

# EDITORIAL/OPINION

## The recession of '82

### Restrict tax refunds

by Manning Marable

Oregon's economy, along with that of the nation, is heading for its worst winter since 1975. Economic indicators point to a deepening recession.

Oregon's unemployment rate reached 10.6 per cent in October, one of the highest in the nation. During October an estimated 126,000 people were out of work and actively seeking jobs—9.5 per cent of the labor force. Minority unemployment is at least double the official rate if not more.

Inflation continues, with the Portland area Consumer Price Index gaining at an annual rate of over 22 per cent.

With winter upon us many families have already experienced utility shut-offs, the necessity to buy oil instead of food, and the discomforts and dangers of inadequate heat. In spite of greater need, federal energy aid for low-income persons has been cut; Oregon has lost \$4 million.

The Oregon Legislature will meet January 11th to seek ways to cut the budget to avoid a \$50 billion deficit. Governor Atiyeh has asked for across-the-board cuts of 20 per cent from all agencies. For many, especially human services and education, the effectiveness of much needed programs would be destroyed.

In order to avoid property tax limitations such as that adopted in California, Oregon initiated a property tax refund program. Money from the general fund—income taxes—is used to refund approximately 30 per cent of each home owner's property tax. During the last legislative session this refund was tied to the expected tax revenue, so now revenue shortfall automatically lowers the funds available for refund payments.

When enacted, the Legislature allowed a refund of up to \$800, which meant that no matter how valuable the home or how rich the owner the owner would receive the \$800.

refund. During the last session the Legislature reduced the maximum refund to \$375, but immediately after the session closed the Emergency Board again increased the maximum—this time to \$425.

Changing the maximum from \$375 to \$425 gave the extra money only to those at the upper tax brackets—those with homes valued over \$70,000. It was a direct subsidy to those who have less need.

In its special session the Legislature should reduce the amount of money available for refunds for the second year of the biennium and use that money to meet human needs. Only those with expensive homes would feel the decrease in maximum refund.

As a longer range solution the Legislature should raise the percentage of the refund, thereby increasing the refund at the lower end of the wealth scale. Since only a specified amount of money is available for the refund, depending on income taxes anticipated, a high per cent refund, say 75 per cent, would insure that the those who are truly needy (or at least those with lower value homes) would pay little property tax. The use of the refund money for these homeowners would make less money available for refund to the rich, lowering the maximum payment. Those who are assessed only \$565 in property taxes would receive 75 per cent or \$425 back, while those who are living in homes valued such that they must pay \$10,000 in property taxes also would receive the maximum \$425 refund.

To do otherwise is taking income taxes from the low and middle income workers to pay a property tax refund to the wealthy. Tax rebates, refunds and benefits should go to the poor; those who have sizeable incomes and resources should pay their share of the State's costs.

### Letters to the Editor

#### Human Rights far from universally secure

To the editor:

December 10, 1981 marks the 33rd anniversary of the adoption of the Universal Declaration of Human Rights by the General Assembly of the United Nations.

Member states of the United Nations pledged themselves to achieve the promotion of universal respect for such human rights and fundamental freedoms as: the right of life, liberty, and security of person; the right of everyone, everywhere, to recognition as a person before the law and to equality before the law; the right to be free of arbitrary interference with privacy, family, home and correspondence; the right to freedom of movement and residence; the right to freedom of thought, conscience, and religion; and the right to freedom of peaceful assembly and association.

Presently, the Metropolitan Human Relations Commission believes that these human rights are still far from being "universally secure for

all peoples." Indeed, we are painfully aware of a regression in our own nation regarding the human rights of our citizens as well as those who seek refuge here: in both instances, particularly people of color.

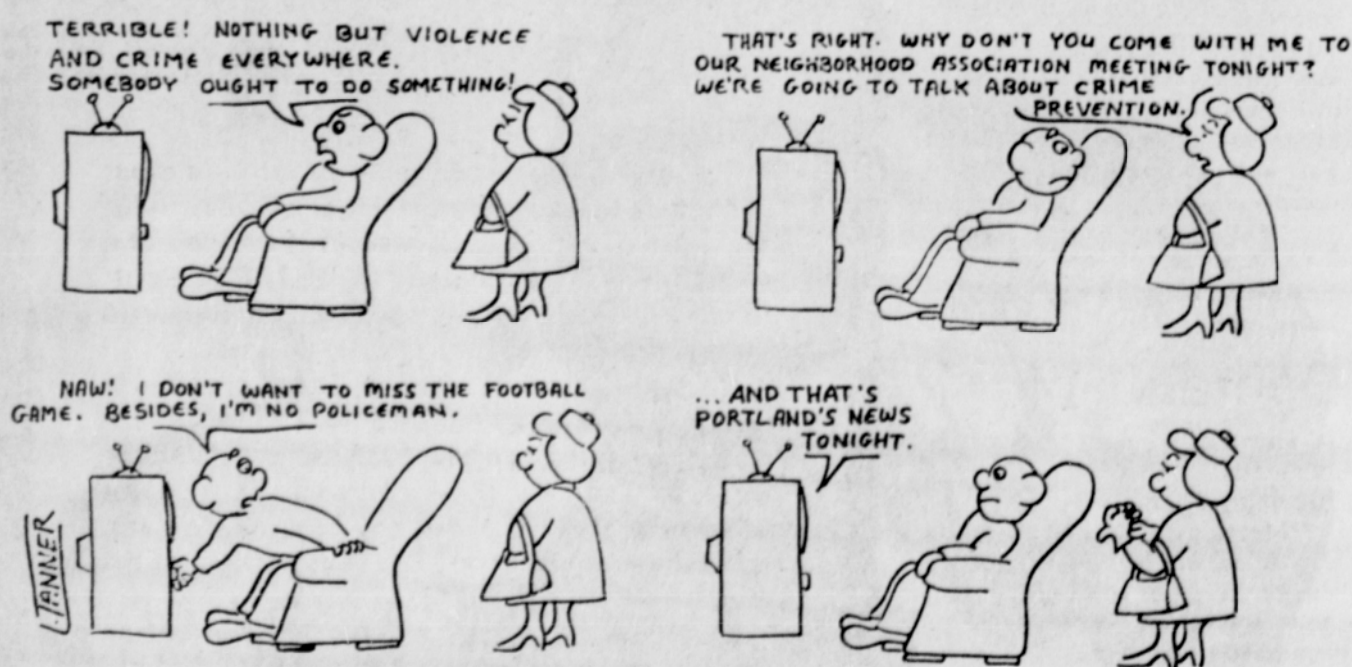
The past year has chronicled a drastic increase in racial harassment and violence across the nation; federal mandates aimed at enforcing human rights, civil rights and constitutional guarantees of equal protection are in danger of either repeal or disembowelment which Kenyon Burke, associate general secretary for the National Council of Churches' Division of Church and Society, calls "evidence that demonstrates this (national) administration's retreat from a commitment to civil rights and justice for the vulnerable, unprotected and the poor of our society." Attacks on the Voting Rights Act, Legal Services, and Affirmative Action; the treatment of Black Haitian refugees, as well as the recent "firing" of Arthur Flemming as chair of the U.S. Com-

