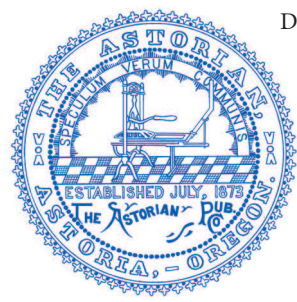


THE DAILY ASTORIAN

Founded in 1873



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REMEMBRANCE

One of our largest talents leaves us

Patterson helped our company and its owners reckon with future

A publishing company is many things. It is paper and ink, printing presses and a bevy of computers. But most of all it is an array of people with diverse talents. We just lost one of our biggest talents of the past few decades.

A man who loomed large in the development of our company died last Sunday. Pat Patterson was our corporate general manager during a period of acquisition, the company's first moves into the digital world and its transition from one generation of owners to the next. He was our top executive for 21 years.

When I came to The Daily Astorian in 1987, Pat was my mentor. While I had been managing editor of Willamette Week, I came to Astoria from 10 years of self-employment, running my own news agency in Washington, D.C. Pat helped me learn many a management lesson.

Within months of my start, Pat joined me in Long Beach, Washington, at the Bank of the Pacific where we signed loan papers to purchase the Chinook Observer. Then we began the process of bringing Craig Dennis' paper into our corporate structure.

Next came acquisition of the Capital Press, a deal which flowed from a relationship between my father and Dewey Rand Jr. On two occasions, Pat expressed to me his surprise at how much authority and confidence my father gave him.

From the 1970s on, business school academia's discovered family-owned business. Thanks to my cousin Jacqueline Brown, the third generation of our family ownership paid attention to the Austin Family Business program at Oregon State University. We brought an outside, non-family director to our board. It was a difficult transition for some in the second generation, and Pat helped ease that.

Pat had no MBA. With a community college degree, he created post-degree learning programs of his own. He was an exceptionally resourceful and self-educated man. He talked about spending an hour each day reading trade and professional literature, to stay current. That was how he reckoned with the early days of the internet. Pat recognized that we needed to make a commitment to the new digital world and in 2000 recommended that we make Laura Sellers our first corporate internet editor.

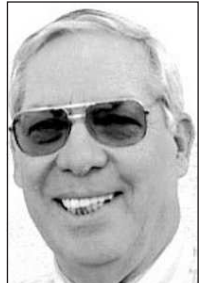
Except for our Astoria and Long Beach bankers, few in this part of Oregon and Washington knew Pat. But he was a large influence in the formative years of coastal managers such as Patrick Webb, Matt Winters and Sellers.

Pat was known for his annual visits to the newspaper offices where he would greet each employee by name and ask about their family by name or inquire about their hobbies or recent travels. During those visits, he had meetings with as many staffers as possible and ask, "If you were me for a day, what would you change." And then sometimes, he would make the change.

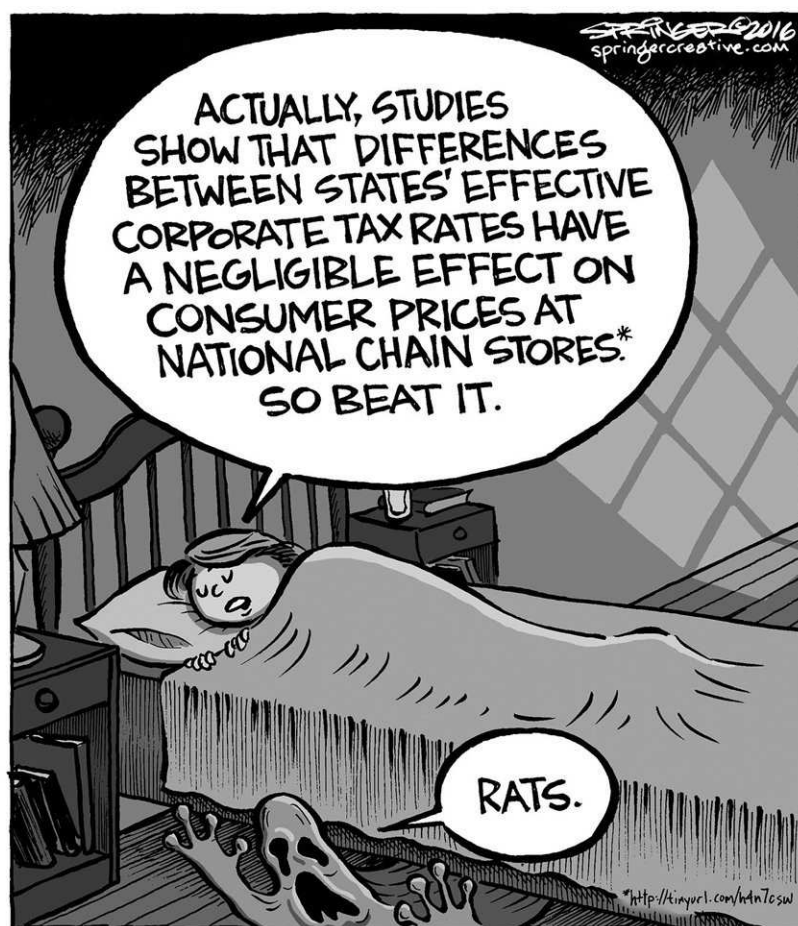
Pat spanned two eras of print journalism. Webb captured that in his reflection. "I appreciated his skill of working to adapt old-school to cutting edge without losing core values of journalism."

