

## Do we need more firms growing too big to fail?

The planned merger of United and Continental to form the world's largest airline should challenge the Obama administration's commitment to the idea of doing away with "too big to fail."

For just as the collapse of two of the last three U.S. automakers produced a crisis, and just as the collapse of several merged-and-merged-again megabanks and brokerage houses threatened the financial system, so the collapse of one of these huge airlines will get us yet another crisis.

What this country, and the world, need is not bigger and bigger businesses, each too big to fail. But fail they will. It always happens.

Take the auto industry. Once, there were dozens of brands. A few hardy firms came to the top, buying up the competition along the way. We had the Big Four, then after American Motors failed, the Big Three.

There was competition from foreign manufacturers, then Chrysler failed, only to be bailed out. Then Chrysler and General Motors failed. And proving once again that "What's Good for General Motors is Good for the U.S.A.," Congress and the Bush administration bailed both out.

President Obama, threatened by the growing financial crisis, was only too quick to sign on to the bank and carmaker bailouts when he took over. There's little downside for him: if things go south, he'll claim it was all Mr. Bush's doing.

Now the airline industry, with the balance upset by the previous merger of Delta and Northwest, seems ripe for further consolidation. Ripe may be too mild a term; between the recession and the price of fuel, hardly any airlines are making money, and none of the big ones.

United brags that it's doing better, losing "only" \$82 million in the first quarter this year.

The companies expect to save \$1 billion to \$1.2 billion this year from the merger, allowing the new United to make a profit.

How the merged company will fare in the market it anybody's guess. United already suffered from its bureaucratic weight and from years of acrid labor relations. Service standards were abominable, crews surly, service poor. Continental was a pretty good airline to fly. Which "culture" survives is anybody's guess, but the new company will control a lot of traffic.

It'll be too big to fail, as Delta probably is already.

And you can be sure, as has happened in other industries that consolidated past the point of no return, that one or more will fail.

What then will the government do?

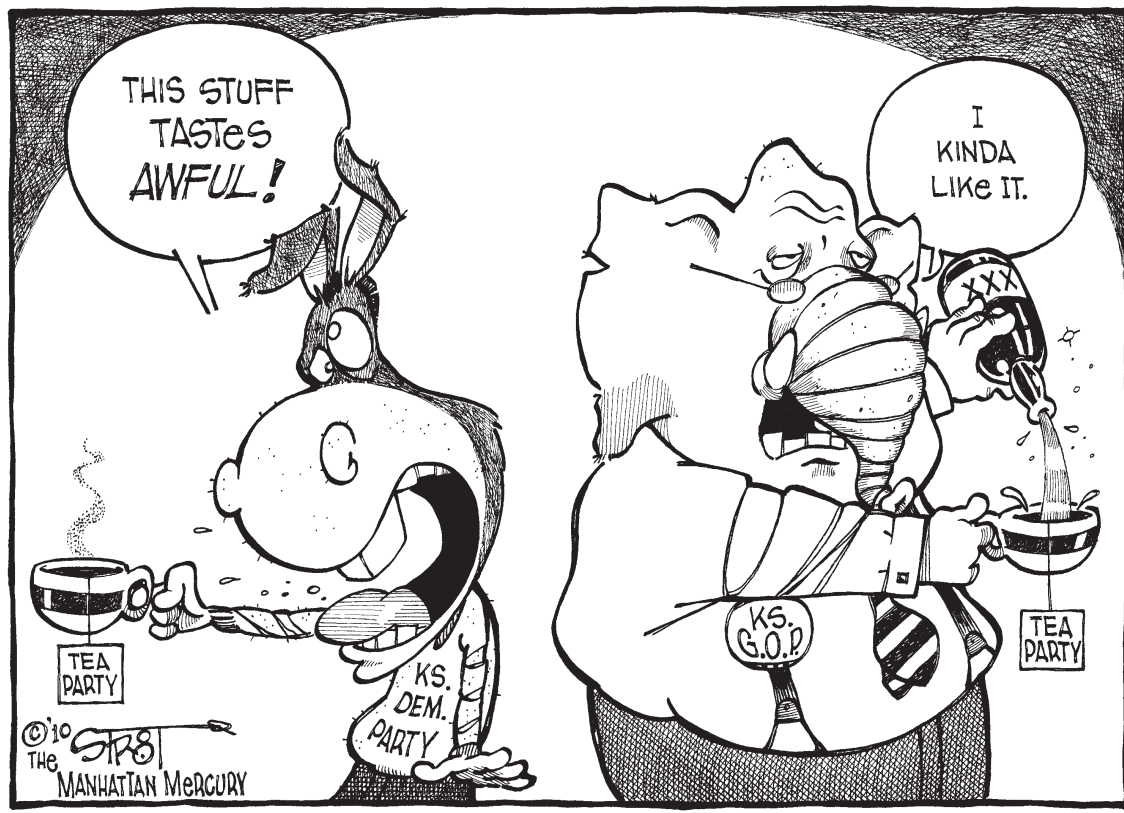
Why not put our foot down now, and start enforcing the antitrust laws? Why not return to the spirit of the Ford administration, which oversaw the dismantling of the AT&T monopoly and unprecedented growth and competition in the telecommunications industry?

