

SNG-Nowlan-Small town America and budgets-8-29-11 (640 words)

Small town America to take big budget cuts

By Jim Nowlan

Word came recently from Washington that 3,600 rural post offices were going to be closed. Then followed the announcement that small city airports were losing their federal subsidies. And farm crop subsidies, which have long supported big farmers unnecessarily, have been rumored for some time to be on the budget cutters' chopping block.

All this suggests that small city and rural America are going to be disproportionately affected by budget cutting in D.C. and Springfield. Indeed, rural communities have long been benefiting more from government programs than have urban and suburban America. This results in large part from the fact that we (I live in a town of 1,500) are poorer and older overall than those in metro-Chicago, for example, and thus we rely more heavily upon Social Security, Medicare and Medicaid than do our urban cousins.

Even such cherished symbols of Americana as our county and state fairs are going to take a budget hit. It can't be helped. The fairs in Illinois lose money and are subsidized by taxpayer dollars. The fairs will have to learn to break even, or ideally turn a profit.

Originated as agricultural exhibitions and learning opportunities for poorly educated farm families, fairs had their best days during the 19th and early 20th centuries. As educational expositions, today the fairs are anachronisms. Everything of educational value for farmers is conducted as well or better by agri-business companies, Farm

Progress shows, livestock associations, and our public universities, where most of today's farmers are educated.

I dropped by the Illinois State Fair during its recent run. A tractor tram was giving free rides around the grounds, so I hopped on. Endless emporiums of gastronomical "delights" lined the main thoroughfares. Stands offered to fry anything but your imagination. Chocolate covered corn dogs and beer battered bacon were new to me and must have sent shivers down the spines of any cardiologists who happened by.

All looked about the same as I last remember the big fair 30 years ago. The Republican and Democratic Party tents were in the same general vicinity as were the less than inspiring exhibits of the state office holders. Conservation World was new to me, and appeared impressive, but overall the fair struck me as looking a bit tired.

Top drawer entertainment is the big attraction to the fairs now, like the carnival midway was for young fairgoers a century ago.

But the Illinois and DuQuoin state fairs have been consistently taking in only about half as much revenue as they have been costing, though in 2009 both fairs trimmed their losses and this year attendance was strong in Springfield. In 2009, the Illinois State Fair lost \$2.8 million on expenditures of \$7 million, according to the Illinois Policy Institute, a state spending watchdog organization.

According to the policy institute, Michigan recently had to shut down its government-run fair. On the other hand, Texas has shown that a privately-run state fair can make a buck, without any state subsidy, and turns about a \$5 million profit each year.

I don't relish writing about the need to cut government spending, especially for activities like fairs, which give pleasure to young and old. But the new reality is that

every function of federal and state government will have to undergo a microscope to see if it is meeting a fundamental need and doing so efficiently.

In this regard, I have received email criticisms about a recent column in this space where I wrote about how federal tax increases and sharp spending cuts in almost all programs were both going to be required to balance our national budget. I appreciate how resistant many in the public will be to these prescriptions. Yet the arithmetic is irrefutable. And even our cherished firms will have to change the way they do business.