— S.A.F.

Steve Forrester is the retired editor and publisher of The Daily Astorian. He is the president and CEO of the EO Media Group board of directors.



C.K.
"Pat" Patterson



American companies avoiding paying taxes

By DAVID LEONHARDT
New York Times News Service

Donald Trump has become the country's most notorious tax shirker. And while his long avoidance of federal income taxes is extreme, it's also part of a larger problem.



The most affluent and powerful parts of our society have too easy a time legally avoiding taxes.

Consider corporate taxes, which ultimately tend to be paid by the well-off, because they own the most stock. The official corporate rate is 35 percent, infamously higher than in any other advanced economy. Yet there are so many loopholes that companies often pay relatively little in tax.

Many companies work hard to shroud how much they really pay, sprinkling various figures throughout their complex financial statements. But companies must report one number that provides a good glimpse. It's called cash taxes paid — the combined amount that a company pays in federal, state, local and even foreign taxes.

I asked the analysts at S&P Global Market Intelligence to calculate this number since 2007 for this country's 500 largest public companies, and the results reveal a broken tax system. Fixing it should be an early priority for the next president. If Hillary Clinton wins, it may well be.

Amazon and others

A good case study is Amazon, which pays a rate much lower than its more traditional retail competitors. Between 2007 and last year, the company paid only 13 percent of its profits in taxes.

Remember: That's not just federal taxes. It's federal, state, local and foreign taxes.

How does Amazon get away with

this? A tangle of tax breaks and loopholes, some enacted in the name of creating jobs despite meager evidence that they do. For many companies, the key move is opening offices in a low-tax country like Ireland and then claiming that much of their business flows through those offices.

Put all these tax breaks together, and you end up with our system. AT&T and General Electric each paid a combined tax rate of only 18 percent since 2007, according to the S&P data. Coca-Cola, Apple and IBM paid 17 percent, and Alphabet (Google's parent) is at 16 percent. Boeing is at 8 percent, Facebook at 4 percent.

And the following tax rate will

This system is cumbersome — causing companies to devote great effort to tax avoidance.

sound familiar to anyone who has been watching the presidential campaign: PG&E, the California-based utility company, has paid zero net taxes since 2007. In fact, it has paid negative taxes, receiving tax breaks more valuable than its tax payments.

"The tax code, on the business side and the personal side, is a rotting economic carcass," Sen. Ron Wyden, D-Ore., told me. "All these games are significantly eroding the American tax base."

Back to stagnation

The inequities contribute to the great American stagnation that I described in last week's column. The billions of dollars in taxes being avoided by GE, Coca-Cola and others is money that can't be used to lift living standards for ordinary

families: It can't be used to reduce their taxes and can't pay for schools, medical research or clean energy.

There is another victim, too — one easily forgotten in this populist time. Many large companies do indeed pay a lot of taxes. For one reason or another, these companies can't take advantage of loopholes and must pay a rate much closer to the official one.

Brick-and-mortar retailers, for example, aren't as politically popular as manufacturers or technology companies and haven't persuaded Congress to create a lot of special tax breaks. Retailers also can't easily pretend their business is based overseas. As a result, CVS, Home Depot, Wal-Mart and Target have all been paying a combined tax rate of more than 30 percent, more than twice as high as Amazon's rate.

This system is cumbersome — causing companies to devote great effort to tax avoidance — and unfair. A better system could lift economic growth, by directing more of investors' money to truly promising companies, rather than tax-advantaged ones.