The antitrust enforcement machinery touted by Theodore Roosevelt a century ago had begun to rust so badly by the second Bush administration that it was largely abandoned. The government, influenced no doubt by money emanating from megabanks and megacorporations, all but gave up policing big mergers.

But bigger has never proven to be better. Industries that consolidate their way out of competition usually wind up in bankruptcy. Airlines are there most of the time anyway, so there's no reason to believe they are different.

Why not stop this nonsense, Mr. Obama, before it costs taxpayers more billions?

— Steve Haynes



## Managers hear about budget

I am writing you from the beautiful Lawrence, where I am attending the annual spring city manager's conference at the University of Kansas. The theme of this year's sessions is "Governance, Collaboration and Leadership: Working Together in a New Decade."

As a city administrator, I have been trained to deliver results within the boundaries of government hierarchy, and one of the constant challenges in government is balancing the need for decisive leadership and collaborative facilitation.

Our own city staff has done a great job of creating savings and service results through improved efficiencies and good, accountable decision making. Unfortunately, while we are improving our management practices, the world around us promises little help, and maybe just the opposite.

During one of my sessions today, we heard from Dr. George Kahn, vice president for macroeconomics and monetary policy at the Federal Reserve Bank in Kansas City. He painted a picture of our economy that, while not hopeless, made it clear financial challenges still loom.

We also heard from Dr. John Wong, who serves on the Consensus Revenue Estimating Group for the state Department of Administration's Division of the Budget. He provided details to the recent headlines we've all seen about the state's



### City Notes

By Austin Gilley  
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revenue shortfall.

Finally, we heard an update on budget conversations being held at the state Capitol. Much of this talk does not bode well for cities, as it appears many challenges may be passed on to the local level.

After all of the academic and professional talk, it seemed pretty clear to me: Harry Truman's old desk sign "the buck stops here" is being shipped to Oberlin. Our sister cities around the country will get a copy, too. So, the challenge for us is to achieve a spirit of cooperation and collaboration that is apparently not possible in Topeka or Washington.

I am encouraged by a recent example in Oberlin, where the Decatur Tomorrow group is staging an exemplary collaborative process focused on the desire for improved coordination for recreation programs. From my observation, many of the community's stakeholders are represented in that process as they sort through priorities and programs.

The natural result of many such initiatives are financial commit-

ments and decisions at the mercy of strict government processes. And that brings me to the next session at the conference, described thus: "Today's economic uncertainty makes it more important than ever to involve citizens in long-term financial planning... the presenters will lead a discussion on practices that will create sound financial strategies that produce community consensus."

Sounds like a good discussion and an admirable challenge.

**QUICK NOTES:** City staff is planning to have final implementation of the new utility billing system in place by June. Look for a new format for billing statements... The second annual city survey is planned for release in the next few weeks... Congratulations to Dan Dempewolf and Officer Scott Zeigler, our employees of the month for February and March.

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## The herd has grown to four

We have gone from having one lonely calf into an entire herd — if you can call four calves a herd.

Jim headed to the sale barn last week to find a penmate for the calf our friend Dave brought us. Instead, he came home with three.

The first two he bought at regular price but, the third was a sick little runt that didn't draw a single bid. When the auctioneer asked if anyone would give \$10, Jim's hand went up and he said, "Yeah, I'll take a chance on him."

I'm afraid the little guy didn't make it, but it wasn't for lack of our trying to save him. He had antibiotics, electrolytes and round-the-clock feedings. He was just too far "gone" when we got him.

However, the Lord giveth and the Lord taketh away. No sooner had I told Jim about the little calf dying than the phone rang. It was Dave. Did we have room for one more calf? He had a calf whose mother wasn't producing enough milk. So, the "herd" remains at four.

