

from our viewpoint...

Farm bubble guaranteed to burst

Prices for farm and ranch land continue to soar, and farm people continue to pay.

So far, the run-up seems sustainable, but in the long run, anyone investing in land (or anything else) needs to remember the old dictum: "What goes up must come down."

Makes no difference whether you believe in gravity or the laws of economics: all bubbles will burst.

Some price rises just peter out as the market backs off for another run. Others, like the housing boom of the last decade, burst in spectacular and immediate fashion.

What will it be with ag land?

Irrigated farm ground around here is going for as much as \$4,500 an acre, though Kansas State University experts say the average was more like \$1,766 last year. Still, that's up 58 percent in a decade.

Dryland fields can sell for as much as \$3,000 an acre in the northwest corner of the state, with an average last year of \$820 — up 50 percent since 2001. And pasture can go for as \$500 or more, with the average at \$416, up 73 percent.

Statewide, the average increase for all farmland was 58 percent over that period. Many things can affect the price, of course, including location, field condition and quality, size and whether it includes the mineral rights.

Some investors argue that prices won't collapse. They say there are good reasons for the increase — world demand, a growing population, continued need for grain for alcohol production, a boom in oil exploration. All true, and those investors could be right, especially over the next few years.

Anyone who can buy land and cover his bets quickly might want to keep on buying. Anyone who'll be hung out to dry with loans that might be difficult to pay, well, that's another story.

History tells us no boom continues forever. That's not the way of the economy. A price run-up founded in demand may be more solid than the speculative bubble in housing, driven as it was mostly by greed and government regulations that encouraged shaky loans.

But any hot market will attract speculators, and any commodity where the price moves up relentlessly presents the specter of a crash. The road of history is littered with the wreckage of those who ignored that fact.

Timing is everything, of course, but knowing when to bail can be difficult. Most people have a hard time quitting while they are ahead. They equate today's profits with an unlimited future.

It's a fact that we all tend to assume that whatever is true today will be true tomorrow. History proves us wrong, time and time again.

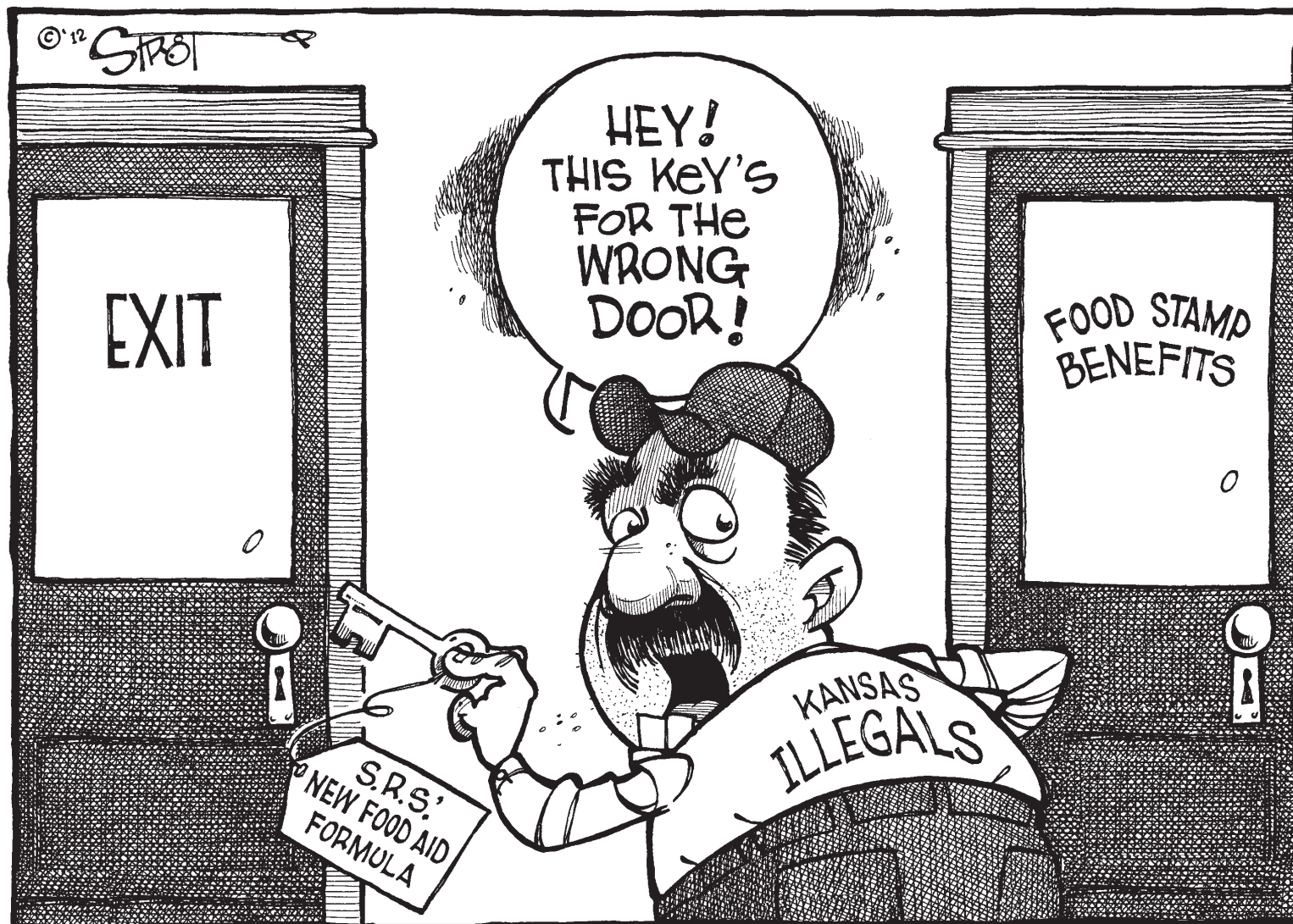
Is farm land still a good investment?

