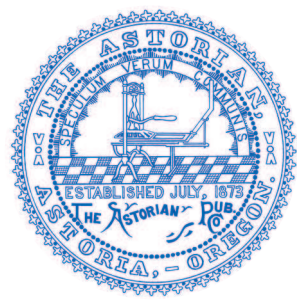


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OUR VIEW

Brown's priorities take steps toward unity, bipartianship

Gov. Kate Brown outlined three priorities in her inaugural speech Monday, which — if she and the 2017 Legislature achieve them — could dramatically improve Oregon:

- Create more and better jobs in rural Oregon.
- Expand health insurance so all Oregon children are covered.
- Improve Oregon's dismal rate of high school graduation.

Brown's nearly two-year tenure as governor has been a decidedly mixed record, pleasing to liberal and urban Oregonians and frustrating to conservative and rural residents. Monday's speech could be a welcome turning point for Brown, a Democrat, who now is an elected governor instead of an appointed one. Her speech was bipartisan, pragmatic and focused, avoiding her penchant for pursuing dozens of ideas.

Much of urban Oregon has recovered well from the recession. As Brown put it, "For those living in urban Oregon, it seems like the economy is growing like a gangly teenage boy: overnight and out of control."

"For the first time in almost two decades, the statewide unemployment rate dropped below the national average. News outlets from Forbes to Fortune to Bloomberg are writing glowing profiles of Oregon's job-producing economy."

Yet, she said, "there is a disturbing gap between the unemployment rate in urban Oregon and rural Oregon."

One antidote is the Oregon Manufacturing Innovation Center, which is being developed in Scappoose, thanks to the determination of state Sen. Betsy Johnson. Twelve large manufacturers have made commitments to the center. Some are interested in opening their own facilities in Scappoose.

But Brown also sees other opportunities for rural economic development, starting with preparing for the Big One.

At least 100 coastal bridges would be destroyed or severely damaged in that inevitable major earthquake. Seismic retrofitting of coastal bridges and roads would create good, family-wage jobs. So too would improving U.S. 97, which would become the state's major north-south arterial when the big quake makes Interstate 5 impassable.

Brown also spoke of the importance of water projects for agriculture, such as in the Umatilla Basin, and of increased timber harvests on U.S. Forest Service land.

All these projects make sense — if the governor and Legislature will follow through.

"By leveraging the human, material and natural resources that once made our rural communities the most prosperous in the state, we have a real chance to tackle the economic fault line that has split our state in two," Brown said.

There is a side benefit as well, one that Brown did not dwell on. More jobs and better-paying ones mean more tax revenue for the state, not just economic improvement for families and communities.

State government and schools face a projected \$1.7 billion deficit in 2017-19 — if all programs were to be maintained at their current level. The biggest challenge facing this year's Legislature is to balance that state budget, including paying for health care and education.

A healthy economy throughout rural Oregon would be a blessing for the entire state.

The governor's full speech can be found at <http://www.oregon.gov/gov/media/Pages/speeches/Inaugural-010917.aspx>



How Trump is erasing Obama

By TIMOTHY EGAN

New York Times News Service

For a soon-to-be nowhere man, he's everywhere. Sensing "time's winged chariot hurrying near," as the poet had it, President Barack Obama is using every hour left in his presidency to ensure that Donald Trump will not erase it all.



It's one part vanity project. What president doesn't want to put a dent in history? One man freed 4 million slaves. Another created national parks and forests that left every American a rich inheritance of public land. A third crushed the Nazis — from a wheelchair, while dying.

And Obama? He bequeaths the incoming president "the longest economic expansion and monthly job creation in history," as my colleague Andrew Ross Sorkin noted. Trump, the pumpkin-haired rooster taking credit for the dawn, has already tried to seize a bit of that achievement as his own. Thanks, Obama. But he's also likely to screw it up, perhaps by a trade war, or a budget-busting tax cut.

Already, Trump has flirted with treason, flouted conflict-of-interest rules, bullied dissidents and blown off the advice of seasoned public servants. He has yet to hold a news conference since winning the election. And did another day just pass without a word of the promise to "reveal things that other people don't know" about Russian interference with our election? Maybe he's waiting for more whispers in his ear from the Kremlin.

Farewell address

In advance of his farewell address this week, the president has tried to Trump-proof a climate pact that commits the world's second-leading producer of earth-warming pollutants — the United States — to making this little orb of ours a less perilous place for Sasha's and Malia's and Ivanka's kids. Trump has promised to go rogue on the planet, as quickly as he can.

Until Day 1, Trump is just a 70-year-old man with a twitchy

Twitter account. But on Jan. 20, he becomes what Grover Norquist wished for in a pliantly conservative president: "A Republican with enough working digits to handle a pen."

With that pen, the new president can take health care from 20 million Americans, free Wall Street to once again wildly speculate and smash things up for the rest of us, and require schools to let people carry guns into classrooms — all campaign promises.

Make America Sick Again is the slogan floated by Sen. Chuck Schumer, who is much better at messaging a negative than Obama ever was at messaging a positive. The people who stand to lose most are Trump supporters. The Affordable Care Act has saved countless lives in red states, and slowed medical costs. So why toss it, without a plan to replace it? To spite the guy on the way out.

Most of the Trump agenda ... is opposed by clear majorities. Trump will erase Obama's policy legacy at his peril.

The intent of Republicans, poised to push through the most far-reaching conservative agenda in nearly a hundred years, is to act as if Obama never existed — the George Bailey of presidents. It won't take long for Bedford Falls to become Pottersville.

