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Smiling Chiny Reney, 4 years old, tells her wishes to Santa Claus (Senator Bill McCoy) at the St. Vincent De Paul Child Development Center. (Photo: Richard J. Brown)

Educators oppose sales tax

The Oregon Education Association, Oregon's largest teacher organization, has announced that it will oppose the sales tax proposal now headed for the Oregon ballot.

Sandy Ellis, OEA president, explained that the proposal "would not meet OEA's goal to provide adequate and ongoing funding for the education of Oregon's children, and, at the same time, provide property tax relief for citizens who support and pay for that education."

Four major reasons were cited for OEA's opposition to the Legislative measure:

- The sales tax proposal does not meet OEA's school finance and property tax relief goal.
- Combined with existing limitations, the sales tax proposal would make school funding even more difficult. It would complicate—not simplify—the school finance and budgeting process; and it would mean more—not fewer—elections for school budgets.
- The sales tax measure would not

stop or deter passage of a 1½ percent property tax limitation because voters would be likely to want to assure retention of low property tax rates if they voted to approve an \$800 million revenue measure.

•Passage of the sales tax measure would foreclose the option of using a sales tax to finance schools if a property tax limitation also passed.

Ellis warned that the combination of existing limitations plus the sales tax proposal and a property tax limitation would "deal Oregon education a knock-out blow."

The sales tax package to be referred to the voters contains four components: provision for a sales tax; an expenditure limitation; a ratification process; a ban on taxing Social Security benefits. The sales tax would become part of the Constitution and could not be changed without a vote of the people.

Nearly all sales of goods and services would be taxed except: food

for home consumption; prescription drugs; hospitals and medical services; plants, feed, seed, fertilizer, pesticides, livestock and feed for animals; physical ingredients in manufactured products; utilities; sales or leases of real property.

This bill repeals the "30 percent" property tax relief program. The sales tax would be dedicated to property tax relief. Families with annual incomes of under \$17,500 would receive up to \$40 per year per dependent to offset the sales tax.

The estimated net revenue to be gained is \$629 million.

The expenditure limitation sets limits on state and local governments, including school districts.

OEA Governmental Relations Consultant John Danielson studied the impact of the limitation on school districts and found that of the 30 largest school districts, only seven had proposed budgets that would be inside the limitations. Had

the proposal been in effect Eugene would have been forced to operate on the same budget it had the previous year; actually the voters approved a \$310,000 increase.

Salem would have lost \$2.1 million; Portland Public Schools would have had several million dollars less. Districts that have experienced severe problems including closure, like Bend, Prineville, Junction City and Lincoln City, will have serious problems if the measure passes.

Ellis said, "Our education system has already suffered budget cutbacks causing the level of school programs to drop significantly over the past two years. If the sales tax measure passed, the best most districts could hope for would be to maintain at current level, and that's not an acceptable alternative for many of them. Add to that the 1½ percent limitation measure, and well... you get the picture."

Reagan advisor in Portland:

Recommends tax increase

by Chuck Goodmacher

President Reagan came under increasing pressure from his own economic advisors Monday as Dr. Herbert Stein joined the more controversial Dr. Feldstein in calling for a whopping \$50 billion annual tax increase beginning next year.

Stein was in town as the keynote speaker for the 21st annual "Business and Economic Outlook" conference co-sponsored by the Portland Chamber of Commerce and Portland State University School of Business Administration. In addition to serving as advisor to President Reagan (and former chair of the Council of Economic Advisors to both Presidents Nixon and Ford) Stein is a Senior Fellow at the conservative American Enterprise Institute, writes regularly for the *Wall Street Journal* and *Fortune* magazine, and is a director of Reynolds Metals Company.

The \$50 billion tax increase would be raised by altering the income tax on middle-class America, in Stein's proposal. Stein wants to "hit the consumption of the average middle-income American" rather than business or the wealthy since, "people who are very rich are very few and their tax contributions are not very important," and there is "general recognition that we do not want to increase the taxes on business any further."

Stein also made an attack on government aid to the poor: "We're spending a great deal of money in those programs for people who really aren't poor... people who are by and large middle-class." He told the all-white crowd of businesspeople that we should tighten up these programs (while still serving the few he believes really are poor) as another major step to reduce the federal deficit.