Probably, for those who can afford it and can arrange their finances to pay for it. But caution is advised, because nothing is forever. The last to get out of any market lose the most.

Sure, grain and cattle prices are high, but that won't last either. Markets depend on too many things that can change, from government subsidies to farmers and alcohol plants to environmental regulations to consumer tastes.

All may seem solid for now, but the moment is fleeting. Rural influence in Congress and the ag vote continue to slip away. The Farm Bill is no longer a sacred cow.

Some day we will wake up in a different world. Investors should consider that fact, and plan for that time today, not when it's too late. — Steve Haynes



Winning team needed more than new field

As a Colorado State University alumnus, I like to keep up with the goings on at my old college, and one that has me perplexed is a proposal to build an on-campus stadium.

For those who have never been there, Hughes Stadium is on the edge of Fort Collins, backed up to the foothills, right below a giant A painted on the side of a hill, a relic from when the school was Colorado A&M. It's a nice, open stadium built in kind of a below-ground bowl shape. It seats 34,000 and has a great view of the city and the mountains.

While in marching band in high school I played on that field, and it was easily as nice a stadium to play in as Mile High (better than the old and just as good as the new). I've been to a handful of football games there.

It's hard to get a good read on how much support the idea has. Both sides are pretty vocal. Some of the arguments, especially those in the comments section of the Fort Collins Coloradoan's website have gotten downright nasty.

In many places it's turned into a debate about Athletics vs. Academics. There's a lot of folks out there who think colleges should focus only on academics, and all other activities should be lesser priorities, if not eliminated entirely. Although I've never been one to play sports, I do recognize their value. They bring a lot of people to higher education who might not go otherwise. They bring in a lot of money to your school and promote camaraderie amongst the students.

I think promoting college athletics is something a school should do, but Hughes is a quality stadium, clean, and well constructed, and I don't think CSU should go to the expense of building a new one on campus for several reasons.

I've never been much of a football fan until this past season. You see, the Rams were never very good while I was going to school there. My freshman year was 2003, toward the end of legendary coach Sonny Lubick's decline. Lubick was a great coach, he had a 79-32 record from 1994-2002 with three top 25 finishes. He



kevin bottrell

• simple tricks and nonsense

coached the team to nine bowl game appearances and three wins.

Then he hit his final four seasons. I don't know what happened, maybe he just got tired or maybe he didn't have the right players to work with, but during those last seasons — which coincided with the majority of my time at the school — he went 17-30.

Those losing seasons brought about a major drop in attendance and ultimately led to Lubick's dismissal. They did end up naming the field after him though in deference to his many years as a winning coach.

Probably fell into that decline in attendance. I've never been one to follow sports, but I do like going to games. I went to two games with friends my sophomore year, and it was fun, but the Rams lost, and it's less fun to go to a game when your team loses. I never went again until last year.

