



Is it the Truth? Is it Fair to all Concerned? Will it Build Goodwill and Better Friendships? Will it be Beneficial to all Concerned?

Future Editors

November 12

Jay Lundeen

November 19

John MacMartin

November 26

Wesley Magaster

Greeters

November 9

Ken Hegle
Tom Hinzpeter

November 16

Daryl Hodnefield
Terry Hoff

November 23

Kathy Holte
Bob Horne

Upcoming Programs

November 9

Brandon, Manitoba Rotary
A Potential Partnership?
Marty Snelling

November 16

Rotary Foundation

November 23

Rick Hedberg
MSU Division II Athletics

Unions, Tariffs and Change by Iarid Lundeen

As you know I have a vested interest in the tire business and I must share a classic case of how government involvement can make matters worse. I will start out by telling you that I am traditionally a moderate, and believe that both sides of a debate have merit and finding the best solution should involve both parties.

However, recently I have witnessed that even through good intent, one side is blatantly ignorant and should have no place medaling in things they don't understand.

In 2000, Congress passed a China specific addendum to the Trade Act of 1974. The statute gives U.S. manufactures a safeguard against unfair increase in Chinese imports which would lead to market disruption.

From 2004 through 2008, passenger and light truck tires imported from China to the U.S. rose from 14.6 million units to 46.2 million units—a 216% increase.

The United Steelworkers (USW) union believed this "import surge" led to thousands of job losses and plant closing in the U.S. I had a first hand view of the increase of Chinese imports into the U.S. and I wasn't thrilled with the quality or the low cost market frenzy it created.

I did see six U.S. factories close down and watched as thousands of U.S. workers lost their jobs. On September 11, 2009 President Obama decided relief was needed and enacted a tariff of 35% on all Chinese made tires for the first year, 30% in the second year, and 25% tariff in year three.

The tariffs went into effect September 26, 2009. On the surface, this seemed like a great idea. I must admit, that even at first, I was somewhat excited of the possibility of seeing manufacturing jobs moving back into our factories.

Unfortunately, the greatness of this policy

was short-lived and the reality soon became apparent. So, what happened?

The Chinese government filed a formal complaint over the ruling with World Trade Organization. The Chinese government was obviously upset over the ruling and is now looking at ways to make responsive actions.

Almost immediately, companies producing tires in China stopped production. The tire companies then increased pricing on Chinese tires by 15%. The reason they didn't increase to 35% was due to the large amount of inventories available at pre-tariff prices.

This created a domino effect which created a shortage on tier I type tires (less expensive), which are almost exclusively produced in China. When you remove 46.2 million tires from the market, shortages of all types of tires are likely to follow.

Predictions from the Tire Industry Association (TIA) and other sources eluded that tariffs would cause U.S. tire prices to rise, and these are already coming true. This is evident as distributors and retailers are scrambling to find alternate tire supplies from any source they can.

A few tire makers have announced a price hike in response to the tariffs. If you have an understanding of simple supply and demand of economics, whenever there is shortage on a product, price increases across the board are likely to follow.

So with tariffs, according to basic economic theory, are undesirable because

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Secretary's Corner Om Madhok

11/2/09

PRESENT MEMBERSHIP: 102

ATTENDANCE: 60.2%

GUESTS: Tom Rafferty, g/o J. MacMartin; Harlen Johnson, Ron Brossart, and Grant Buck, g/o of the club.

MAKEUPS: B. Mattson, **Guest Speaker at Optimists Club**, 10-28-09; Ann Krause, **Florida**, 10-27-09.

STUDENT ROTARIANS: Dakota Larson, Kim Schiele, Sierra Murphy, Kaari Burbach, and Jerrica Luck, MHS Students.

NEW MEMBER: Don Bausman, Explosive Safety Wing, US Air Force

PROPOSED FOR MEMBERSHIP: Roger Winkle, Ret. USAF, Loan Officer, Northern Tier Federal Credit Union, *Proposed by Adam Cichon*

Tom Rafferty, Community Relations, Verendrye Electric Cooperative, *Proposed by John MacMartin*

We Missed You!

