

EDITORIALS

# Guthrie's bill would improve U.S. business

OUR VIEW

Increasing production and competitiveness for American manufacturers in this country should be every American's goal.

U.S. Rep. Brett Guthrie, R-Ky., believes this can be done and has introduced a bill in the House of Representatives that could make these goals a reality if it passes both chambers of Congress and is signed into law.

The REBUILD Act of 2013 is a multifaceted approach, with elements that include investing in training programs that will match skills needed by industry, expediting the process for comprehensive tax reform, expanding offshore oil and gas production and limiting action from the Environmental Protection Agency that would negatively affect the economy.

The idea behind the REBUILD Act is to make sure that America is "the best place in the world to do business," Guthrie said.

Guthrie is right, and he's a man who knows about business. Guthrie's family owns Trace Die Cast in Bowling Green. It is a true American success story. When Guthrie's dad lost his job with Ford in 1982, his father used his experience and training to start the company and developed it into the successful business it is today.

Through his experience with Trace Die Cast, Guthrie has seen the importance of

employees who pursue training and learn skills.

Another part of this bill that we support is the provision that calls for the repeal of the Affordable Care Act, or "Obamacare."

Guthrie says every business he talks to says they have to make decisions based on the health care law. In its place, the act would establish a legal framework for consumers to buy health insurance across state lines.

The congressman says the idea behind this bill is to tackle the issues of developing the American workforce and spurring production in a comprehensive way.

Another section of the bill calls for expedited passage of tax reform if the Joint Committee on Taxation finds that such reform would transition to a corporate tax rate that is more globally competitive and reduce complexity and eliminate special interest loopholes.

This would be great for Bowling Green and Kentucky businesses, which are already at a disadvantage compared to many businesses overseas because they pay a higher tax rate.

This competitive disadvantage is simply harming our businesses.

This needs to change - all the more reason for members of Congress to get behind Guthrie and his legislation.

# Be careful in dealing with Iraqi president

The Obama administration has consistently placed excessive faith in Iraqi Prime Minister Nouri al-Maliki, who is scheduled to meet the president at the White House on Friday. Ignoring warnings that he harbored a sectarian and authoritarian agenda, U.S. officials supported his formation of a new government after elections in 2010. That's largely because President Barack Obama and his aides were narrowly focused on the goal of smoothly withdrawing all U.S. troops from Iraq by the end of 2011; the future of the fragile Iraqi political order, established at enormous cost in U.S. lives and resources, came second.

The withdrawal was completed as scheduled, but in the last year Iraq has plunged anew into sectarian warfare. Al-Qaida, largely defeated by U.S. and Iraqi forces in 2007-08, has strongly resurged and more than 7,000 people have been killed this year, according to the United Nations. The new warfare has been triggered in part by the civil war in Syria. But Maliki also bears responsibility for the breakdown: By persecuting the Sunni and Kurdish communities and undermining institutions such as the parliament and courts, he has done much to polarize his country.

Now, visiting Washington for the first time in two years, Maliki is pleading for stepped-up U.S. security assistance - and again the Obama administration appears inclined to overlook his toxic behavior. While he acknowledges that Iraq's political problems need to be addressed, the administration is, as The Washington Post's Anne Gearan reported, quiet-

ly supporting Maliki's bid to win congressional approval for a sale of Apache attack helicopters and increased sharing of surveillance and other intelligence.

Administration officials, like Maliki, argue that the aid is in the United States' interest because of the growing threat posed by al-Qaida on both sides of the Iraq-Syria border. That menace must be addressed, not just in Iraq but also in Syria, where Obama has doubled down on a policy of passivity. But supplying Maliki with more air power might make the trouble worse. Helicopters have an ugly history in Iraq: They were used by Saddam Hussein to slaughter civilians. Mr. Maliki already dispatched security forces to attack a Sunni protest encampment this year. How can Iraqis be sure more air power will not be used against Sunni civilians rather than al-Qaida targets?

Such confidence could come only if additional U.S. aid to the Maliki government is preceded by a major change of political direction. The Iraqi leader must fulfill his frequent promises to reach accords with Sunni and Kurdish leaders on such matters as the country's internal borders and the sharing of oil revenues. He also must ensure that elections scheduled for next year will be free and fair.

