

To shrink deficit, repeal sequester

According to a recent Gallup poll, a lot of us Americans – 51 percent – don't know enough to judge whether the automatic cuts in the budget put in place last Friday are a good or a bad thing for the country.

The remainder tilt toward negative evaluations of the sequestration's impact on the country, by 30 percent to 18 percent. Similarly, the majority of Americans don't yet have enough information to judge sequestration's impact on themselves personally, but among those who do, the tilt is negative, by 26 percent to 17 percent.

Count us among the pack that is tilting negatively. We certainly aren't in a position to claim exactly how the sequestration may affect us here in Vermillion, or the impact it may have on our fellow South Dakotans.

We know one thing – while it's hard to argue with a cut in spending in an era where Washington, DC seems to reach new levels of fiscal irresponsibility, the sequestration is a dumb way to trim federal spending.

We also know the federal government plays a very important role in the economy, in employment, in supporting consumption and investment, and in building and running the infrastructure that enables commerce.

It's still early. The sequestration, now only a week old, really hasn't had time to have much of an effect on our daily lives. We're waiting, as time marches on and Congress and the Obama Administration make no progress toward a compromise, for the full brunt of the cuts to hit.

We suspect things could become unpleasant in the near future. Needlessly.

The whole point of the sequester was to cut the deficit – meaning the difference between what the government makes in taxes and what it spends. Yet through natural forces, the deficit has *already* been cut by essentially the same amount the sequester would cut.

This seems to have escaped everyone, according to Daniel Gross, a columnist for The Daily Beast.

He notes that when the sequester was set in motion in the summer of 2011, the government was about to complete its second straight fiscal year with a \$1.3 trillion deficit.

This deficit followed a slump in the economy of which we are all aware. Tax revenues from payroll, income, and corporate taxes fell. At the same time, spending on unemployment benefits rose and the political system provided stimulus through tax cuts or higher spending.

That all happened in the 2009-2011 period. So the deficit quickly grew by big leaps and chunks.

Gross points out that the opposite can also happen. When the economy improves, and more people go back to work, receipts from corporate, payroll, and income taxes rise at the same time that money spent on unemployment benefits decline.

That means the deficit can decline quickly.

Plus, in January 2013, taxes rose significantly. The Social Security payroll tax rose from 4.2 percent of income up to \$113,700 to 6.2 percent (that's an increase of almost 48 percent), while taxes on very high earners rose a few basis points.

According to the Treasury Monthly Statement for January, through the first four months of fiscal 2013 the government has collected \$468 billion in individual income taxes, up 15.8 percent from \$404 billion in the first

four months of fiscal 2012.

Also, through the first four months of fiscal 2013, social insurance and retirement taxes (Social Security, Medicare) came in at a

\$254.9 billion, compared with \$241.1 billion in the first four months of fiscal 2012 – an increase of \$13.8 billion, or 5.7 percent. So far this fiscal year, the combined receipts of taxes tied to jobs and employment are \$723 billion, up \$77.9 billion from \$645 billion in the first four months of fiscal 2012. That's a 12 percent increase.

Rising payroll-tax collections and declining unemployment have produced \$86 billion of deficit reduction in the first four months of fiscal 2013 – which is almost exactly the amount the sequester hopes to achieve.

Let me repeat that – rising tax collections and declining employment have produced \$86 billion of deficit reduction in the first four months of fiscal 2013.

Let's assume that these trends continue through the remaining eight months of this fiscal year. Gross notes that if employment-related taxes rise and spending on unemployment benefits declines at these same rates, it will mean an extra \$228 billion in revenue in fiscal 2013 compared with fiscal 2012, and \$21.6 billion less in spending on unemployment benefits – or \$249.6 billion in deficit reduction. That's *three times* the amount of deficit reduction the sequester will produce.

The sequester wasn't needed. Our economy was doing a fairly good job of hitting on all cylinders. Our economic recovery has been slow, we'll acknowledge. But the ship of state, once moored, seemed to be charting a course in the right direction.

