

# Opinion



**Free Press  
Viewpoint**

## Will bailouts work? Track record is OK

What does it mean to the American economy when the government has to bail out our largest banks, insurance companies, brokerages and manufacturers?

We're in deep trouble this time, of course.

That much is obvious.

The taxpayers' bill is past \$1trillion already, and the meter just keeps on running.

Before this ends, the government may well own a big chunk of Citicorp and other big banks, of General Motors, Ford and Chrysler, of insurance giant AIG and of a host of other firms "too big to let go down."

First of all, can this work?

Actually, the government's track record in rescuing big firms is not all that bad, nor has it cost us much money in the end.

When the government bailed out Chrysler Corp. in the 1979 with \$1.2 billion in loan guarantees, the effort was at least a qualified success. Chrysler went on to become a relatively stable firm, though not one fated to make its way in the world. It was bought up by the big German automaker Benz, but even the Germans could not make a winner out of the No. 3 U.S. manufacturer.

After being cut loose to fend for itself, Chrysler quickly faltered. The economic nose-dive the U.S. has suffered this year is not something it, or possibly any of the Big Three, could survive.

Call that one at least a temporary success. We got our money back.

When the eastern railroads were broke in the 1970s, the government formed Conrail in 1976 to "rationalize" the system. Armed with authority to cut away unneeded lines and unprofitable passenger trains, the new railroad began to rise. A crack management team made it a winner. Eventually, the two big eastern carriers bought Conrail and divided the spoils.

Had it remained independent, Conrail would have been a real success. As it was, though, the government's goals were met. The rail system was pared back and began to make a profit. Today, the eastern railroads — once a drag on the economy — are a profit-making business.

So call that one a success.

Can the government save GM or Citicorp?

Who knows. Today, the need for cash is so huge, the number of firms in trouble so large, that even Uncle Sugar may run out of cash.

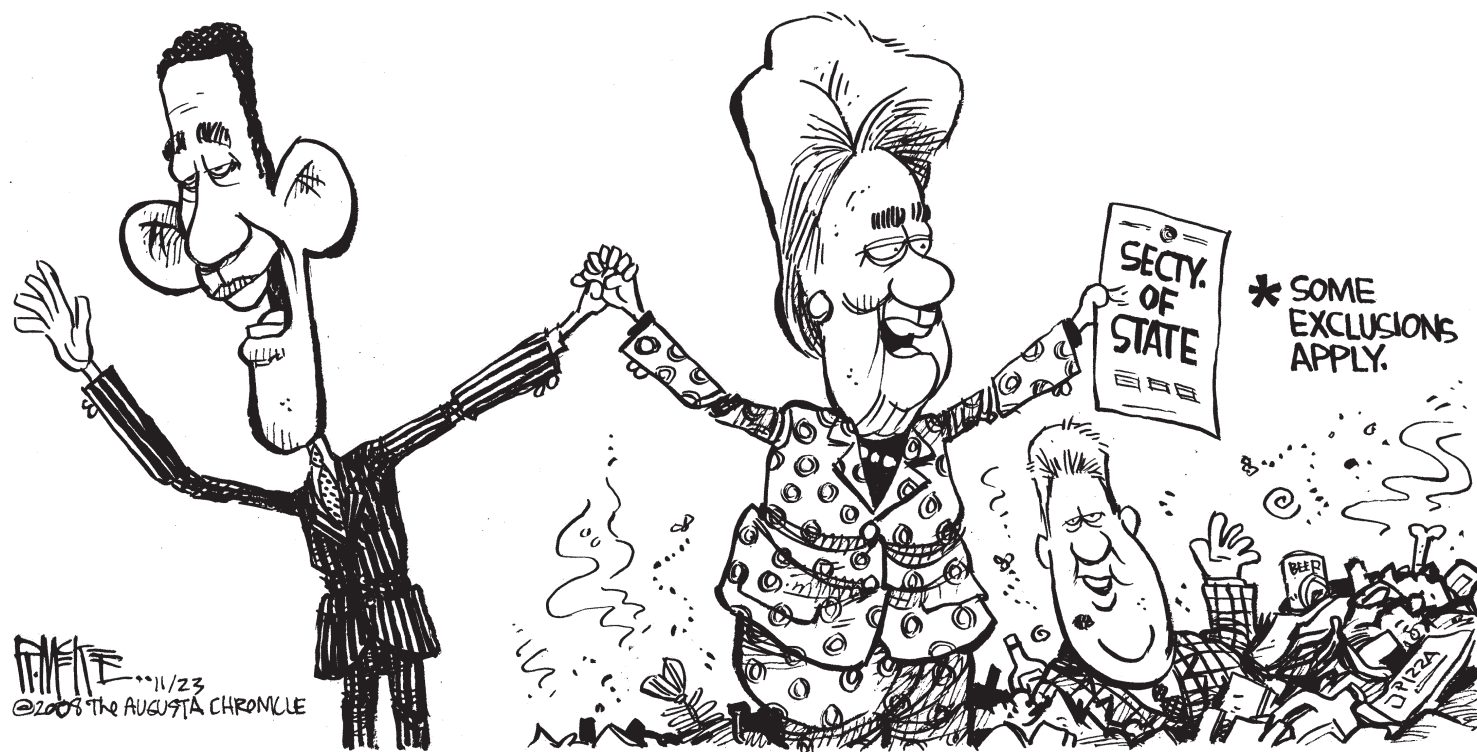
Should we care?

