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SPECIAL SECTION INSIDE

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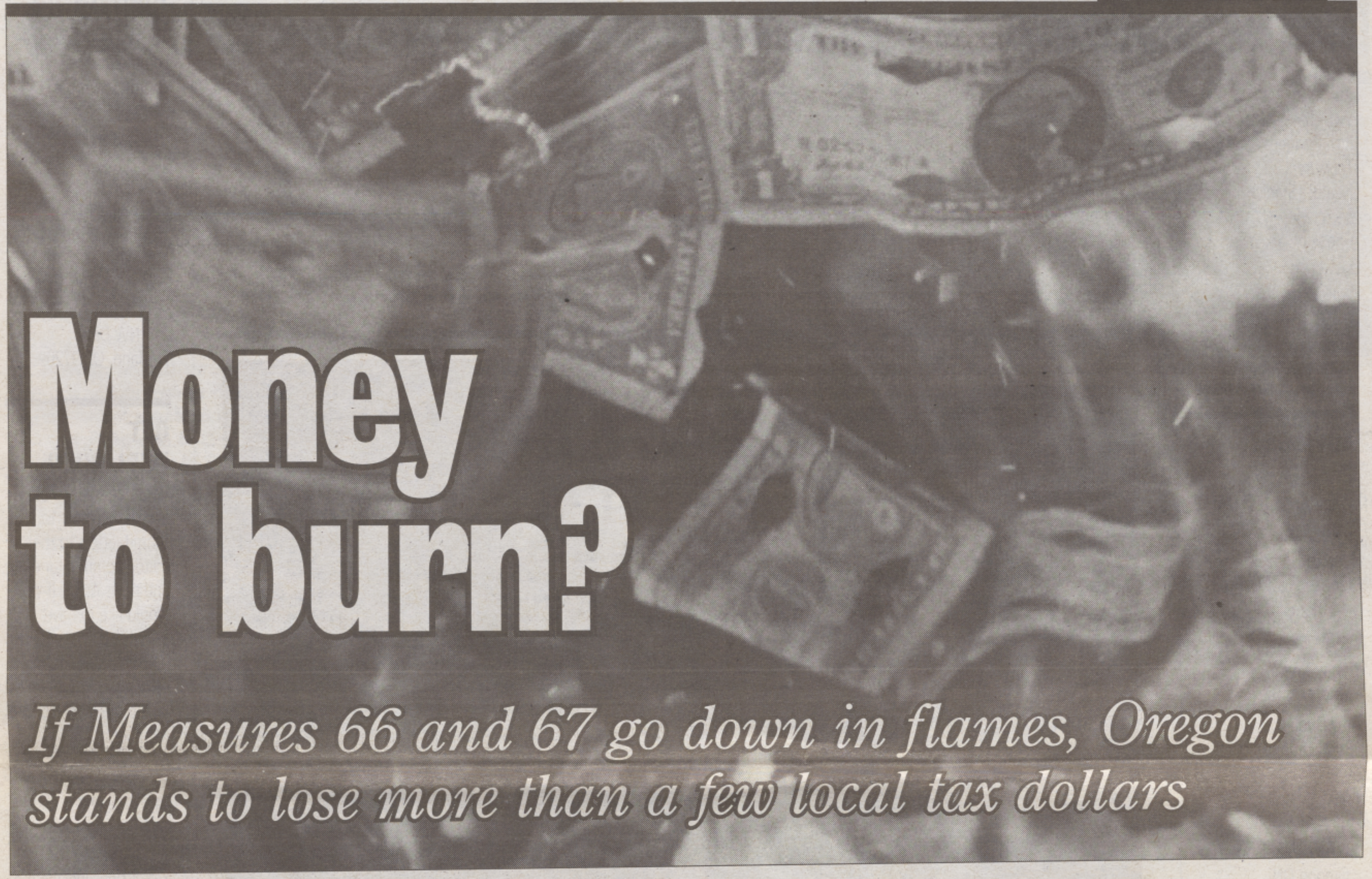

Money to burn?

If Measures 66 and 67 go down in flames, Oregon stands to lose more than a few local tax dollars

BY AMANDA WALDROUPE
STAFF WRITER

Almost from the moment the state Legislature voted to create $733 million in additional revenue by raising the corporate minimum tax and personal income taxes of wealthy people, drama ensued – predictable in a state known for its hatred of taxes.

A group calling itself Oregonians Against Job-Killing Taxes quickly created a campaign and raised $1.2 million to collect enough signatures to refer the taxes – now known as Measures 66 and 67 – to a special election scheduled for January in the hopes that Oregonians would vote the taxes down.

But, according to a variety of sources, there is even more money at stake – up to an additional $1 billion – if the taxes are voted down, because of their connection to money Oregon has received from the federal stimulus package and other matching dollars.

The explanatory statement for Measure 66 published by the Secretary of State's office in October acknowledges that Oregon stands to lose federal funds.

"Because some state money brings in federal matching funds, the state is likely to receive more federal money if the measure passes than if the measure fails," it states.

If Measures 66 and 67 were voted down, and Oregon lost the tax revenue, federal stimulus money and federal matching money, it could total as much as $1.5 billion.

"Definitely, it's a possibility," says Linda Ames, deputy administrator at the state Budget and Management Office.

The corporate minimum tax the Legislature raised in last year's session is a flat fee paid yearly by corporations and businesses in Oregon. Before the Legislature raised the fee to $150 this year, it had not changed the fee of $10 since 1931. The personal income tax raises taxes for individuals and families making more than $250,000.

In the next two years, the taxes are expected to raise $733 million in revenue. The majority of that money will go to Oregon's general fund. Nearly all of the general fund is dedicated to public education, health care services and public safety.

"Those are the services at stake," says Steve Novick, who is doing research on the effects of rejecting the tax measures for Defend Oregon, the political organization advocating for the passage of the taxes. (Novick ran unsuccessfully against U.S. Sen. Jeff Merkley in 2008's Democratic primary.)

Oregon receives matching funds from the federal

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Economist: Lose the banks and get back to the barter

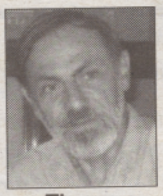
Thomas Greco says Average Joe's can take back the power by creating their own local economy

BY JOANNE ZUHL
STAFF WRITER

Money is the root of all evil, so the saying goes.

It's not just a tired platitude, says Thomas Greco, who has spent the past 30 years studying that notion, reaching one conclusion. "The money problem" as he calls it, has to go.

Greco is an economist, author and consultant on alternative economic systems that wrest control from multinational corporations and return it to the common man. The titles of his books, "The End of Money" and the "Future of Civilization," echo his mantra that it's not just about the little guy getting more money. It's about the future of our planet, our health and our democracy.



Thomas Greco

And it's not just the wishful thinking of a disgruntled academic. The systems Greco supports are in operation around the world, including in the United States. They include the LETS movement – Local Exchange Trading Systems. And the Swiss WIR Bank, a credit-clearing system that has more than 70,000 members, not to mention all the national and international barter exchanges that involve hundreds of thousands of businesses trading in billions of dollars of goods and services.

Greco will speak at the Community Exchange Network of Portland on Monday, Nov. 2, at the first Unitarian Church. He'll talk about a movement that is not as improbable as it might seem.

Joanne Zuhl: *At what point in your life did you realize that the current monetary system had to be replaced?*

Thomas Greco: That goes back 30 years. I was teaching in the college of business in upstate New York, and essentially money and banking was being taught pretty much to accept the system as it is, with the Federal Reserve and the

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