As it is, Maliki appears to hope that his meeting with Obama and a pledge of more aid will help propel him to another term in office. He doesn't deserve such an endorsement.

- The Washington Post



# Is Grandma for real?

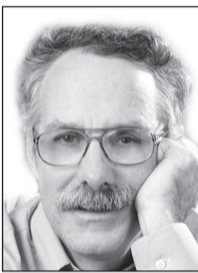
We have to stop using the elderly as a political football; if not, change for the better won't happen

"Never underestimate the difficulty of changing false beliefs by facts."  
 - Henry Rosovsky, Harvard economic historian

WASHINGTON - Two analysts at the Federal Reserve Bank of St. Louis have produced an important study that should (but probably won't) alter the climate for Washington's stalemated budget debate. The study demolishes the widespread notion that older Americans need exceptional protection against spending cuts because they're poorer and more vulnerable than everyone else. Coupled with the elderly's voting power, this perception has intimidated both parties and put Social Security and Medicare, which dominate federal spending, off-limits to any serious discussion or change.

It has long been obvious that the 65-and-over population doesn't fit the Depression-era stereotype of being uniformly poor, sickly and helpless. Like under-65 Americans, those 65 and over are diverse. Some are poor, sickly and dependent. Many more are financially comfortable (or rich), in reasonably good health, and more self-reliant than not. With life expectancy of 19 years at age 65, most face many years of government-subsidized retirement. The stereotype survives, because it's politically useful. It protects those subsidies. It discourages us from asking: Are they all desirable or deserved? For whom? At what age?

No one wants to be against Grandma, who - as portrayed in the media - is kindly, often suffering from some condition, usually financially precarious and somehow needy. But projecting this sympathetic portrait onto the entire 65-plus population is an exercise in make-believe and, frequently, political propaganda. The St. Louis Fed study refutes the stereotype. Examining different age groups, it found that since the financial crisis, incomes have risen for the elderly while they've



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dropped for the young and middle-aged.

The numbers are instructive. From 2007, the year before the financial crisis, to 2010, median income for the families under 40 dropped 12.4 percent to \$39,644. For the middle-aged from 40 to 61, the comparable decline was 11.9 percent to \$56,924. Meanwhile, those aged 62 to 60 gained 12.3 percent to \$50,825. For Americans 70-plus, the increase was 15.6 percent to \$31,512. (All figures adjust for inflation and are in 2010 "constant" dollars. The "median income" is the midpoint of incomes and is often considered "typical.")

There has been a historic shift in favor of today's elderly. To put this in perspective, recall that many family expenses drop with age. Mortgages are repaid; work costs vanish; children leave. Recall also that incomes typically follow a "life cycle": They start low in workers' 20s, peak in their 50s, and then decline in retirement, as wages give way to government transfers and savings. Against these realities, the long-term gains of the elderly and losses of the young are astonishing. From 1989 to 2010, median income increased 60 percent for those aged 62 to 69 while falling 6 percent for those under 40 and 2 percent for those 40 to 61.

Just why this happened is less clear. Economist William Emmons, a study co-author, suggests some possible factors: more college graduates among retirees; more stable and generous Social Security benefits; pensions.

# Food stamp program cuts reveal congressional hypocrisy

For decades, I've proudly asserted that "nobody starves to death in America." The comment has been addressed to acerbic critics of the American government, often foreign visitors, who insist that the United States is a mean-spirited place that casts aside its weak and fragile citizens.

I still contend that nobody starves to death here, but I've had to modify my claims about the country's social safety net. Even if no one dies for lack of basic nutrition, plenty of people go to bed hungry every night. And if Congress' harsh Republican caucus has its way, some may starve.

That's because the band of ultraconservatives who control the House are bent on deep cuts to the Supplemental Nutrition Assistance Program, otherwise known as food stamps. They passed a farm bill laden with welfare for farmers, but they left out one of its biggest traditional components: food stamps. It was the first time since 1973 that the nutrition program had been left out of the farm bill.

