

Free Press Viewpoint

Taxes may slow pace of recovery

A Washington reporter noticed this week that rising unemployment taxes, needed to pay for ever-growing unemployment rolls, might be slowing the economic recovery by keeping employers from hiring more workers.

"Some employers say the extra costs make them less likely to hire," the Associated Press reported. "That could be worrisome ... because small businesses create about 60 percent of new jobs."

Demand has drained the jobless funds of many states, the story says, and nearly half have had to borrow from the federal government.

Most states reset unemployment insurance rates at the end of the year, based on claims, and most apparently plan to raise taxes to pay the bills. The shortfall is estimated at something like \$42 billion.

Tough choice: recovery and more jobs, or jobless pay and higher taxes.

And that ain't the half of it.

Unemployment is in double digits for the first time in 25 years, and unemployment among teens topped 25 percent this summer. For black teens, the rate was 37.5 percent.

Why?

Maybe the huge increases in the federal minimum wages authored by the Democrats in Congress has something to do with it. Employers can't afford to pay teens with little or no experience big bucks. When the minimum wage goes up, what do they do?

Hire fewer, more experienced people. And teens, especially minority teens, get left out.

Of course, the big unions pushing for a higher base care mostly about their members, not the marginal job-seekers, mostly kids, who get minimum wage.

And then there's the \$1 trillion Congress wants to spend on health care. It sounds like a great idea to improve coverage for everyone and bring everyone into the tent, but someone has to pay that bill.

Business owners suspect, in the end, it won't be the rich who get soaked, but them.

Again, the answer is to keep hiring to a minimum and reduce exposure to new or increased taxes. No one is going to create a job just to see costs soar.

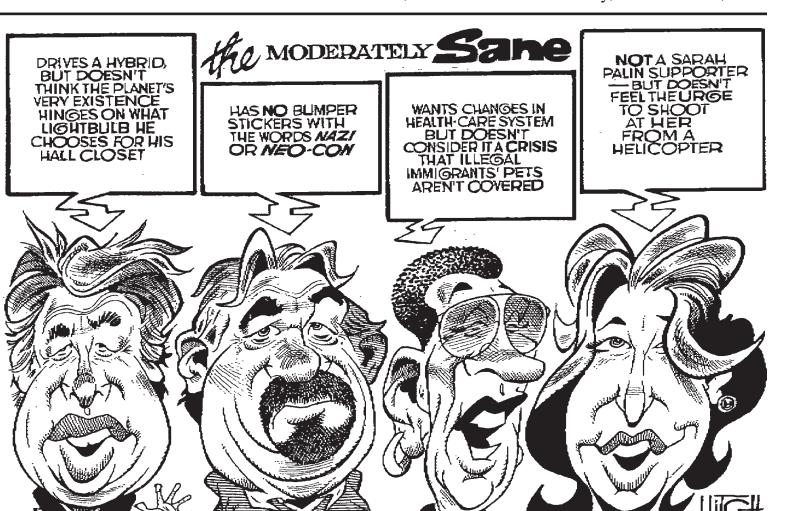
Week after week, economists complain that even with the recovery underway, the country just isn't creating new jobs. You see stories about the "jobless recovery" and predictions that double-digit unemployment will linger for years. Federal Reserve Chief Ben Bernanke said as much Monday.

But Congress and the Administration, when not busy rewriting the health-care bill, are stimulating the economy.

Why isn't it working?

Could it be that we've simply made hiring too expensive, and too risky, for the average company? Certainly for small business, where most jobs grow.

Our prediction, the hard-line Democrats running Congress



It's time to check up on those kids again

I'm getting excited. We're going to go see our children.

We get to see our son for short periods three to four times a year. He lives in Lawrence but works nights, so his schedule is pretty much opposite ours.

As a result, we see him - usually for supper - when we're in the eastern part of the state for some reason.

I always take him piles of leftovers, which he happily accepts, since he's a bachelor and it's hard to cook for one.

This time, I've got little plastic containers of chili, cheese soup, meat loaf, green chili and fried chicken. There is also a package of venison summer sausage, compliments of his cousin Andy, who likes to hunt and got his deer this fall.

After feeding our son, we will get on a plane and fly to Augusta, Ga., to see the girls and their husbands.

Both husbands have changed jobs since we saw them last. They used to work together, but now they both work at home for different Internet companies.

Of course, we want to know how the new jobs are going.

While both guys work at home, they each



have to spend about one week a month at their respective home office. Nik's is in Orlando and Brad's is in a Virginia suburb of Washington.

Oldest daughter still has her job at Morris Digitalworks, the Internet division of the company which owns the Augusta Chronicle and several other newspapers. She lost one of her best programers when Brad took the new job.

Youngest daughter is a librarian and teacher for the Medical College of Georgia. She gets to tell would-be doctors what to do. I love it.

We don't usually go to see the girls except in the spring, but this year we're making an extra trip to see little "Ella."

Youngest daughter is expecting our first grandchild around the first of April and Steve and her sister are just convinced it's going to be a girl.

We'll know the truth of that conviction in a c.haynes @ nwkansas.com

couple of weeks.

I asked youngest daughter if she wanted to know the sex of her child. She said absolutely, adding that she has a hard time not opening her Christmas presents when they arrive. There was no way, she said, that she wasn't going to find out that particular detail.

