

OPINION

“Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.”
FIRST AMENDMENT TO THE U.S. CONSTITUTION

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OUR VOICE

California needs to be more business friendly

California has long been home to some of the world's most notable companies — Apple, Facebook and eBay, to name a few.

And the state would boast even more if it weren't for California's business climate, which most experts deem unfriendly because of myriad taxes and environmental hurdles.

That overall unfriendliness must end.

For competitiveness, California deserves an “F-minus,” John Husing, a longtime Inland Empire economist, told about 750 people at Friday's Coachella Valley Economic Summit.

Smog is about a third of what it was back in the late 1970s, said Husing, who arrived in the state in 1962.

That's wonderful, but those same environmental laws and agencies that cleaned up California's air also scared off well-paying, blue-collar jobs in sectors such as manufacturing, mining, logistics, wholesale trade and construction because they're deemed “dirty.”

While reasonably focusing on the environment, the state forgot about job creation. California shouldn't forget about the environment, but it needs to take a proactive, balanced approach toward business development.

Manufacturing jobs in the Coachella Valley are down to 1997 levels. Some have gone to Texas. Some have gone to Neva-



Dr. John E. Husing gestures during his speech at the annual Coachella Valley Economic Summit Friday at the Renaissance Esmeralda in Indian Wells. OMAR ORNELAS/ THE DESERT SUN

da, which has zero corporate or personal income tax.

We don't advocate zero tax, but we do advocate spending and revenue reform.

Electric rates here are cost-prohibitive for many businesses looking to move to the valley. Husing noted that Southern California Edison's rates are “by far the most expensive among non-California” regions in the

West, including in nearby Las Vegas and Phoenix.

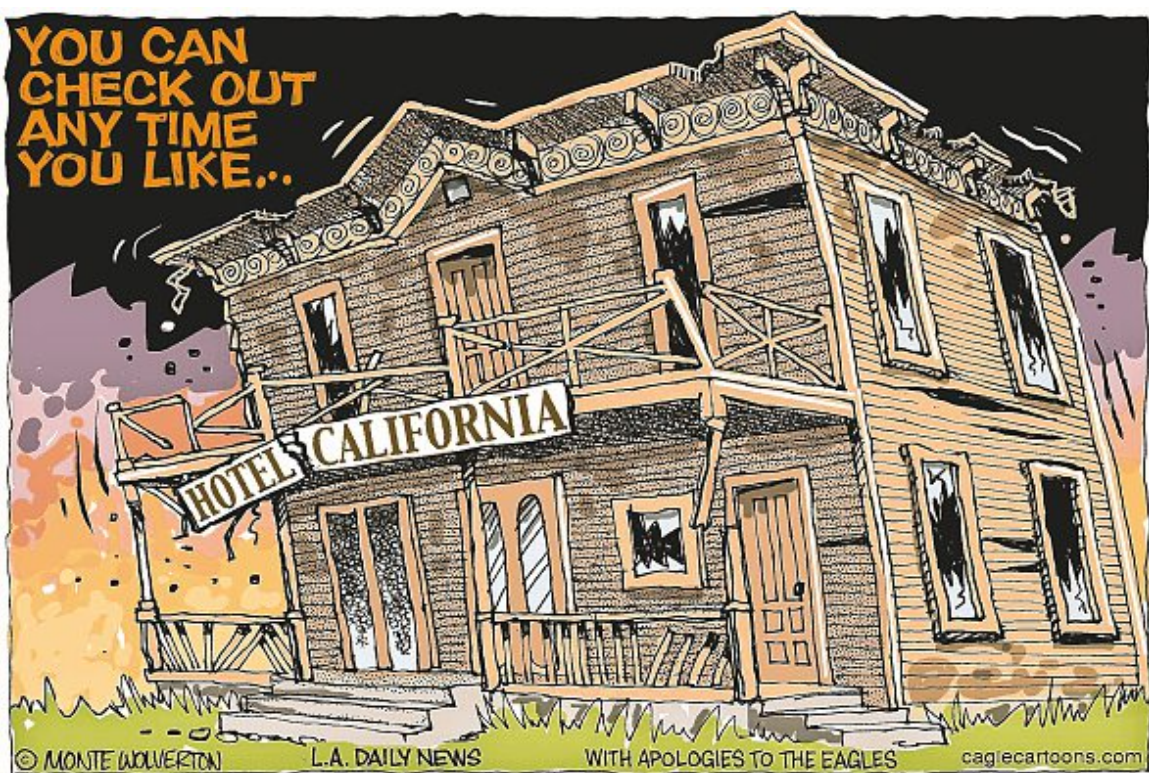
The Desert Sun was encouraged that the desert's two California Assemblymen from opposing sides of the aisle — V. Manuel Pérez and Brian Nestande — worked together on a bill that would have required state agencies to identify laws that inhibit economic growth and simplify regulations.

We were disappointed, but not surprised, the idea didn't make it through the labyrinth we call the Assembly — another area California could simplify and weed.

Unless our lawmakers work together on a thoughtful approach to business reinvestment, and on creating a competitive atmosphere, our economy will continue to limp toward stasis.

“The grades weren't all good, but the Coachella Valley is doing better than other regions. It would be an anomaly if we were well ahead, while the state was falling apart.”

Linda Evans, La Quinta Councilwoman



MONTE WOLVERTON/L.A. DAILY NEWS

Valley economy moving forward

At work to improve the valley economy, whose slow recovery resembles a checkmark:

- Positive signs on the tourism front, given recent double-digit increases in hotel occupancy and a 5.4 percent gain in rates.
- Airport traffic, which rose 2 percent to 1.4 million passengers in 2010. It's softened a tad so far this year. But car rentals are up, as are hospitality-related jobs — up 6.3 percent as of July.
- Fewer upside-down homes than in 2009, when mortgages in distress stood at 54 percent.
- Stronger retail sales. Cash register totals rose 10 percent for the first half of the year compared to 2010.
- Record crop production for the agricultural industry. In 2010, the sector sold a record \$533.8 million of crops, up 9.2 percent from 2009.
- Advances to land clean-tech companies and establish strong relationships in the creative arts.
- Health care continues breaking records in terms of employment, economist John Husing said.
- The film and commercial industry is doing well. The valley accounted for nearly 67 percent of film activity in Riverside County last year.

— Debra Gruszecki

INSIDE OPINION



ESTHER J. CEPEDA
Who is responsible for teaching youth how to succeed in life? **B10**



VALLEY VOICE
Time spent with young Marine gives writer new view on life. **B10**



LETTER OF THE WEEK
Society thanks all involved in annual desert garden community day. **B11**