Now, negotiations have started between the Senate and the House to try to reconcile the upper chamber's more charitable version with the one the lower chamber put together. It will be a tough slog since the two bills are billions of dollars apart. The Senate wants to cut \$4 billion from SNAP over 10 years, while the House wants to cut nearly \$40 billion.

Perhaps the most appalling thing about the farm bill presented by the ultraconservatives in the House is that it makes little pretense of cutting spending by ferreting out wastefulness or fraud, no feint at an all-out assault on the deficit. Instead, this is just a base and ugly assault on the working poor.



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Oh, conservatives claimed that their cuts to food stamps were in response to fraud, as their claque filled the airwaves with the same example of a carefree California surfer enjoying his "wonderful" life on food stamps. They neglected to point to government data which show that SNAP is among the most efficient of government programs, with fraudulent spending restricted to about 2 percent of its budget.

Meanwhile, the same conservatives have said nothing - nothing - about the millions of dollars in fraud related to farm subsidies. A June audit by the Government Accountability Office found that millions of dollars in subsidies have been sent to farmers who've been dead for at least a year. That's just the illegal stuff.

That doesn't touch the entirely legal fraud: The entire network of agricultural subsidies is a massive boondoggle, welfare to people who hardly need it. While conservatives hector the working poor about their alleged laziness, some agricultural programs pay farmers not to plant. Why don't Fox News and Rush Limbaugh ever talk about that?

Farmers hardly need the money. (Forget about the struggling family farmer of lore. He

Whatever the causes, similar patterns affect families' net worth. The young and middle-aged, with high debts and wealth concentrated in housing, suffered huge losses from the financial crisis. With less debt and more diversified investments, older Americans fared better. From 1989 to 2010, the median inflation-adjusted net worth of those 70 and over rose 48 percent to \$209,290. During the same years, the net worth of those under 40 fell 31 percent.

The political implications of these trends are clear, though Emmons and co-author Bryan Noeth avoid policy. We need to stop coddling the elderly. Our system of aid to the elderly - mostly, Social Security and Medicare - has a split personality. On the one hand, it serves as a safety net for the elderly by providing crucial income support for the poor and near-poor as well as health insurance. On the other hand, it provides payments to millions of already-comfortable older Americans who could get along with less or, for some, don't need subsidies. We ought to preserve the system's safety-net features, while gradually curbing the outright subsidies.

The idea that Social Security and Medicare spending should be defended to the last dollar - as advocated by many liberals - is politically expedient and intellectually lazy. Rather than promote progressive ends, as it claims, it prevents government from adapting to new social and economic circumstances. It's a growing transfer from the young, who are increasingly disadvantaged, to the elderly, who are increasingly advantaged.

But political change needs honest debate, and honest debate needs a willingness to accept unpopular facts over friendly fictions. It requires that people who candidly pose difficult choices not be stigmatized. As long as Grandma is the poster child for the elderly, that won't happen.

has largely disappeared.) Earlier this year, the Agriculture Department projected that farm income in 2013 would be \$128.2 billion, the highest since 1973.

One of the more egregious examples of the sheer hypocrisy surrounding the debate over the farm bill was revealed by The New York Times, which wrote about U.S. Rep. Stephen Fincher, R-Tenn. He voted for the bill that eviscerates SNAP, but he received nearly \$3.5 million in farm subsidies from the government between 1999 and 2012, according to the Times.

"We have to remember there is not a big printing press in Washington that continually prints money over and over," he said, apparently without irony.

Conservatives claim to be alarmed by the dramatic increase in food stamp outlays, up 77 percent since 2007 to a record high of \$78.5 billion in fiscal year 2012. (The SNAP program is already scheduled for a 5 percent cut as a provision related to the 2009 stimulus bill lapses.) But that's because so many more people are struggling to make ends meet.

The Great Recession accelerated a trend that has hollowed out the middle class, leaving many Americans without college degrees in a downward spiral. The U.S. Department of Agriculture estimates that nearly 49 million Americans are "food insecure" - bureaucrats that means they don't have enough to eat.

If we aren't willing to see to it that they have basic nutrition, I'll have to reconsider what I believe about my country.

LETTERS POLICY

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Mallard Filmore

