

Opinions

The First Amendment

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

LETTERS TO THE EDITOR

Questions remain on Dogwood funding

Thanks for your editorial on the board of the Dogwood Health Trust. Your article responsibly said that the board would be required to distribute 5 percent of the proceeds each year.

There is an assumption that this is 5 percent of the total corpus of DHT. However, according to the IRS, they are only required to distribute 5 percent of the earnings or growth for the previous year. If DHT earned 10 percent on \$1.5 billion, they would earn \$150 million; but, only have to give away 5 percent or \$7.5 million which is far less than the touted \$75 million.

Now, the Board of DHT could give away 50 percent of its earnings in one year...but is this really likely? WNC may be in for a big disappointment with distributions that could be 5 percent of \$75 million. Assuming that DHT is organized as an IRS Foundation under 501 c-2 rules, perhaps other foundations that are IRS 501 c-2 could weigh in on what the typical distribution is based upon? If it is organized as a 501 c-3, then there may not be minimum requirements for 5 percent distribution, but an average of performance/earnings. What happens in a severely poor performing year?

Scott Rogers, Asheville

Living with our true past

Every time I read a column like Professor Derrick Matthews' Dec. 14 expressing outrage that the presence of monuments to Confederate soldiers and pleading for their removal, I think of the plight of the Cherokee from 1750 through 1840.

We wring our hands over the Trail of Tears and lament to each other how egregious the forced removal of thousands of Cherokee was from their homelands in North Carolina, Georgia, and East Tennessee.

Yet we celebrate the campaign of Gen. Griffith Rutherford whose 2,500 soldiers...all good "Patriots"...marched westward from Old Fort in September

1776 laying waste to 36 Cherokee villages, burning houses and crops, and taking slaves. A score of North Carolina historical highway markers show us the Rutherford Trace. What was Rutherford's campaign if not ethnic cleansing?

Following Prof. Matthews logic we should uproot all those markers, and while we're at it mount protests forcing Rutherford County and Rutherfordton to change their names. I would hold that the Cherokee people suffered much, much more severe predation than African-Americans.

We cannot rewrite history. In doing research in Wilma Dykeman's archives last week for a new book, I came across some of her marvelously apt statements about history. She urged us "not to live in the past but to live with it," "to study history so that we can make history," and to "learn from our roots to build tomorrow."

John Ross, Asheville

The man does not make the economy

The President whether Democratic or Republican should never be blamed totally for the economy. There are too many independent variables that have an impact on this global economy.

The price of oil declines, interest rates are lowered, debt in Europe, and corrupt regime changes in the Middle East.

Therefore the President can declare his economic agenda but really he is a figurehead. Sure, the President can raise taxes or declare Keynesian government projects but that's not the finishing touch on the economy. Before you go out and criticize Clinton or Nixon or Obama remember the effects of the global economy.

Sterling Pless, Rockwell, NC

Humanity can drag nature down

Is the US interest in climate change cooling off? The leaders of 200 United Nations (a very complex entity) countries are meeting in Poland to address climate changes that are likely to affect small island nations. Ironically, the leader (also a very complex entity) of our country sits by and claims he doesn't believe in the relevant scientific evidence on climate change.

"Humanity can drag nature down to human levels." —E. O. Wilson
Bill Hubbard, Asheville

JOHN COLE
NEPOLICYWATCH.COM



Why incentives' sway didn't bring Apple our way



Your Turn
Jon Sanders
Guest columnist

Apple surprised the business world Thursday with an announcement it was investing \$1 billion in a new campus in Austin, Texas. The announcement also included news of new sites in Seattle, San Diego, and Culver City, California, and expansions in Pittsburgh, New York, and Boulder, Colorado.

It also dashed hopes in Raleigh and the Research Triangle Park of securing the new campus, although expansion here is still possible. Which is just as well, since state and local leaders had already promised away the net benefits and then some of having a major Apple operation here.

Without such an exorbitant incentives package, a new Apple campus here would have been a net positive for the area. Usually growth more than pays for itself, which is why community boosters and leaders have always wanted growing, vibrant communities. But North Carolina's "transformative" corporate welfare is such that it would've made the growing pains from the Apple project – paying for more needs in schools, roads, housing, police and fire protection, labor, etc. – fall on current residents and businesses, not also the newcomer.

Further, as attested to by the Amazon and Apple decisions, having super-mega-incentives in place for "transformative" projects is unnecessary. Economic research suggests that big corporation relocations are made for long-term business reasons, not predicated on government incentives, which tend to be much less actual incentive than mere cherry on top. This means Apple chose Austin instead of Raleigh or RTP for business reasons, not for lack of incentives.

Does that mean Raleigh, RTP, or North Carolina at large is not attractive to business? Cut to the chase: North Carolina lost again, so does that mean we're losers?

Not in the slightest. Losing out two huge, headline-hungry big corporations' projects is no more an indicator of the overall health of the state's economy than would be capturing those projects with monster incentives. Don't forget: 99.6 percent of businesses in North Carolina are small businesses. What are we doing in terms of incentivizing them to relocate here, expand, and grow?

To incentivize the 0.4 percent here, we have to adopt economic development policies at the expense of the 99.6 percent. If we want to chase everyone, then we should adopt economic growth policies.

Recent (and baffling) incentives expansions aside, in the last decade, North Carolina policymakers have adopted economic growth policies.

Even executives at corporations taking incentives

from the State of North Carolina can think of many, many other factors they'd rather see before targeted incentives. According to research published in 2015 in Economic Development Quarterly, those include skilled labor, low regulations, low taxes, low costs of living, and good transportation infrastructure.

Put another way, asked how important tax incentives were, North Carolina business executives said they could name 14 things more important to the state's business climate:

1. Skilled Labor;
2. State Regulatory Burden;
3. State Corporate Tax Rate;
4. Local Property Tax Rates;
5. Community Colleges;
6. State Personal Income Tax Rate;
7. Highways;
8. Information Technology Infrastructure;
9. Four-year Colleges And Universities;
10. Housing Costs;
11. Environmental Regulations;
12. Land Prices;
13. Workforce Training Programs;
14. Major Airports

As if to drive home the point, executives of incentivized companies were asked which was better, for North Carolina to give "select incentives to certain businesses" or to "reduce taxes affecting business taxpayers and their owners." Only one out of five (21.7 percent) said select incentives were better.

Twin disappointments from Amazon and Apple should not tempt state and local policymakers to draw the wrong conclusion, that we still didn't offer enough by way of government tax incentives and other special treatment. Instead, they should renew interest into what would make relocation, expansion, and growth here a good business decision for them as well as the 99.6 percent of smaller businesses, the unsung heroes of the state's economy who create jobs and fill tax coffers without fanfare.

Sometimes that means refocusing on empirically sound policies which help ensure skilled labor, low regulations, low taxes, low costs of living, and good transportation infrastructure. Sometimes it means simply understanding you win some, you lose some.

But it never means sparing no expense to "win" the few – and lose the unsung.
Jon Sanders is director of regulatory studies at the conservative John Locke Foundation. This article first appeared in Carolina Journal.

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