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# Opinion

## Editorial Board

**Publisher**  
Mike O'Brien  
opinions@capitalpress.com

**Editor**  
Joe Beach  
Online: www.capitalpress.com/opinion

**Managing Editor**  
Carl Sampson

## OUR VIEW

# TPP deserves U.S. stamp of approval

The Trans-Pacific Partnership agreement will not throw open the doors of all Pacific Rim nations to U.S. farmers and ranchers.

But it'll do the next best thing. It will provide a huge opportunity for U.S. agriculture to do more business with a half a billion consumers that represent most of our biggest and best trading partners — and develop fast-growing markets that offer huge potential in the future.

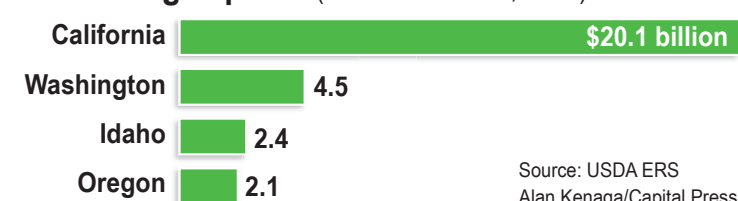
U.S. agriculture, especially in the West, is trade-dependent. Oregon, Washington, Idaho and California export about \$30 billion a year in agricultural goods, mainly to Pacific Rim nations. Included in the TPP are nearly all of those nations: Canada, Mexico, Japan, Australia, Malaysia, Peru, Vietnam, Chile, Brunei, Singapore and New Zealand.

The TPP represents a balancing act that will reduce and eventually eliminate confiscatory tariffs ranging up to 40 percent.

## Top 5 agricultural exports from the Northwest and California, 2013

Rank	California	Washington	Idaho	Oregon
1	Fruits/nuts	Fruits/nuts	Wheat	Wheat
2	Vegetables	Vegetables	Dairy	Fruits/nuts
3	Dairy	Wheat	Vegetables	Vegetables
4	Cotton	Dairy	Beef/veal	Dairy
5	Rice	Beef/veal	Feed/fodder	Beef/veal

## Value of ag exports (Billions of dollars, 2013)



Source: USDA ERS  
Alan Kenaga/Capital Press

Under the TPP, Japan, Malaysia and Vietnam will eliminate all tariffs on fresh and processed fruits, potatoes and potato products and tree nuts. Malaysia and Vietnam will eliminate tariffs on dairy products and wheat and wheat products, and Japan and Canada will develop tariff-rate quotas that

will allow more U.S. dairy products to be sold there.

The TPP also ensures that sanitary and phytosanitary measures used by the TPP partners mirror U.S. food and agriculture safety policy and can be no more restrictive than allowed by the World Trade Organization.

This will help take the politics and protectionism out of the standards, do away with unnecessary tests and make for more efficient port of entry procedures.

Free trade is critical to U.S. agriculture. Whenever U.S. ag exports catch a cold, farmers get pneumonia. Consider the prices of beef, dairy and other commodities sold overseas. The price of each is sensitive to overseas demand and the value of currencies. As demand goes up, so do prices.

Cattle and milk prices have taken particularly deep plunges as of late, in no small measure because of flagging demand overseas.

Though TPP will not sweep aside all of the roadblocks to trade with the 11 other nations, it will go a long way toward leveling the playing field.

Our two largest trade partners — Canada and Mexico — are included in the TPP, which provided a forum to revisit the

North American Free Trade Agreement and correct some of its insufficiencies.

Critics say the TPP doesn't include China, but that was China's decision. Plus, the option remains for China, or virtually any other nation, to join the TPP.

The TPP is not perfect. Some of the tariffs will take years to completely disappear. But for farmers and ranchers who depend on trade with Pacific Rim nations, it is a good deal.

If you don't believe that, consider what life would be if the U.S. were to bail out of the TPP. In coming years the other 11 nations will be enjoying tariff-free trade on most of their goods, but the U.S. would be stranded on the sidelines.

Depending on the political winds, Congress may soon take up approval of the TPP. Our hope, and the hope of many in agriculture, is that Congress will provide its stamp of approval and set in motion the many good developments that await all 12 members of the TPP.

## OUR VIEW

# Minimum wage bill has too much downside

The Oregon Legislature has passed a three-tiered minimum wage bill, and Gov. Kate Brown is set to sign it.

The only thing good that can be said about it is that it is better than alternatives earlier proposed by lawmakers, and much better than a hike to \$15 touted by proponents who are gathering signatures for a November ballot initiative.