The enormous federal deficit is

not, however, an obstacle to short-term economic recovery, according to Stein. Rather, its major impact is on the economy's ability to increase productivity and thereby sustain long-term growth. And productivity, noted Stein, results from investments in both research, development and new machinery. These investments are restricted when the government borrows much of the available capital to finance the debt, he added.

Exactly what is happening to productivity isn't clear now because the employment figures used in calculating it are subject to varying interpretations, said Stein. The two information bases used by the government show vastly different rates of employment growth. He noted a survey of households on how many people are working shows a much larger rise in employment than a survey of employers taken at the

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Guardian Angels Lou Valezquez, Kelly Gerlach and Guardian Angel trainee Howard Miller talk

with residents of the Humboldt and Piedmont neighborhoods. The trio uses bicycles on patrol.

(Photo: Richard J. Brown)

Caribbean history, Grenada invasion reviewed by native

by Robert Lothian

As a cultural anthropologist, Trevor Purcell is concerned about the cultural implications of the U.S. invasion of Grenada. Purcell, 38, a native of Jamaica, is assistant professor of anthropology at Reed College specializing in Caribbean studies.

"The cultural tool is probably the most powerful tool of domination," said Purcell in a recent interview at his house in Southeast Portland. "Developed countries know this, and they use it to make people feel culturally inferior."

Millions in economic development funds and Reagan-administration encouragement of U.S. private investment in Grenada foretells the reforming of Grenadian culture and institutions along U.S. lines, according to Purcell.

"It's not simply a rescue, not simply a restoration or order," he said. "There is no doubt in my mind that Reagan is there to create an atmosphere sympathetic to free enterprise."

Massive U.S. investment and the establishment of a top-heavy indus-

trial economy will turn Grenada's poor Black population into a cheap labor force for U.S. companies, said Purcell. Also, he said, the island will be inundated by luxuries—"transport attraction"—that will disturb the internal strength of the people and threaten their mental health.

Under U.S. occupation Grenada appears headed for colonial oppression once again, he said, with suspension of civil rights, press censorship and U.S. Army psychological warfare aimed at cowering the population. Already, members of the interim government are quitting in disgust. "As more and more information comes to light, I think people will start breaking away," said Purcell. "I think a number of prominent Grenadians will start speaking up."

In the meantime, it is likely that, if asked, island residents will tell their new rulers what they want to hear, he said. "Dual consciousness," where one face is shown to the oppressor and a different one to friends and comrades, is a survival technique used by all oppressed groups, including Blacks in the U.S., according to Purcell. "You don't

reveal yourself," he said.

Purcell described Grenada before the invasion as "a very small country where people had been able to be satisfied." Maurice Bishop's New Jewel government had pursued a development scheme based on developing and diversifying the island's resources, mainly cocoa, bananas and nutmeg. A coffee processing plant, a juice plant, and a fish processing plant had been set up under Bishop, said Purcell, and by 1982 the socialist government was investing at the rate of \$100 million per year in roads, schools and free medical clinics. That rate far outstripped investment during British colonial times and under the post-colonial regime of autocrat Eric Gairy from 1974 to March, 1979 (when the New Jewel revolution occurred and Bishop came to power).

"Bishop did make tremendous strides," said Purcell. As the first English-speaking Black socialist country, Grenada under Bishop was a shining example for poor Blacks in the Caribbean and the U.S., he said. "People were beginning to see that there is a way of solving their problems outside the capitalist frame-

work," and that threatened the entire rickety system of neo-colonialism in the Caribbean, said Purcell.

Seen in relief against the simmering poverty of the other former British colonies in the area, including Jamaica, Barbados and Dominica, Grenada's Caribbean socialism made the leaders of those countries nervous, he said. Tom Adams of Barbados and Eugenia Charles of Dominica offered verbal support and contributed troops to the invasion.

"They're very, very scared," he said. "The fear is based on the recognition of poverty in those countries and that people are likely to revolt because of that."

What the U.S. is doing under the smokescreen of "restoring order" and "rescuing the medical students" is nothing new for the Caribbean and Central America, said Purcell.

"The Caribbean, since the 15th century, has been used for the benefit of outside forces, and the invasion is just one more step in that trend."

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Trevor Purcell, assistant professor of anthropology at Reed College and a native of Jamaica, discusses the United States' invasion of Grenada. Purcell says that he has an axe to grind—the axe of the liberation of his people on the grindstone of truth and justice. (Photo: Richard J. Brown)