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Jobs Report: 'The Neighborhood's Doing Bad'

Listening to the sound bites and news tickers, it seems like everyone's got a jobs report. Mitt Romney announced that he would announce his jobs plan, and then he dropped a 150-page "plan" that includes phrases like "A robust investment tax credit, extending the write-off for capital expenditures for an additional year, and a lower payroll tax could each have a positive effect if properly structured." COULD??? Hey Mitt, most plans choose words like "will".

And Gov. Perry has got his jobs "miracles"...to which the "miracle" part is still up for debate. So it would seem that any old day now we should expect a jobs plan from S dot Palin? Why not, I'm sure she's got some ideas she's seen from China. And while they are all at it, I've got my own jobs report to drop: **THE HOOD IS DOING BAD!!!**

But seriously, I don't actually have a jobs report, as I'm still trying to wrap my head around the true purpose and place for said report. Last I checked, we were

bickering and impressing upon each other how we would "create"



THE SKANNER NEWS

Rob Ingram

jobs- notice the simultaneous two-fingers-wiggling making the quotation marks. It's going to be tough going trying to really create jobs, and I don't think the American people are looking to a report to tell them that. Simple math says you have work, then you have work that needs to be done, then you find a way to afford

much work out there is going undone? Better yet, where's the money for this labor? Where it is now and how will we get it into the hands of our citizenry? So for the Job Reporters- the phantom team that "creates" these jobs- please respect our intelligence. Do not try to pass off patronage positions, handouts, non-sustained and non-subsidized plans that show big numbers, but don't trans-

spells wonk overload for some, sheer boredom for others), but that our Commander in Chief should adjust the timing of one of his most critical reports for the beginning of an athletic competition- not a Bowl game, or Game 7, but a game. I'm a football fan (49er Faithful Baby!!!) and I'm all for the hope, camaraderie and plain good tradition that these contests conjure up, but we've got to get

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late to bills being paid, groceries bought and savings accounts (I guess we just gave up on the middle-class retiring one day?). I said all of that to say this: what twisted, convoluted state we MUST be in that we actually thought that the President's speech needed to be considerate of the opening NFL game? Bad enough there was insistence of the Republican party (that kinda made sense though- debate and speech in one night

and keep our priorities in order. The game that night has created the jobs it will create, and you cannot make arm-chair QBing a full-time gig- though many have tried. ESPN isn't looking for any new analysts with the skill set most of us carry around; which is usually just enough to argue around the water cooler and not get splashed.

All I'm saying is as much as we know a simple report delivered won't immediately changes the lives of the thousands who are out of work, but can't we grown up enough to admit we wet the bed on that call. We can do better!

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'In the Black:' Want Jobs? Have Faith

Unemployment has been a hot button for going on a half decade and I thought it would be timely to shed some light on today's unemployment environment. As I mentioned before I closely follow Brian Wesbury, Chief Economists of First Trust and he had some interesting thoughts on the job outlook. The reality is that the private sector created 17,000 new payroll jobs in August and the government lost 17,000. The net was "zero." Some would say that this is a perfect metaphor for the economy...a big fat zero. The stock market is getting drilled, politicians are frothing at the mouth, the Fed is having longer meetings, and investors are scared. So, what's going on?

First, let us say that we have been overly optimistic. We expected better growth in jobs and the economy. We have been wrong, but we still don't expect another recession.

Employment data are notoriously volatile, are often revised and have a large margin of error. Verizon had 46,000 workers on strike in August who were counted as unemployed. The strike is over, and they will add to employment in September. The other jobs survey (the Household survey) showed 331,000 new jobs in August.

But, don't stop reading there. We did not just say that "the economy is perfectly fine." It is clearly underperforming. The question is: Why? And what should be done about it?

Some say that economies always

WEALTH MANAGEMENT

Louis Taylor

perform poorly after a financial crisis. Others say that the US government must spend even more, but deficits are already so high that this seems spectacularly foolish. The answer can be found in one of our favorite parables about eco-

But, the desire to help people does not always mean that what we are doing is really helping.

corn, pick coconuts, fix the boat and the net, or trade some other good or service to their more productive neighbors. Living standards would rise. Abundance and plenty would be created. Children and immigrants could be absorbed. Or...the eight without a boat could become envious and complain that a 10 fish-to-2 fish income ratio is unfair and that the rich fishermen should pay taxes. So, the island votes to institute an 80% tax on anyone that uses a net.

Let's assume that the fishermen with a boat continue to catch 20 fish a day. If so, the other eight would stop fishing and divide up the 16-fish tax between them. Everyone would still get two fish a day. Living standards would not rise. Kids and immigrants who did not know how to fish would be a burden. The benefits of the new technology would go to waste.

This is the problem with attempts by the government to be fair and socially just. This is also the problem with trying to spend our way out of economic pain. It doesn't work.

And even if we decide not to tax the fishermen, but instead borrow

the fish and give them away, the same thing happens. Borrowing the fish, and then consuming them, does not create new wealth. It only puts a burden on the less productive that they will never be able to repay.

This is what has happened in Greece and many other European countries. Government spending, whether paid for with debt or with taxes, undermines job growth and wealth creation.

Excluding defense, the US federal government is spending more today as a share of GDP than it ever has in history. It is also re-distributing more income than it ever has in history. We understand the impetus for this...we care about people too. But, the desire to help people does not always mean that what we are doing is really helping. In fact, the massive increase in government spending the US has instituted in the past few years is backfiring. It is undermining growth.

We don't expect an immediate recession. We don't think the US economy will collapse. Technology is so amazingly strong that it is off-setting a great deal of the damage done by spending. But, if the US really wants growth and jobs it needs to reverse course, spend less and let technology lift living standards. We need more faith...Faith in markets and everyday people; not faith in government.

Louis Taylor president, senior financial advisor, Taylor Wealth Management

But then, a miracle happens. Two of these people figure out how to make a boat and a net. They fish 200 yards offshore. The two of them catch 20 fish each day with this new technology, which replicates the daily GDP created by all 10 using the old technology.

At this point, eight people no longer need to fish and the island has a choice. The eight could grow

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