I was given tickets to the homecoming game at CSU and went with a friend who is a big football fan. The west side of the stadium is, of course, a vastly different experience than the student section. Still, we were in a section that was obviously full of passionate alumni, who kept cheering even when the game was obviously lost.

So it's not like the CSU football team doesn't have fans. It's got a core of loyal fans who go to as many games as they can, and like any team it likely has plenty of fair weather fans who would go to games if the team starts winning.

It's not as if anyone has trouble getting to the stadium either. The parking lot is expansive — one benefit to it being just outside town — and the traffic is pretty reasonable. The college runs busses from each of the dorms to the stadium. I

did that ride myself and it's a painless, 10-minute ride with a bus full of fellow students.

If they put up an on-campus stadium, exactly where would they be able to find enough parking space? Parking on the campus is horrible as it is. The existing parking lots are small, and even on weekends are always at least half-filled. Essentially they'd have to rip out the green areas or demolish buildings.

One of the things I loved about CSU was how open it was. True everything was shoved onto a one-square-mile piece of land, but it had enough open space where you never felt crowded. There are large grass sports fields between the dorms, the iconic oval where many events are held and quite a few lawns around the classroom buildings.

One of the arguments of the athletic's department is that sports is what creates a national reputation for the school, and they're right to a large extent. Sports gets you in the headlines, puts your name out there outside the state. The only other things that will do that are school shootings and sex scandals.

However, a new stadium won't raise the profile of the athletic department as much as a winning football team would. As things stand now, CSU doesn't have the attendance to justify needing a bigger stadium, and it's not used enough during the school year to justify moving on campus, but all of the benefits the athletic staff says a new stadium will bring to the school can also be had simply by having a better football team, and what that takes is the right coach and the right players.

So in essence, bring me a team with a winning record, then maybe we'll talk about a new stadium outside town, not one that will clog up the campus.

Kevin Bottrell, editor of the Goodland Star-News, is a Colorado State University graduate who believes that the middle road is often the high one. Contact him at kbottrell@nwkansas.com.

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Stimulus has not helped economy

Three years ago this month, Congressional Democrats and President Obama signed a \$787 billion "stimulus" package into law.

The American people were told this massive spending would result in significant job creation and economic turnaround. Chief among the promises was a commitment that unemployment would never go above 8 percent.

Not only has unemployment remained above 8 percent every single month since the stimulus became law 36 months ago, but the outlook for this year and next is no better. The Congressional Budget Office issued its 2012 economic forecast, and the nation's unemployment rate is expected to remain above 8 percent this year and to exceed 9 percent again next year.

On top of this, the number of long-term unemployed (people without a job for 26 weeks or more) has more than doubled in the past three years, and all but seven states have high unemployment rates.

This past week, I had the opportunity to question the director of the office when he came before the Budget Committee. I asked him about the impact of the stimulus on the economy, and he said that while there may have been some short-term benefits, "Unless there are offsetting changes made that pay off the extra debt that was incurred, the economy will be worse off as a result."

So, not only was there a lack of long-term or meaningful job growth, but America's debt load increased because of it.

Three years ago, President Obama said he should be held accountable for the state of the economy, stating that if the job is not done,



tim huelskamp

• in Congress

"there's going to be a one-term proposition." He probably hoped that he would be able to take credit for a recovered economy rather than the failed one he wound up with, but nonetheless, he set the standard. Certainly President Obama cannot be blamed for the condition of the economy in January 2009, but he should be for the condition in January 2012.

On top of the lackluster employment numbers is the poor state of America's fiscal health. Since the day President Obama took office, federal debt has increased by 43 percent, from \$10.6 trillion to \$15.2 trillion. The country has run a trillion-dollar deficit every single year of his presidency. And, federal spending will account for 23.2 percent of gross domestic product, compared to a 21.0 percent average

over the past 40 years. All of these factors have a destructive impact on our economy.

Another experiment with massive government spending did not stimulate the economy and job creation three years ago. Years of massive government spending and overregulation are the reason that our economy cannot recover today. The burden of \$15.2 trillion in debt (and another \$1.2 trillion this year), along with annual trillion-dollar deficits, depresses our economy, discourages our small businesses and distresses our taxpayers.

America's economic conditions and Washington's fiscal state certainly influence one another. If the president is truly concerned with getting America's economy rolling again and getting the more than 21 million unemployed people back to work, then he should be concerned with the arena in which he can exercise the most influence: government spending.

When the president submits his budget next week, it should be one geared toward reducing spending, not repeating a failed government boondoggle.

where to write

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