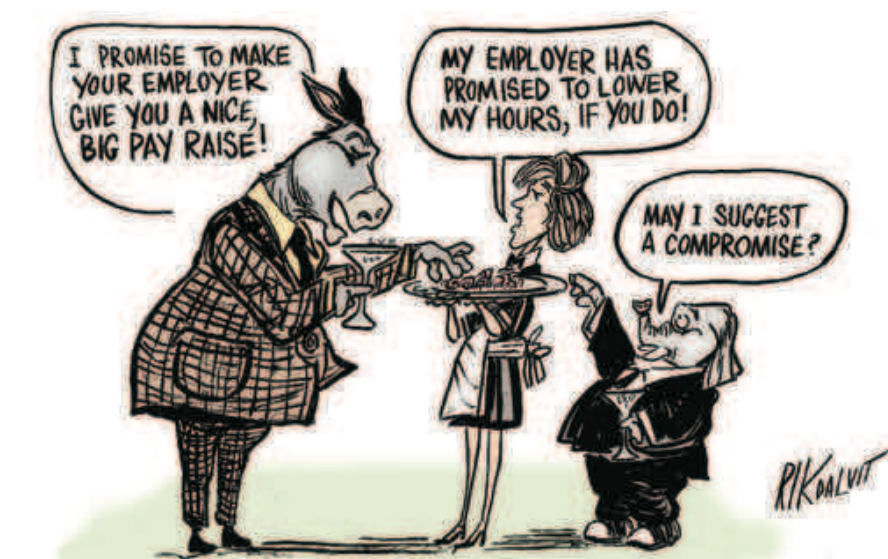
In Oregon, proponents of hiking the minimum wage say \$9.25 an hour just isn't enough for workers to meet their minimum living expenses, particularly in high-priced Portland.

The bill passed was presented as a compromise to an across-the-board hike.

Under the bill, the minimum wage all across Oregon will climb in July to \$9.75 per hour. It will climb at regular intervals, but at different rates depending on the locale, through 2022.

The minimum wage gradually will climb to \$14.75 in 2022 within the Portland urban growth boundary, which includes parts of Multnomah, Washington and Clackamas counties. It will rise to \$13.50 in Benton, Clatsop, Columbia, Deschutes, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Polk, Tillamook, Wasco and Yamhill counties, and parts of Multnomah, Clackamas and Washington counties outside Portland's urban growth boundary.

In rural areas, the minimum will increase to \$12.50. Those areas include Malheur, Lake, Harney, Wheeler, Sherman, Gilliam, Wallowa, Grant, Jefferson, Baker, Union, Crook, Klamath, Douglas, Coos, Curry,



Rik Dalvit/For the Capital Press

Umatilla and Morrow counties.

There are measurable differences in the economies of various locales within the state. Portland is far more robust and diversified than John Day. Employers in Oregon's "rural" communities will have an easier time dealing with a minimum wage of \$12.50 rather than \$14.75.

But a business's location does not determine its ability to pay a higher wage. Low-margin businesses struggle no matter where they are located, particularly if they compete with people who have lower labor costs.

Hood River fruit growers who will pay \$13.50 won't get more for their fruit than growers in Umatilla County who will pay \$12.50. Nurseries within Portland's urban growth boundary paying \$14.75 will be at a competitive disadvantage with nurseries down the road but outside the boundary paying \$13.50.

Eastern Oregon onion packers, who

will pay the lowest rate, say they already struggle to compete against packers in Idaho who pay \$7.25. They promise to move east.

None of that could matter if 15 Nov Oregon makes good on its promise to put an initiative on November's ballot that would increase the minimum wage to \$15 statewide by 2019. Obviously, this would be far more ruinous.

Proponents suggest businesses can easily absorb a wage increase or just hike prices. They say no one will lose their job or have their hours cut. They've also never covered a payroll or sold a product.

It's a laudable goal to raise the prospects of unskilled workers. Pricing them out of the job market isn't the way.

We would all be better off by promoting policies that encourage the creation of better-paying jobs, and facilitate the training of workers to fill them.

# Fee on fossil carbon would help save our snowpack

By STEVE GHAN  
For the Capital Press

Guest  
comment  
Steve Ghan



Few have forgotten the anguish of stunted crops and terror of devastating forest fires last year because of the meager snowpack that yielded paltry irrigation water and tinder-dry soils.

The snowpack was far below normal last year not for lack of precipitation, which was normal, but because of how warm it was. Most mountain precipitation fell as rain rather than snow.

