

Citizens Party says:

Wooing corporations won't bring economic recovery

by John Blank

The State Legislature is now getting down to work in Salem. With the disarray of the Republicans' policies and the lack of clear alternatives proposed by the Democrats, the Observer thought it would be valuable to solicit the views of a third party—the Oregon Citizens Party—on the problems we face in Oregon.

Ed Blackburn was the co-chair of the Oregon Citizens Party in 1982. In that year, the Citizens Party almost doubled its Oregon vote totals from 1980. Where it ran it won respectable percentages of the vote (47 percent in a Portland non-partisan race, 20 percent in a Eugene State House race). In Eugene, the Party was the political force behind independent City Commissioner John Ball's election. The Citizens Party is a force politicians around the state are beginning to have to reckon with. This year Ed Blackburn is in Salem working as a Legislative Aide.

Observer: How would you diagnose the economic problems Oregon is facing?

Ed Blackburn: Basically, what we're facing in the '80s are the consequences of increased concentration of wealth and decision-making power over investments. This concentration allows capital to be moved very quickly from state to state and country to country, in search of the greatest possible short-term profit.

A lot of this capital is moving out of Oregon. Naturally, this results in a lot of upheaval, for example, the wave of plant closings and resulting unemployment.

The basic problem has been the unwillingness of those who hold investment capital—big banks and large corporations—to invest it. Because of inflation and decreases in productivity, the last 10 years has seen a trend toward lowered corporate profits. And corporations won't invest unless they see, not just some profit, but large, short-term profits. No investment means no production, unemployment, no money in the economy to buy products already on the market, hence even less investment—in short, a recession.

In this recessionary period, do you think Oregon can take steps towards its own economic recovery?

Definitely. Of course, full recovery is impossible without an improvement in national conditions, but we can begin a recovery this year, in Oregon.

How do you see this recovery taking place?

Our philosophy is to exert public control over the prerogatives of large corporations to export wealth out of Oregon. We completely oppose the conservative idea, now being taken up by liberals as well, that we must bend entirely to the wishes of corporate interests to save ourselves.

We have to begin to say "No," now, to corporate demands for tax breaks, concessions from workers, and outright grants.

All over the country, each state is competing for industry with tax breaks, etc. It's easy to see that in this competition most states can't win. Even those that win will have

given away so much to attract new industry they may actually hurt on-going industry. Someone has to pay for these give-aways, after all. How will it help recovery for workers and the middle class to become impoverished for the benefit of a handful of corporations?

It sounds like you would support plant closure legislation.

We supported the bill in the last Legislature that called for six months prior notification of a plant-closing, and stressed corporate responsibility for making up the cost to the community, of a shut-down.

Had an effective plant-closure bill been passed by the last Legislature, today Hyster might not be in the position of blackmailing Oregon.

How do you propose to deal with the problems of corporate irresponsibility and economic recovery? What sorts of measures would you support in this Legislative session?

First, we support a progressive tax—taxing more heavily those with more wealth—not a sales tax.

The trend toward increasing the tax burden on workers and middle class consumers—not to mention the poor—is exactly the wrong way to go. We need a tax policy that keeps more money in ordinary people's hands; if people can't buy goods, no one will invest money to produce any.

For example, we would favor a homestead exemption (on property taxes) for small property owners; for needed revenues, we favor a highly graduated tax which taxes the rich—especially large corporations—at higher rates. We oppose the trend of the last 10 years which shifted the tax burden away from business onto the backs of the general public. Of course, we don't think small businessmen should suffer; we're talking about the big corporations—large industry, big retail firms, the banks, the utilities.

What other measures are you interested in?

We raised two ideas in our recent State House races which may be introduced this session.

First, we called for the creation of a *Community Finance Development Corporation*. Essentially, the state, through this proposed body, would have the power to package revenue bonds for local bodies, such as townships, counties, or neighborhoods. The state can sell bonds at lower interest than localities can, because it has greater collateral. Money raised would be invested according to criteria of social responsibility, with small community-owned/worker-owned/minority-owned businesses, which create 80 percent of new jobs.

The idea is to stimulate community-based job-creating enterprises that are profitable, but not necessarily as profitable as a big corporation might want. In addition, the criteria would stress infrastructure developments—roads, sewers, etc.—that lay the basis for a sound economy, at the same time as they provide jobs.

Second, we raised the idea of a "link-deposit system" to ensure that state monies are deposited in banks according to criteria of social responsibility of the bank's investments.

Immediate measures for economic recovery: Oregon Citizens Party recommendations

- **Fair tax system:** that would tax the wealthy, especially big corporations, more heavily than the poor. Shift the tax burden to big business. Homestead exemptions for small property owners. **No sales tax.**
- **Community Finance Development Corporation:** would sell bonds and use the capital raised to invest in community-based, worker-owned, minority-owned small businesses that create 80% of new jobs; plus it would concentrate on investment in infrastructure (roads, sewers, etc.), the basis of a sound economy.
- **Link-deposit system:** would link deposits of state monies in banks to evidence of social responsibility in banks' investments—would reward in-state, job-producing investments.

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The system would link deposits to a competitive bidding system, which would stress the total number of in-state loans made by the bank, the amount of in-state loans as a percent of the bank's assets, and the loans targeted to low-income areas as a percent of the bank's assets.

These criteria would penalize certain types of irresponsible corporate investments, like speculation and mergers directed at maximizing short-term profit. At the same time, they would reward responsible investment in job creating enterprises, within the state.

These measures would be a first step towards controlling capital flight.

In addition, it's absolutely necessary to get the control over private utilities' investment—a major source of capital flight.

Ed, isn't the creation of all these boards just another layer of bureaucracy?

We emphasize the primacy of political struggle. Unless we can build a political movement that can take power, place people with good poli-

tics on these boards, this will all come to nothing.

We have to get progressive legislators, community residents, and workers on these boards. Simply creating a bureaucracy which could be controlled by the vested interests solves nothing.

There's always a battle over who controls the institutions of society; there's no way around that. Nothing is possible without a popular movement whose goal it is to achieve these things. With such a movement, it's all possible.



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