We can't help but wonder if that grand ship, slowly gaining steam, may eventually become the equivalent of that ill-fated Carnival Cruise – adrift, with no power, and lots of unhappy people on board. That may be end result of the sequester.

Maybe the smart thing to do is simply repeal the sequester, and watch as the deficit keeps shrinking on its own.

BETWEEN THE LINES



DAVID LIAS
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Ode: Follow me to tomorrow

"All the complicated details of the attiring and the disattiring are completed..." From "Winter Trees," a poem by William Carlos Williams

Supersaturating barrenness, hoar frost emerges gently from a clear frigid eve, dressing every hanging limb and twig with an intricately frozen chemistry between air temperature and moisture content.

Born thick and snow-like, these interlocking ice crystals appear as spiny feathers. Sublimely rendering a smoky backdrop from far off to the near, an elaborately stretched white canvas dazzles before me.

Seldom does one witness such rhapsodic finery – a ripe orchard of ubiquitous plurality.

Nudged now and then by slight breezes, courtly flakes trickle across the faded blue canvas of sky. Crisply-designed artist's masterpieces, each one triumphantly dances over air, delicately suspended on tiptoes.

An ethereal acolyte, hoar frost serves as a dewy standard-bearer for all that is true and right about Mother Nature.

Brisk embossed beauty, this, her gentler persona, ushers in the antidote to her other ill self – a much darker side, the manic, hungry one, waiting in the wings of springtime's stage.

Soon enough, when emboldened the Earth gradually turns and aims directly at

MY STORY YOUR STORY



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the sun, that one will come barreling forth, storming through, devouring daylight, breath and all that is familiar.

But for now, hoar frost, how I delight in your honeycombed presence. Celestial, holy, encased by wonder and peace, you are solemn delight.

Sophisticated purity, you are sweat equity mitigating piles of downtrodden drudgery left on my doorstep by winter's unyielding rigidity.

Your patterned grace outflanks all others. A re-coronation of the spirit, yours is not an empty gesture, but a promising rainbow – a covenant sign.

Oh, lyrical hoarfrost, your supernatural chorus angles softly through dawning light. Everywhere, frilly veils of maddeningly supreme artistry delightfully dangle.

Fresh, righteousness hoarfrost, cloaks trees, bushes and grass blades, threading them with gusto. Like a mighty marching band, vaulting the senses, ministering hope.

Symphonically serenading, secretly hemming us in with complex, yet strident serenity, saving us from wintry plight.

Like a new birth in the family, crystalline glazed droplets, mannered piously and prettily versed, hoar frost surprises and moves all who testify to its existence.

As sun rises, gaining strength, these radiant supernatural jewels, ever so regal in precision and stature, begin to wither and eventually will expire.

Hoar frost, a dismal name for such a temptingly beautiful gift of nature. Certainly, Champion Chariot, Queenly Guest or Shimmering Sojourner would be more suited.

"Don't leave," I cry, staring after its once regal, now diminishing stature. "Follow me into tomorrow, where we will waltz in singular motion to and fro in early morning light."

Not yielding to my beckoning soul, glistening hoarfrost, circles softly, spiraling away to disappearing.

Until next time, when supersaturating barrenness, hoar frost will emerge gently from a clear frigid eve, dressing every hanging limb and twig with an intricately frozen chemistry between air temperature and moisture content.

Hoar frost. Ethereal acolyte, dewy standard-bearer for all that is true and right about Mother Nature.

"All the complicated details of the attiring and the disattiring are completed..."

Greetings from Pierre:

Legislative session enters final week

By Ray Ring
District 17

One week left. The 2013 Legislative Session is rapidly coming to a close. All bills must pass both houses by Tuesday, March 5. The final three days are reserved for concurrence or conference committees. Sometimes the Senate and the House pass the same bill in different forms because of amendments made in one chamber but not the other. When that happens, one chamber agrees to accept the other's amendments (concurrence) or a conference committee works out the differences. In the latter case, the proposed reconciliation must be approved by the chambers. The Transportation Committee chair has named me to one conference committee.