The sonogram is slated for while we are there.

Steve keeps asking about "his granddaughter." (He claims to have no reason for this, saying it's "just a hunch.") Big sister Felicia started calling the baby Ella, her grandmother's middle name. It also happens to be the name we had chosen for our third child, should we have had a girl.

I don't know what the kids will call their baby. It could be Ella or Bunny or Charity or maybe Steve's wrong and it will be Brad Junior.

But whatever the baby's name, there are a lot folks eagerly waiting its arrival.

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

Energy predictions uncannily acurate

want things their way and don't much care. If you have a job, hang onto it. *— Steve Haynes*

We encourage comments on opinions expressed on this page. Mail them to the Colby Free Press, 155 W. Fifth St., Colby, Kan., 67701, or e-mail colby.editor @ nwkansas.com.

COLBY FREE PRESS

(785) 462-3963

155 W. Fifth St. Colby, Kan. 67701

fax (785) 462-7749 Send news to: colby.editor @ nwkansas.com

(USPS 120-920)

State award-winning newspaper, General Excellence, Design & Layout, Columns, Editorial Writing, Sports Columns, News, Photography. Official newspaper of Thomas County, Colby, Brewster and Rexford.

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THE COLBY FREE PRESS (USPS 120-920) is published every Monday, Wednesday, Thursday and Friday, except the days observed for Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day, by Nor'West Newspaper 155 W. Fifth St., Colby, Kan., 67701.

PERIODICALS POSTAGE paid at Colby, Kan. 67701, and at additional mailing offices. POSTMASTER: Send address changes to Colby Free Press, 155 W. Fifth St., Colby, Kan., 67701

THE BUSINESS OFFICE at 155 W. Fifth is open from 8 a.m. to 6 p.m. Monday to Friday, closed Saturday and Sunday. MEMBER OF THE ASSOCIATED PRESS, which is exclusively entitled to the use for publication of all news herein. Member Kansas Press Association and National Newspaper Association.

SUBSCRIPTION RATES: In Colby, Thomas County and Oakley: three months \$35, one year \$85. By mail to ZIP Codes beginning with 676 and 677: three months \$39, one year \$95. Elsewhere in the U.S., mailed once per week: three months \$39, one year \$95. Student rate, nine months, in Colby, Thomas County and Oakley, \$64; mailed once per week elsewhere in the U.S. \$72

Not since the Great Depression have Kansas families, workers and businesses faced the severity of financial troubles that we are seeing today. I am deeply concerned by the challenges and struggles being experienced by each and every Kansan.

This recession has also decimated state revenues. Kansas has never had two consecutive years of revenue declines; so it is incredible that we are now entering our fourth straight year of shortfalls. As a result, the legislature and I have cut nearly a billion dollars from our six billion dollar budget.

This past week, as shortfalls continued and our deficit grew. I had to make another \$260 million in cuts to keep our budget in balance. I could have called a special legislative session and put the burden on our legislators, but I saw no point in that. A special session would have cost additional taxpayer money and shifted the responsibility to the legislature. Governors should lead and I'm honored to meet that responsibility, so I've made these cuts and adjustments myself.

I entered this budget cutting process with two principles: the first is that the solution we would reach would be a shared solution. Everyone must pull together; we must work towards ushering Kansas through this difficult time. The second is that we would make cuts that are undeniably painful, but not crippling. Unfortunately, this second principle can no longer be achieved.

We have passed the point of crippling cuts.



The cuts I had to make this latest round are so severe that basic state functions are now in jeopardy. In some areas, such as education, it is clear that if revenues do not recover we will see permanent damage done to our most critical assets.

As a result of these cuts, children's classrooms will be overcrowded, creating an environment in which learning is a challenge for every student. Some districts will be forced to lay off teachers and close schools. The arts, athletics and extracurricular opportunities that make our schools and communities great may be a thing of the past.

This latest round of cuts means that our Universities will have fewer professors, will offer fewer classes, and will see higher tuition. Universities are critical investments in our future, but this investment is now in peril.

This latest round of cuts means that supervision of released prisoners will decrease, that waiting lists for services for the most disabled in our state will grow, and the quality of our roads will deteriorate.

waste in government could be found, I agree. As anyone with a business can tell you, when times are tough it is easier to find efficiencies and savings. But we are beyond that point now. We have cut every ounce of waste, streamlined every program and squeezed every last saving we could find - we are now cutting basic services.

If I've consistently demonstrated one thing over the last seven months, it is that I am fiscally responsible. I am now personally accountable for more cuts in Kansas government than any single person in our state's history. This is not the legacy I ever thought would be attached to my name. I entered into public service to strengthen our schools, not fracture their very foundation.

Kansas can't do well if we don't invest in our public schools and universities. Kansas can't do well if we don't invest in our roads and infrastructure on which a strong economy relies. Kansas isn't safe if we're at the point where we are forced to continue to cut public safety. And Kansas just isn't Kansas if we're not willing to provide a minimal safety net to our most vulnerable citizens.

As I said on Monday, we cannot make it through this recession by cutting ourselves into an incurable position. When the Legislature returns in January, together we must look towards building a solution for the years ahead or else we will permanently damage the foundation of our state.

For all those who felt that in good times,

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