Economist and experts differ. Some say we simply cannot afford to let so many key players fail. If GM goes down, for instance, thousands of suppliers, dealers and other related firms may follow. The entire domestic auto industry may disappear, and with it the country's best remaining industrial jobs.

Others say bankruptcy is the only way to wash years of poor management, union power and bad decisions away. Purists say only the market can decide who lives and who dies.

Yet so far, the record for government bailouts is fairly positive. So pick your medicine. Chances are you'll be paying for it, one way or the other. — *Steve Haynes*

# CHANGE\*



## Call for 'copter brings flashback

A little boy was hurt Sunday afternoon, far from a hospital or medical care.

Steve and I listened as the ambulance sped to the scene, followed by a doctor and nurse in a private car. Then there was the long wait for the helicopter.

I could imagine the worry, agony and self recriminations of those who loved and cared for him.

I know because I've been there, and those were some of the longest hours of my life.

You don't need to have taken drugs to have flashbacks.

Our son was 6 when we took a picnic to the mountains. While the children played outside and Steve went fishing, I sat in the car reading.

I looked up as one of the girls screamed to see my son lying motionless on the ground beside a the canyon wall. He must have been climbing and fallen. My heart nearly stopped. Was he dead? Was he breathing? Would I be strong enough to perform cardiopulmonary resuscitation if I had to?

I was a licensed emergency medical technician and had unsuccessfully performed the life-saving technique three times, but always on adults, always on strangers.

He had fallen and hit his head. He was breathing but unconscious.

I sent one of the girls up the road to find their father, who luckily was on the way back to the



**Cynthia Haynes**

• Open Season

car. That was in the days before cell phones, and the only way to get help was to go to town and get it. So, Steve took the car and girls into town while I stayed with our son, who had not regained consciousness.

I braced myself for a long wait. We were several miles from town, and the ambulance service is all volunteer. It would take time for Steve to get there, a crew to be summoned and the ambulance manned.

Sooner than I dared hope, however, he was back, and then the ambulance arrived. Our son was stabilized and loaded for the long trip — more than 40 miles — to the hospital. When we finally got there, we had to wait for the helicopter which would take him to Children's Hospital in Denver. He had a depressed skull fracture and would require immediate surgery.

Steve took off for Denver, an endless five-hour drive, and I stayed at the hospital in the mistaken belief that I could go with our son.

Not only couldn't I go with him, the aircraft he was to use had to detour to Colorado

Springs to pick up a State Patrol officer who had been hit by a car.

That meant more delays, more lost time, more worry. At least now he was in the hands of the doctors and nurses and not lying motionless on the side of the road.