Fortunately, there are signs of hope. Overhauling the corporate tax code is a rare issue on which the two parties have some common ground. If the Democrats take the Senate, Wyden is in line to lead the Finance Committee and says its first priority will be a big bill to improve roads, bridges and public transit systems (and create jobs). The second will be a corporate-tax bill to pay for the infrastructure. Both are good ideas.

As strong as the case for change is, corporate-tax reform will still cause a nasty political fight. Companies make millions of dollars from tax avoidance. To defend the status quo, some will devise clever arguments to suggest that a new system would somehow destroy jobs or otherwise wreak havoc. They will pretend they're just looking out for the rest of us.

Don't be fooled.

What we need next is family table for all our kids

By DAVID BROOKS
New York Times News Service

Kathy Fletcher and David Simpson have a son named Santi, who went to Washington, D.C., public schools. Santi had a friend who sometimes went to school hungry. So Santi invited him to occasionally eat and sleep at his house. That friend had a friend and that friend had a friend, and now when you go to dinner at Kathy and David's house on Thursday night there might be 15 to 20 teenagers crammed around the table, and later there will be groups of them crashing in the basement or in the few small bedrooms upstairs.

The kids who show up at Kathy and David's have endured the ordeals of modern poverty: homelessness, hunger, abuse, sexual assault. Almost all have seen death firsthand — to a sibling, friend or parent.

It's anomalous for them to have

a bed at home. One 21-year-old woman came to dinner last week and said this was the first time she'd been around a family table since she was 11.

And yet by some miracle, hostile soil has produced charismatic flowers. Thursday dinner is the big social occasion of the week. Kids come from around the city. Spicy chicken and black rice are served. Cellphones are banned ("Be in the now," Kathy says).

The kids call Kathy and David "Momma" and "Dad," are unfailingly polite, clear the dishes, turn toward one another's love like plants toward the sun and burst with big glowing personalities. Birthdays and graduations are celebrated. Songs are performed.

Hungry for heart

I started going to dinner there about two years ago, hungry for something beyond food. Each meal we go around the table, and everybody has to say something nobody else knows about them.

Each meal we demonstrate our commitment to care for one another.

I took my daughter once and on the way out she said, "That's the warmest place I can ever imagine."

During this election season of viciousness, vulgarity and depravity, Thursdays at Kathy and David's has been a weekly uplift, and their home a place to be reminded of what is beautiful about our country and what we can do to bring out its loveliness.

The kids need what all adolescents need: bikes, laptops and a listening heart. "Thank you for seeing the light in me," one young woman told Kathy after a cry on the couch. David and Kathy have set up a charitable organization called AOK, for All Our Kids, to help each of the kids come into his or her own fullness. Four started college this year, and one joined City Year, the national service organization.

Poverty up close is so much more intricate and unpredictable than the picture of poverty you get from the grand national debates. The kids can project total self-confidence one minute and then slide into utter lostness the next.

The college application process

often seems like a shapeless fog to them; nobody's taught them the concrete steps to move along the way. One young woman lied on her financial aid forms because she didn't want to admit that her father was dead, her mother was on drugs — how messed up her home life actually was.

There's no margin for error for these kids, and she would have lost her college dreams if not for a squad of adults ready to mobilize around her.

Present their gifts

The adults in this community give the kids the chance to present their gifts. At my first dinner, Edd read a poem from his cracked flip phone that I first thought was from Langston Hughes, but it turned out to be his own. Kesari has a voice that somehow emerged from New Orleans jazz from the 1920s. Madeline and Thalya practice friendship as if it were the highest art form. Jamel loses self-consciousness when he talks of engine repair.

They give us a gift — complete intolerance of social distance. When

I first met Edd, I held out my hand to shake his. He looked at it and said, "We hug here," and we've been hugging and hanging off each other since.

Bill Milliken, a veteran youth activist, is often asked which programs turn around kids' lives. "I still haven't seen one program change one kid's life," he says. "What changes people is relationships. Somebody willing to walk through the shadow of the valley of adolescence with them."

Souls are not saved in bundles. Love is the necessary force.

The problems facing this country are deeper than the labor participation rate and ISIS. It's a crisis of solidarity, a crisis of segmentation, spiritual degradation and intimacy.

Throughout this ugly year, AOK has been my visit to a better future, more powerful than any political tract about what we need next.

Sometimes Kathy and David are asked how they ended up with so many kids flowing through their house. They look at how many kids are out there, and respond, "How is it possible you don't?"