mission on Civil Rights, signals that retreat.

Indeed, Flemming said, in protest of his removal, that the United States is "headed in the wrong direction" by eliminating and weakening measures to "take the rhetoric of the Constitution and translate it into reality as far as the lives of people are concerned."

In the wake of diminishing commitments to equity and justice, the Metropolitan Human Relations Commission urges all people, particularly those "movers and shakers" whose activities mold our political and economic reality, to make a firm, unwavering personal commitment to equity, equality and justice on December 10, 1981, Human Rights Day. We have regressed enough; we must now move forward.

Armando Laguardia  
Chairperson,  
Metropolitan Human Relations  
Commission



### Commissioner explains Headstart position

To the editor:

As Acting Commissioner of the Administration for Children, Youth and Families, I am writing to object to allegations in an *Observer* editorial "Masters Wields the Ax" (Oct. 22) that I was "less than honest with parents and workers in Head Start programs" in Portland, "attempted to snuff them" about the budget outlook for Head Start, and am doing "a hatchet job rather than advocate for the needs of poor families and children."

I consider these characterizations to be misrepresentations both of what I am attempting to do and of what I said to the people assembled at the Portland meeting and would like to take this opportunity to reiterate some facts regarding Head Start's budget.

The Reagan Administration has proposed an increase of \$13 million for Head Start from an FY 1981 funding level of \$819 million to an FY 1982 level of \$832 million.

It is true that the Administration had to forego its original request (in March of this year) for an \$130 million increase due to the crisis of the mounting federal deficit. But it is also true that Head Start is one of the few social programs that not only has escaped a reduction in funding but also is slated by the Administration for a modest increase.

In the face of inflation, however, an increase of \$13 million will need to be supplemented by a redirection of funds in order for Head Start to maintain both a high quality of program services and its current national enrollment level.

One action currently under con-

sideration is to reduce the duration of services in Head Start programs that offer full-day care from approximately eight hours to six hours a day and from 12 months to eight months a year. Only about 20 per cent of Head Start programs would be affected—those currently operating on a full-day, full-year basis. Given a tight budget, we believe that it is preferable to reduce hours and days of operation than to lower national enrollment.

This policy gives primacy to Head Start's role as a child development program versus a day care service for working parents—as desirable as it may be to pursue both objectives. Our plans also contemplate converting 37 Parent and Child Centers (PCC's) which now serve pregnant women and mothers with infants and toddlers, to regular Head Start programs serving the target population of 3- to 5-year-old children. Again, given budget constraints, it is difficult, in our view, to justify continuation of PCC's when so many children in Head Start's primary target group are denied enrollment opportunities. PCC's, by the way, serve only 37 communities, whereas the basic Head Start program operates in approximately 2,000 communities across the country.

In addition, funding would be discontinued for 10 Child and Family Resource Programs serving children up to the age of eight, since the demonstration period for these projects will be over in 1982. These are the budget realities and necessary economies that I attempted to explain to Head Start parents and workers in Portland on October 15. From my vantage point, this is

what a responsible public official is obliged to do—even if the news is not altogether good or exactly what people affected by these actions want to hear.

I also want to emphasize that, contrary to the intimation in your editorial, there is no intention of altering the comprehensive nature of Head Start services—health services, education, social and nutrition services and parent involvement in the program. It is the combination of these services that has been so instrumental in enabling Head Start graduates to sustain academic and social gains in their later school years.

And just a final, personal word or two about the manner of your reporting. No one from the *Observer* interviewed me or even attempted to verify information with me before you went to press. In fact, I am referred to throughout as William Masters. You did not even get my name straight. The next time you seek to inform your readers on major public policy issues, please try to examine all sides of the story and make sure your facts are correct.

Warren Master  
Acting Commissioner  
Administration for Children,  
Youth and Families

(Editor's note: Our writer was present at the meeting in which Mr. Master denied rumored cuts in the Headstart program, then announced those same cuts. Although the proposed reduction of hours and months of care might affect only 20 per cent of the programs, it would substantially eliminate the function of the AMA Headstart program. Other changes would close Parent-Child.)

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