Guess what we've named them? Because she was born in the month of April, a friend suggested "April" for the heifer we got first. We liked that and named the next heifer "May" and the little bull calf "Ju-



### Out Back

By Carolyn Sue Kelley-Plotts  
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nior."

If the new calf is a bull, he will be "Julio," if a heifer, "Julie."

— ob —

I've really "torn into" cleaning out the basement, unpacking boxes I put down there about eight years ago when we started the addition. I've found a few things I want to keep, but, for the most part, it's going to the thrift store. If I haven't needed it for eight years, I certainly don't need it now.

Imagine my excitement when I found the pan I use for Chinese cooking. I set it on the floor of the kitchen while I continued to unpack other boxes. It needed to be washed before taking its place in the cabinet with the other pots and pans. And, there it sat. For days.

Son James was helping carry in groceries, and as he turned around in the kitchen, his foot caught the pan

and he almost went down.

I apologized for leaving it out and said, "Oh, dear. Do you think I could have left that in a worse place?"

James answered, "That's OK. I was caught between a wok and a hard place."

### From the Bible

There is no one holy like the LORD; there is no one besides you; there is no Rock like our God.

Do not keep talking so proudly or let your mouth speak such arrogance, for the LORD is a God who knows, and by him deeds are weighed.

1 Samuel 2:2-3 (NIV)

## Mighty river puts on a show

We left Memphis after strolling down Beale Street, taking in the sounds of jazz and rockabilly from every other club down the strip. We crossed the Mississippi in the dark and slipped in to Arkansas, heading north toward St. Louis on I-55.

We stopped for the night in Blytheville, in the flat northeast corner of the state, where rice and cotton share the crown. It didn't look like many were getting rich in Blytheville. We had trouble finding a cafe for breakfast, and had to settle for fast food.

We started up the broad, flat valley, through the rest of Arkansas and into the Missouri Bootheel, with nary a hill in sight mile after mile.

We got off the freeway and took the Old Kings Highway, named for a Spanish colonial trail, into New Madrid, the town which gave its name to a legendary fault and the largest earthquake ever to hit North America.

While the Mississippi valley was lightly settled in 1812, it's said that the river ran backward into the rift created by the quake. An entire new lake was created on the Tennessee side.

There's nothing to see from the great quake, of course, just some historical markers. But the river itself is an attraction, bank-full and miles across, with huge barge tows making their way ever so slowly upriver against the current.

Trees big as a house floated in the torrent. It's an awesome thing to just stand there and take in the mighty flow, to appreciate its power and try to understand what a flood



### Along the Sappa

By Steve Haynes  
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must be like.

New Madrid (it's Mad-rid, not Mah-drid) turned out to be the site of decisive Civil War battles, where the federals seized control of the northern Mississippi and effectively cut the South in two. By digging a canal bypassing fortifications on Island No. 10, then eventually running the blockade with ironclads during a stormy night, Union forces took effective control of the river with few losses. They went on to cut through Tennessee to Georgia and, as they say, the rest is history.

Then we headed back to the four-lane to head north. We stopped in Cape Girardeau (birthplace of radio commentator Rush Limbaugh) for lunch, then pushed on north into the Missouri hills. The rolling country, crossing small streams and rivers, was a relief from the flats of Arkansas.

We shot through St. Louis, pushing north and west to U.S. 36, which we knew was the quickest route home, even though the four-lane pavement still has a 50-some mile gap in Missouri. (It should be done by the end of the year, however, with all the work under contract.)

We stopped in Marceline, where the town's most notable product, a

rather more likable alumnus named Walt Disney, is enshrined in a museum which occupies the old Santa Fe depot and offices. Once a railroad town with shops, yards, a division headquarters and hundreds of workers, the town now is bypassed by dozens of speeding freight trains each day. Only an empty concrete coal chute remains. Still, the place looked fairly prosperous.

Cynthia wanted more barbecue — we'd had barbecue all trip, in Kansas City, Nashville, Chattanooga, Georgia, wherever she could find it. But there was none to be found in central Missouri that evening, so we settled for Mexican and pushed on to St. Joseph for the night.

Next day, we spent our time taking photos along U.S. 36 for the route guide we publish every year. We snapped courthouses and squares and tourist attractions, pieces of road, old and new, and stopped in Hiawatha to mail some contest entries that had to go in.

We cruised on home that day, tired but happy, having seen a lot of interesting country, more sights than we had time to stop for or to take in.

We agreed, we'd do it again some day. But not this year.

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