D. Albertson	J. Feist	F. Lien, Jr.	D. Rubbekle
T. Aldrich	J. Haaland	Jarid Lundeen	C. Sem
K. Baker	P. Hankla	Jay Lundeen	R. Sommers
S. Burger	W. Hankla	W. Magaster	B. Syria
R. Campbell	K. Hegle	M. Miller	B. Thomas
CJ Craven	D. Hodnefield	O.H. Mittelberg	S. Tonneson
D. Davison	C. Jennings	J. Montgomery	K. Turneau
E. DesLauriers	J. Jensen	J. Olson	T. Wentz Jr.
R. Dick	S. Johnson	D. Panchot	R. White
S. Dufner	M. Keller	D. Pfau	T. Will
M. Effertz-Hanson	A. Kurth	C. Reiten	
B. Fedorchak	D. Langemo	A. Repnow	

If you are planning to attend the 2010 Rotary Districts 5550/5580 Joint Conference on May 12-15, 2010, remember you will need a passport to attend. Anyone interested in attending, please email Dusty at dzimmerman@odney.com.

The Prairie Flower is the official publication of Rotary Club of Minot, Minot, North Dakota. It is published every Thursday. Annual membership dues for the year 2009-2010 in the Rotary Club of Minot, ND are \$588. 6/28/09 Om Madhok, Secretary.

John Kenney of Grangemouth Central, Scotland— President, Rotary Int'l
Ajoy Chatterjee of Thunder Bay, Ontario, Canada—Governor District 5580

The Rotary Club of Minot meets 12:00 to 1:10 p.m. every Monday at the Grand International of Minot.

Board of Directors: Reed Argent, President; Teal Myre, President-Elect; Ron Merritt, Vice-President; Om Madhok, Secretary; Dave Lehner, Treasurer; William McLees, Past President.

Directors: 2009-Jen Guidinger and Dusty Zimmerman; 2010 –Robert Dick and Brent Mattson; 2011—Mike Berg, Ron Merritt and Tom Will

Standing Members: Peter Hankla, Exchange Students, Ken Kitzman, Scholarship Fund; John MacMartin, and Rotary Foundation.

Birthdays

NONE



Anniversaries

NONE

Fines

\$100.00

Dan Feist who received the Minot Chamber of Commerce Genie Award

\$20.00

Terry Zeltinger, who is the new Chairman for the Chamber of Commerce and son's upcoming wedding

\$2.00 each

Steve Podrygula, Reed Argent, John MacMartin, who have birthdays on November 2nd; members sitting with Chamber board members and Terry Hoff's table

\$1.00 each

Members who are 39 years or younger, who did not change the batteries in smoke alarm and Ann Krause's table

TOTAL FINES:

\$287.00

For the duration
of the flu season,
there will be
no handshakes
at the meetings.



A Note from Kristen Rau



I hope this letter finds you well! Life in Minneapolis is going great, but I'm certainly missing Africa.

I just thought I'd let you know that 514 mosquito nets to prevent malaria were just distributed to a primary school in Uganda with the help of the funds that the Minot Rotary Club donated!

Unions, Tariffs and Change

Cont'd from page 1

the cost to consumers ultimately exceeds the benefits. The biggest flaw in President Obama's plan was the fact that by imposing this tariff, he would be supporting the U.S. unions.

However, the problem with this is that no Tier I tires (less expensive) are produced in the U.S. anymore. Furthermore, these tires will never be produced here for the following reasons: U.S. unions, stricter environmental policy, stricter government regulation and government taxes on companies.

So, who will benefit from this new tariff? Manufacturers are already moving molds to other low-cost countries. Countries like India,

Indonesia, South Korea, and parts of South America should see an increase in tire companies moving factories here. President Obama received high marks from the U.S. unions for making this bold policy!?

So, who is negatively affected by this new tariff? American consumers will pay more for all types of tires until these foreign factories start producing Tier I tires.

American exporters to China will be punished because the Chinese government will likely impose tariffs on our products in retaliation. American manufacturing will potentially remain stagnant because government taxes and involvement isn't likely to CHANGE any time soon.

Guest Speaker (10-29-09)

Aaron Krauter is the State Executive Director of the USDA Farm Service Agency (FSA) state office and was our guest speaker this past week. He gave us some facts on the FSA-North Dakota by stating that North Dakota has 51 county offices.

