

OFFICIAL SAYS STATE MUST FIND BALANCE IN BUSINESS ARENA

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Government must tread a fine line in boosting the state's business climate, the state's economic development director told Davis business leaders recently.

Government should act as a catalyst, encouraging business growth and expansion, but should stay out of the way and not overregulate or strangle economic growth, Joe Jenkins said. He spoke at the county's annual business appreciation lunch at the Hill Air Force Base Officers Club.

Jenkins said Utah is ahead of the national average in unemployment, consumer confidence, job-growth rate and several other measuring points.

But many of those rosy numbers are limited to the counties along the Wasatch Front and don't reflect the lagging economies of the state's rural counties.

It's almost as if the state has two parallel economies - one in the urban Wasatch Front counties, the other in the rest of the state, he said.

He cited the state's 3.2 percent unemployment rate as an example. Economists consider anything under 4 percent as virtually full employment, Jenkins said.

Yet the unemployment rate in rural Juab County is more than 10 percent, outstripping the national rate of 7.2 percent, Jenkins said.

``From an economic point of view, it's almost as if we have two states," he said.

The Wasatch Front has a high level of personal income and low unemployment. ``But the outlying counties are not doing as well. Some counties have a personal-income level about half of that of the Wasatch Front," Jenkins said.

Jenkins said Gov. Mike Leavitt has reordered the priorities in the state's economic and community development agency. While the agency still seeks to attract new industry from outside the state, it's placing new emphasis on encouraging growth and expansion of existing businesses, Jenkins said.

``I'm excited about what's happening," he said, pointing to the expansion of the Salt Lake International Airport and other transportation improvements that will make Utah the crossroads of the West.

``The state is very well-positioned for the next two or three years," Jenkins said. ``But we must maintain the balance between good business and good government.

``Businesses must be good corporate citizens, and government must not overregulate or overtax. Massachusetts and California are good examples of that, of a boom that has gone flat," Jenkins warned. ``The prospects right now for the state of Utah are wonderful."