Rosalyn Rasmussen from Viborg did an excellent job as a legislative page for the last two weeks. Pages keep busy with a multitude of important tasks, like keeping legislators' packets of bills up to date and distributing information during committee meetings and on the House floor. When I leave the House in the evenings, pages are often still there, updating materials for the next day's session. A page's term in Pierre is not a carefree break. It is an invaluable learning experience and an essential service to the state. We hope it also plants in some the thought of coming back some day as legislators.

I was also glad to greet USD students (and former USD colleagues who accompanied them) in the Rotunda for the "Pierre Poster Session." Each year undergraduate students from all state universities, as well as tribal and private colleges, present their research in the Rotunda. It's important that legislators see our students' accomplishments. This was doubly meaningful to me, since I sponsored students for "Pierre Poster Sessions" before I retired from USD.



Rosalyn Rasmussen, from Viborg, is pictured with Rep. Ray Ring. She served as a legislative page for the past two weeks.

(Courtesy photo)

Several of the issues I mentioned in earlier columns are coming to finality. This week the Transportation Committee killed two bills concerned with teen driving. One would have extended the time for an instruction permit; the other would have limited a teen's passengers except when they were driving to school and school-related activities. Based on research and other states' experience, I think both changes would reduce teen accidents, justifying the extra inconvenience to parents driving them to non-school activities. Fellow Transportation Committee members disagreed and both bills failed in committee. The committee did pass a ban

on teens with learners' permits and restricted licenses using wireless devices while driving. That bill comes up for a vote in the full House this Monday.

The school sentinel bill, allowing "school employees, hired security personnel, or volunteers" to have guns in school, passed the Senate this week and now goes to Gov. Dugaard. I still think it's a bad idea and hope the governor vetoes the bill. Please let the governor know how you feel about this.

The bill to provide Medicaid to pregnant undocumented immigrants has been delayed in the Senate. It should come up for hearing next week. The bill to increase income limits for all pregnant mothers was tabled by a Senate committee and hasn't made it to the House yet.

This week the Education Committee considered the bill to let school districts continue to divert Capital Outlay funds to current spending. It will come to the House floor this week. I still think it's bad policy, but will vote to let school districts meet their current needs until state decision makers live up to their obligations to adequately fund education.

So far we haven't seen much progress on expanding Medicaid. It defies common sense to pass up two billion dollars from the federal government because it will cost the state a few million dollars. It's inhumane for such a rich society to deny health care to poor people. It makes little economic sense to force people to go to the more expensive emergency room. It must make political sense, because eight Republican governors have changed their minds about expanding Medicaid. I hope our leadership sees the wisdom in the expansion soon. Please let your Legislative and executive leaders know your opinion.

I still need to hear from you, too: Rep.Ring@state.sd.us or (605) 675-9379.

PLAIN TALK POLL RESULTS

Massive federal budget cuts are set to take place March 1, unless Congress and the White House come to an agreement. Do you believe the cuts will occur?

Yes	47
No	7
Undecided	4
Total Votes	58

To participate in the Plain Talk's weekly poll, log on to plaintalk.net.

Vermillion

Since 1884 • Official County, City and School District Newspaper

201 W. Cherry, Vermillion, SD 57069 • Publication No. USPS 657-720

Publisher: Gary Wood • Editor: David Lias



Published weekly by YANKTON MEDIA, Inc. • Periodicals postage paid at Vermillion, SD 57069. Subscription rates for the Plain Talk by mail are \$27.56 a year in the city of Vermillion. Subscriptions in Clay, Turner, Union and Yankton counties are \$41.34 per year. Elsewhere in South Dakota, subscriptions are \$44.52, and out-of-state subscriptions are \$42. POSTMASTER: Send address changes to Plain Talk, 201 West Cherry Street, Vermillion, SD 57069.

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