making 400 times as much as workers.

But it turns out that the CEO-worker wage gap was like a warning light on the U.S. economy's dashboard, flashing "unfair - unfair - unfair." If investors had heeded that warning light, they might have pulled over and checked the engine. Perhaps they would have probed into the accounting treatment of stock options, and how those options set up incentives that put their own investments at risk. Maybe they would have questioned the sky-high value of the stock market itself.

If we're smart, next time we'll pay more attention to that "unfair" warning light and get the economy repaired before we're stuck with another trillion-dollar repair bill.

*****

Chris Hartman is research director of United for a Fair Economy, a Boston-based national, independent, nonpartisan organization that puts a spotlight on the dangers of growing income, wage and wealth inequality in the United States and coordinates action to reduce the gap. Visit: www.FairEconomy.org.

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Doonesbury

● Gary Trudeau