Grant Buck, County Exe. Director and Ron Brossart, Farm Loan Manager from the Ward County office was also in attendance.

North Dakota has a total of 70,700 sq. miles with 1,724 sq. miles of water and 68,976 sq. miles of land. There are 44,144,595 total acres in which 39,674,586 acres are farm land. The number of farm in North Dakota is 31,970 with an average of 1,241 acres each.

The balance numbers for 2009 production on these farms looks like this: spring wheat – 291 million acres produced up 18% from 2008; durum – 61.9 million acres, up 47% from 2008 and winter wheat – 26.2 million acres, up 1.6%.

North Dakota is the No. 1 ranking state in production of durum, spring wheat, barley, oats, flaxseed, dry edible beans, canola, sunflowers and dry edible peas.

Aaron explained the different farm program available as well as their farm loan programs. Farm Service Agency is a lender of first opportunity and their mission is to provide loans, loan guarantees, and business planning to farmers, ranchers, and others to promote, build and sustain family farms/ranches in support of a thriving agricultural community.

The total lending activity in North Dakota for 2009 was 822 loans for \$119.6 million. There will be a tentative lending limit at \$1,112,000 in 2010. North Dakota consistently ranks in the top 10 states in the nation for loan making activity.



Bob Horne introduced Aaron Krauter.

Attendance for July-August-Sept. 2009

CAN YOU HELP?

A driver or drivers are needed to take Jean to and from either Fargo. The drive to Fargo will need to take place on November 18th for Jean to meet up with a car pool with other students who will be making an early morning departure from those towns on the 19th and a return trip from either Fargo on the evening of Sunday, November 22nd (leaving at about 5-6 p.m. from those cities). Please give **Pete Hankla** a call at **852-2544**.



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100% : Reed Argent, Mike Berg, Sue Burger, Dan Feist, Tom Hinzpeter, Kathy Holte, Ken Kitzman, John MacMartin, Om Madhok, Bill McLees, Patricia Smith, Tom Will, and Terry Zeltinger

92%: Jo Khalifa and Bob Wagoner

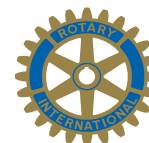
83%: Stacy Askvig, Bruce Christianson, John Coughlin, Jen Guidinger, Darrell Olson, Stephan Podrygula, Milt Rolle, and Dusty Zimmerman

75%: Adam Cichon, CJ Craven, Alan Estvold, Mike Gaddie, Jaime Haaland, Sharon Johnson, Mike Klier, Dave Lehner, Milton Miller, Ron Merritt, Teal Myre, David Olson, Dean Rubbelke, Buzz Syria, and Dick White

67%: Kit Baker, Lisa Clute, Blaine DesLauriers, Elicia DesLauriers, Robert Dick, Pete Hankla, Ann Krause, Kim Krohn, Alan Kurth, Mitt Mittelberg, Doug Pfau, Roscoe Streyle, Tim Vallely, Matt Watne

58%: Maria Effertz-Hanson, Mary Keller, Dan Langemo, Linda Langmaack, Cara Olson, Richard Olson, Doug Panchant, and Bruce Walker

50%: Rick Anderson, Jeff Balentine, Wally Berning, Wally Hankla, Kevin Harmon, Bob Horne, and Brent Mattson



ROTARY CLUB OF MINOT

6/30/2010
Budget

REVENUE

Dues & Fees from Members	\$ 73,460.00
Rotary Foundation PHF and PHF Pledged Income	7,750.00
Scholarship Advertising.....	2,000.00
Fines.....	5,500.00
Fundraisers.....	17,500.00
New Member Fee.....	400.00
Golf Tournament.....	5,000.00

TOTAL REVENUE\$111,610.00

EXPENSES

Dues Expenses	\$ 52,100.00
Youth Activities.....	6,425.00
Charitable Contributions.....	10,250.00
Club Activities	12,950.00
Prairie Flower*	7,000.00
Accounting.....	5,500.00
Other	6,750.00
PHF to Rotary Foundation	11,000.00

TOTAL EXPENSES\$111,975.00

Increase (decrease) in Net Assets..... \$ (365.00)

**As you can see we had allotted \$7,000 for the Prairie Flower, but will be saving this amount now as the Prairie Flower is done by one of our members.*