Trump will cut taxes on the rich, and for those born on third base, eliminate an estate tax that was one of Teddy Roosevelt's solutions to inequality. He may try to defund Planned Parenthood — for many poor women, the only chance to catch cancer early. He may deport Dreamers, more than 740,000 young people who have been

allowed to obtain temporary work permits and avoid being thrown out of the country under Obama.

Every order

On his first day in office, Trump will "repeal every single Obama executive order." That's the promise of Vice President-elect Mike Pence. Obama issued just under 270 executive orders, well below the number proclaimed by Ronald Reagan, Dwight Eisenhower, Harry Truman, Franklin Roosevelt and even that conservative paragon, Silent Cal Coolidge.

A significant Obama order protected gays in the government contracting system from discrimination. Another prohibited federal employees from texting while driving. There were sanctions against criminals, mobsters and other international monsters, and upgrades in pay for federal employees who earned less than their private sector counterparts.

And get this: Repealing "every single Obama executive order" would require Trump to dump four edicts that allowed federal workers to leave early on Christmas Eve. The War on Christmas heavy breathers at Fox News, who recently declared said conflict dead and won for St. Nick's side, will surely be outraged. Not.

Obama leaves office with his highest job approval ratings in four years. Most Americans like him and his policies. Trump will enter office with the lowest transition approval ratings of any president-elect in nearly a quarter-century. About half of all Americans don't like him, and of course, he got nearly 3 million fewer votes than Hillary Clinton.

Most of the Trump agenda — building a wall, cutting taxes on the rich, ramping up oil and gas drilling at the expense of alternative fuels, taking away people's health care — is opposed by clear majorities. Trump will erase Obama's policy legacy at his peril.

What he cannot do is erase the mark of the man — a measured and rational president, a committed father and husband, who is leaving his country much better off, and the office without a trace of personal scandal.

Deficits matter again at a time they can do most harm

By PAUL KRUGMAN

New York Times News Service

Not long ago prominent Republicans like Paul Ryan, the speaker of the House, liked to warn in apocalyptic terms about the dangers of budget deficits, declaring that a Greek-style crisis was just around the corner. But now, suddenly, those very

same politicians are perfectly happy with the prospect of deficits swollen by tax cuts; the budget resolution they're considering would, according to their own estimates, add \$9 trillion in debt over the next decade. Hey, no problem.

This sudden turnaround comes as a huge shock to absolutely nobody — at least nobody with any sense. All that posturing about the deficit was obvious flimflam, whose purpose was to hobble a Democratic president, and it was completely predictable that the pretense of being fiscally responsible would be dropped as soon as the

GOP regained the White House.

What wasn't quite so predictable, however, was that Republicans would stop pretending to care about deficits at almost precisely the moment that deficits were starting to matter again.

Those apocalyptic warnings are still foolish: America, which borrows in its own currency and therefore can't run out of cash, isn't at all like Greece. But running big deficits is no longer harmless, let alone desirable.

Eight years ago

The way it was: Eight years ago, with the economy in free fall, I wrote that we had entered an era of "depression economics," in which the usual rules of economic policy no longer applied, in which virtue was vice and prudence was folly. In particular, deficit spending was essential to support the economy, and attempts to balance the budget would be destructive.

This diagnosis — shared by most professional economists — didn't come out of thin air; it was based on well-established macroeconomic principles. Furthermore,

the predictions that came out of those principles held up very well. In the depressed economy that prevailed for years after the financial crisis, government borrowing didn't drive up interest rates, money creation by the Fed didn't cause inflation, and nations that tried to slash budget deficits experienced severe recessions.

But these predictions were always conditional, applying only to an economy far from full employment. That was the kind of economy President Barack Obama inherited; but the Trump-Putin administration will, instead, come into power at a time when full employment has been more or less restored.

How do we know that we're close to full employment? The low official unemployment rate is just one indicator. What I find more compelling are two facts: Wages are finally rising reasonably fast, showing that workers have bargaining power again, and the rate at which workers are quitting their jobs, an indication of how confident they are of finding new jobs, is back to pre-crisis levels.

What changes once we're close to full employment? Basically, government borrowing once again competes with the private sector for a limited amount of money. This means that deficit spending no longer provides much if any economic boost, because it drives up interest rates and "crowds out" private investment.

Now, government borrowing can still be justified if it serves an important purpose: Interest rates are still very low, and borrowing at those low rates to invest in much-needed infrastructure is still a very good idea, both because it would raise productivity and because it would provide a bit of insurance against future downturns. But while candidate Trump talked about increasing public investment, there's no sign at all that congressional Republicans are going to make such investment a priority.

Cutting taxes

No, they're going to blow up the deficit mainly by cutting taxes on the wealthy. And that won't do anything significant to boost the economy or create jobs. In fact, by crowding out

investment it will somewhat reduce long-term economic growth. Meanwhile, it will make the rich richer, even as cuts in social spending make the poor poorer and undermine security for the middle class. But that, of course, is the intention.

Again, none of this implies an economic catastrophe. If such a catastrophe does come, it will be thanks to other policies, like a rollback of financial regulation, or from outside events like a crisis in China or Europe. And because stuff does happen, and a lot depends on how the U.S. government responds when it does, we should be concerned that the incoming administration only seems to take economic advice from people who have consistently been wrong about, well, everything.

But back to deficits: the crucial point is not that Republicans were hypocritical. It is, instead, that their hypocrisy made us poorer. They screamed about the evils of debt at a time when bigger deficits would have done a lot of good, and are about to blow up deficits at a time when they will do harm.