Steve had said he would stop halfway to Denver at some friends' home and call to see how son was doing. I was able to catch him and make him stay there while I got my car and drove to meet him. The doctors at Children's were already looking for us to get permission to operate.

The drive by myself was excruciating. I was a terrible mother, I told myself. How could I let this happen? Oh Lord, why?

Being with Steve helped a lot. He assured me, reassured me, and we held on to each other. But it was a long trip and I always recall arriving in the city and getting stopped at a railroad crossing by the world's longest, slowest coal train.

Our son came out of the incident with some fancy scars on his face and scalp. He was one lucky young man, and I pray that the boy hurt this weekend will be as lucky.

*Cynthia Haynes, co-owner and chief financial officer of Nor'West Newspapers, writes this column weekly. Her pets include cats, toads and a praying mantis. Contact her at c.haynes@nwkansas.com*

## World needs to face new reality

Americans are living in exciting and uncertain times. The world is more interconnected than ever before. Since the Soviet Union fell in 1991, free-market economics has swept across the globe, connecting tiny, poor countries to large industrial countries like the United States and Britain.

This is a good thing overall. Free markets allow for the newest goods and services, the most recent technological innovations and the newest scientific discoveries to be transferred around the world so everyone can benefit.

There is no doubt that the free-market has lifted millions of people out of poverty over the years. And if countries can craft trade agreements that seek to do the most good for the most people, then globalization could have huge effect on the poor. A fair and just global trading system could lift millions of people out of poverty.

But unfortunately for the world's poorest people, the governments of many of the wealthy nations and some of the governments from the poorer nations have chosen policies that favor special interests over humane agreements that cater to people who are struggling to even get on the first rung of the economic ladder.

Not only are the richer nation not doing enough to combat poverty, but powerful multinational corporations are still doing business according to the myth that as long as everyone tries to become as rich as humanly possible, then in the end everyone's living conditions will improve.

These misguided ideas will lead to continuing poverty stemming from financial imperialism and ecological disasters. Poverty coupled with environmental disasters can lead to failed



**Andy Heintz**

• Wildcat Ramblings

states that can easily be infiltrated by terrorists. Wealthy nations like the U.S. ignore the poor and the planet at our own peril.

In a world where everyday people's lives are becoming more intertwined due to globalization, it's not possible for our country to isolate itself from the troubles facing the rest of the world.

I am convinced that the policies pushed by the acolytes of Adam Smith and Milton Friedman need to be rejected in favor of a new capitalism that treats consumers, workers and the environment with the same respect it gives to shareholders. Today's capitalism is too distorted and unjust to deal with the problems of poverty, diseases and environmental destruction.

In his book *Creating a World Without Poverty*, Nobel Peace Prize winner Muhammad Yunus, writes "Mainstream free-market theory suffers from a 'conceptualization failure,' a failure to capture the essence of what it is to be human.... The presence of multi-dimensional personalities means that not every business should be bound to serve the single objective of profit maximization."

This is a simple, yet inspiring concept. While most of us are aware that there is more to life than money, the media and the marketplace are always trying to persuade us that the only way to be a winner in this society is to run your

business or government strictly for profit maximization. For the sake of the world's poorest people and our country's national security, this narrow-minded way of thinking needs to end.

The markets need to be restructured to reflect two things:

The first is that people are multi-dimensional beings who are not solely driven by the pursuit of wealth. A capitalist system that worked for profit alongside businesses dedicated to alleviating poverty would be a welcome change to today's investor- and shareholder-dominated market, where corporations scan the globe to find where the workers' rights are weakest and labor cheapest.

The second thing economists and politicians need to realize is that ecological and economic issues can no longer be separated from each other. The global community must synergize these two subjects if we want to prevent economic and ecological catastrophes. The people of this world face a myriad of environmental problems, including impending water shortages, massive desertification, collapsing fisheries, global warming, overpopulation and deforestation. Ignoring these problems will only hurt us in the long run. It's about time we realized that we can no longer use finite resources in an unsustainable manner and expect everything to be OK. This is why the environment needs to play a key role in the shaping of global economic policy. Now more than ever, today's economics needs to be restructured so it tells the ecological truth.

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