Mountain snow is invaluable as a natural reservoir of water, storing winter precipitation for use during the dry growing season; 70 percent of runoff in the western U.S. is from snowmelt. Moreover, snow keeps the soil moist and vegetation green during summer, limiting the spread of forest fires when lightning strikes. Research has shown the Cascade snowpack has decreased 25 percent over the last few decades as the climate has warmed in response to the atmospheric accumulation of carbon dioxide, primarily from burning fossil fuels.

My research concludes a 50 percent reduction in snowpack by 2050 and a 70 percent reduction by 2100 are likely unless global CO2 emissions are substantially reduced. Meager snow years like last year will become normal.

A study by the Institute for Policy Integrity at New York University found that 84 percent of economists say agriculture, fishing, insurance and health services stand to lose the most productivity as a result of climate change.

To save the snow we need a cost-effective way of reducing fossil fuel use without hurting the economy.

Farmers cannot alone reduce global CO2 emissions enough to make a significant difference. But when it comes to climate change, everyone has skin in the game, and no one can expect others to reduce emissions if they don't. This interdependency explains the success of the Paris Climate Conference, which secured commitments of 184 of 196 nations to substantially reduce carbon emissions.

Yet the Paris agreement is not sufficient to save the Cascade snowpack or the ice on Greenland. Moreover, relying on emissions caps could harm the economy. A more effective approach is needed.

Economists agree the most effective method of reducing carbon emissions is to put a steadily increasing national fee

on fossil carbon at the source (mine, well or import) and return all of the revenue to the economy. This spurs the market to meet energy demand with cost-effective carbon-free substitutes for fossil fuels without hurting the economy. Government regulations, cap and trade, and emission limits are unnecessary. A border tariff adjustment could refund agricultural exporters, discourage businesses from relocating to other nations and incentivize those nations to adopt equivalent prices on carbon.

Regional Economic Modeling Inc. estimated the economic impact of a carbon fee that returns the revenue as a dividend to every legal resident. It concluded:

- CO2 emissions decline 33 percent after only 10 years, and 52 percent after 20 years.

- National employment increases by 2.1 million jobs after 10 years, and 2.8 million after 20 years.

- Some 13,000 early deaths from coal mining and respiratory illness are prevented annually after 10 years.

- \$70 billion-\$85 billion annual increase in Gross Domestic Product from 2020 on.

- A negligible impact on agriculture.

Not considered in the analysis are the \$100 billion annual cost of U.S. military to ensure access to Mideast oil no longer needed as fossil fuels are phased out, or the economic damages from lost snowpack and flooded coastal property avoided as CO2 accumulation is mitigated.

It is sometimes hard to imagine farming without fossil fuels, but fossil carbon-free technology is already available. It just needs a clear market signal to replace fossil fuels. The tractor manufacturer New Holland has already developed hydrogen fuel cell tractors, but has not marketed them because they cannot compete with subsidized fossil fuels.

By enacting a carbon fee and dividend to encourage the transition to a carbon-free economy, we can save our snowpack, preserve our water supply for future generations, and continue to compete in the global agricultural market.

Steve Ghan of Richland, Wash., is a climate scientist and volunteer with Citizens Climate Lobby.

## Readers' views

### Vote for a real conservative

trade war.

He has no political philosophy. He is a PAC. He distributes money wherever it will do him the most good. Would a conservative Republican ever consider giving money to Harry Reid, Charlie Rangel, Charles Schumer, the DNC or the Clintons? He gave \$1,000 to the Republican Campaign Committee and \$20,000 to the Democratic Campaign Committee in the same year.

Is this the man you want to nominate the next Supreme Court justice? Think about it, there are three extremely important things that will happen in November that could change the direction of America. Number 1 and most important is the Supreme Court nominee, Number 2 is the president of the United States

and Number 3 is for the Republicans to keep control of Congress.

Instead of picking a brash unknown quantity, think about putting that X in Ted Cruz box. Ted has a philosophy that he practices every day of his life. He will appoint a nominee who will defend the Constitution of the United States and not write law from the bench.

He will defend and control the borders of the United States. He will demand a rewrite of our tax laws that will bring corporate money back and also encourage businesses to expand and new businesses to start. He will undo Obamacare and encourage a health plan that is affordable for all. He will tear up the agreement with Iran and track

and annihilate ISIS wherever they operate. He isn't afraid to say "Radical Islamists."

He will strengthen our military and be proud that we are the most powerful country in the world.

He will work to balance the budget and reduce the national debt. He will defend the second amendment of our Constitution. He will undo all of the regulations that stifle business that Obama enacted without the consent of Congress.

Ted believes in limited government!

Think about it, folks. This might be the one and only time to get it right. Vote for a proven conservative. If you are on the other side, vote for Bernie. At least he is honest.

P.T. Rathbone  
Marsing, Idaho