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BY JIM WATERS

NASCAR plan: Inept driving in the race for jobs

By Jim Waters

I must be dreaming to think Kentucky would create an economic-development plan that doesn't rely on some government agency to "pick" which companies "win" and "lose" and thus bring home the bacon.

A news release this week from Gov. Steve Beshear's office refers to a Site Selection magazine ranking with this misleading headline: "Kentucky's economic competitiveness ranks fifth nationally." Read further and you find: Kentucky hands out a lot of corporate welfare. That's far different than true economic development.

Even some of my free-market minded friends probably allow the commonwealth to slide in this area, especially considering the desperate need for jobs. However, current conditions make it a perfect time for state leaders to create policies benefiting the most Kentuckians in the long-term rather than grabbing a few short-term gains.

Taxpayer handouts luring companies to locate, expand or just stay put allows politicians to participate in a few boring photo-ops. But little else comes of it.

Gov. Steve Beshear, House Speaker Greg Stumbo and Senate President David Williams grabbed headlines after landing in a pile-up over taxpayer-funded incentives designed to lure a NASCAR Sprint Cup race to the Kentucky Speedway in Gallatin County.

It's a fight worthy of a NASCAR race pit brawl after one driver puts a competitor into the wall.

Before reading on, note the "caution" flag is up: The legislation includes tax incentives allowing the track's owners to recover up to 25 percent of the costs of a planned $75 million expansion.

Stumbo — in the No. 2 car — stubbornly insists the legislation mandate that only Kentuckians get hired to work at the track. Williams — in the No. 3 car — refused to let Stumbo pass. Beshear — in the No. 1 car — said the bill would put Kentucky "on the verge of being a leader" in auto racing. (He gets the checkered flag for the most "checkered" quote on the issue.)

Meanwhile, Kentucky taxpayers have sweetened the pot for Nestle SA Co. to the tune of $85 million in state aid, including $3.5 million last week to add 50 jobs and keeping making "Hot Pockets" at its Montgomery County plant.

No one should be "on the verge" of believing this narrow-minded approach really spurs statewide economic growth.

Politicians enjoy advantages that come with bemoaning the fact that Kentucky badly needs jobs. Yet when it comes to making decisions that may anger a certain constituency in order to benefit the entire state, then apparently we don't need new jobs *that* badly.

Some examples:

- The Bureau of Labor Statistics reported that five nearby right-to-work states — which allow workers at union-represented plants to decide whether to join unions — averaged nearly 287,000 new jobs between 1996 and 2004. Kentucky, without a right-to-work law, added a measly 83,477 jobs during that same period. Stimulating creation of "Hot Pockets" is more convenient than angering labor unions.

- Industry experts say Kentucky lags in the race for federal stimulus money for advanced-battery manufacturing because of the "technological knowledge of its workforce." Yet we're not hearing much talk about Kentucky being "on the verge" of having an education system that provides a workforce that can fill high-tech, high-paying, highly coveted jobs.

- Finally, it's much easier to throw money at a few companies and call it "economic development" than to get rid of Kentucky's punitive tax code, which stunts economic growth.

"Hot Pockets" capture the market share because of variety. They offer "Lean Pockets" and "Hot Pocket Calzones" and turnovers for breakfast, lunch or dinner.

If Kentucky wants the economic "pole position," it must quit depending on one inferior product for its economic future.

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