

EDITORIAL/OPINION

Home exemption — not sales tax — is answer to property tax relief

On September 17, Oregonians will vote on whether to pass a 5 percent retail sales tax on goods. Proponents of the sales tax say if the measure is passed, homeowners will see a 35 percent decrease in property tax relief. What proponents of the sales tax are not mentioning is how the sales tax measure is unfair to many Oregonians.

Here are some facts about the sales tax plan that make it unfair. The sales tax would cost Oregon taxpayers anywhere from \$875 to \$900 million a year. Business property owners would get 64 percent of the property tax relief. Of that amount, out-of-state business will account for \$100 to \$210 million of property tax relief leaving the state each year. Very high income people would get most of the income tax relief.

If passed, the sales tax would cause a yearly tax shift of over \$106 million from businesses to individuals. Retailers would be paid for part of their sales tax collection costs. Unpaid retailers collection cost means either lower profits, higher prices or both. Out-of-state business owners, stockholders, bankers, insurance companies would all get property tax reductions and pay no sales tax.

The sales tax will also have a negative effective upon small businesses. Under the tax plan, businesses are allowed two cents of each dollar for

collecting the tax. This is far short of covering the cost. The American Association of Small Business estimates the cost at 4.6 percent.

If passed, the sales tax would impose a tax of \$346 on every man, woman and child in Oregon. Individuals will pay 64 percent of the sales tax revenue and only get 39 percent property tax relief. Business will pay only 33.2 percent of the sales tax and get 64 percent property tax relief.

Overall, the sales tax is unfair to the average Oregonian. Big corporations would take the largest share of the sales tax revenue for property tax relief. Therefore, vote *No* on September 17 on the Sales Tax Ballot Measure.

A better alternative for property tax relief is the Home Owners' Property Tax Exemption Initiative. If approved by Oregon voters in November 1986, the Home Owners' Exemption measure exempts 50 percent of the first \$50,000 of your home's value from property taxes. For most people that means \$25,000 of your home will be property tax free. The exemption rises with inflation. An equivalent amount is provided for renters. The Home Owners' Exemption provides more property tax relief and costs less than half the sales tax. Oregonians would not pay to reduce taxes of out-of-state property owners.

Japanese/American businessmen: where are minority businesses?

Over 100 Japanese businessmen and mayors rode into Portland last week on the wave of Japan's phenomenal economic success. They were here to attend, along with many U.S. mayors and businessmen, the 18th Conference of Japanese-American Mayors and Chamber of Commerce Presidents.

The red carpet was rolled out, all the stops were pulled. Governor Atiyeh and Mayor Clark made it abundantly clear to the Japanese that any extra investment dollars they have, and they have billions, would be well-received here.

"Portland welcomes you, and we're ready to do business," intoned a beaming mayor Clark. Clark's Goose Hollow Inn offered Japanese beers at a special discount through the month leading up to the conference.

During the glittering opening ceremony at the Civic Auditorium, some Americans stumbled effusively over their mispronunciations of Japanese greetings. After the ceremony, Girl Scouts holding the American and Japanese flags led the delegates to the Marriott Hotel — Americans first, followed by the Japanese.

Oregon's larger corporations — Tektronix, Pacificorp, the Lloyd Corporation, Jantzen, Nike — were well represented. Such corporations gobble up the megabucks of the Asian trade. But where were minority business people? Did the conference organizers give a moment's thought to including them, that perhaps they too could have a share in the "Century of the Pacific?"

There is no reason why minority businesses shouldn't benefit from the Asian trade, which is the brightest spot in Oregon's otherwise ravaged economy. Even though caught in the grip of recession, with plant closures and continued high unemployment, the state did over \$4 billion worth

of trade with Japan in 1984. While businessmen in other parts of the country complain about a trade imbalance with Japan and talk about restricting Japanese imports, Oregon's Japan trade is evenly divided between imports and exports. The trade is expanding here locally, and the picture is brightened by Japanese investment dollars coming into the state. The Japanese have invested in nearly 60 Oregon companies, and at least three major Japanese electronics firms have announced plans to build plants in the Portland area. The first phase of those projects will create 2,500 jobs. Also, Japanese tourism in Oregon has increased 60 percent in the last year. And Japan is only part of the picture — some economists predict that trade with China in the next 100 years could bring prosperity to Oregon like the state has never seen.

Small businesses in the U.S. have traditionally neglected the foreign market in favor of the home market. But Oregon's home market is stagnant, so perhaps now is the time to learn from the Japanese.

Shunichi Suzuki, Governor of Tokyo, talked about the internationalization of Japan's economy that has been so successful. He described a program called, "one item for one village."

"This is a drive for each village to produce one distinctive agricultural product that would be acceptable throughout the world," he said, "so that such a product would raise the village's productivity and invigorate the particular regional economy."

Perhaps small and minority-owned businesses could benefit by such an ambitious, international outlook and attract some funds from outside the community, including from Japan, that could help solve the community's interrelated problems of unemployment, poverty, crime, prostitution, drugs and neighborhood blight.



Black colleges: endangered species?

Along the Color Line by Dr. Manning Marable

Part I of a Two-Part Series

Is there a conflict between the goal of full racial equality within American society and the continued preservation and improvement of historically Black colleges, both private and public? Some educators and civil rights leaders state that racial integration must inevitably mean the recruitment of white administrators, faculty, and majority white student bodies on Black campuses. In a number of instances, this has already occurred. But is this strategy in the best interests of Black America?

Part of the answers to our current dilemma may be gleaned from history. Sixty-two years ago, three thousand Black people attended a public forum to discuss the existence of all-Black Cheyney State Normal School. The featured speaker, W. E. B. DuBois, the founder of the NAACP, argued on behalf of Cheyney State. Racial segregation in principle was wrong, he declared, but "ignorance was worse than Jim Crow." Blacks had a moral and political obligation to defend Black higher education.

Many Blacks charged DuBois with inconsistency. DuBois later described the incident: "It will be a Negro college!" shouted the audience, as though such a thing had never been heard of. "It will be Segregation," said a woman, who had given much of her life to furthering the fight for Negro equality. I can see her now, brown, tense, bitter, as she lashed me with the accusation of advocating the very segregation that I had been fighting."

A group of Black Baptist ministers contacted DuBois, questioning whether he was "for Jim Crow schools or against them." DuBois carefully outlined his position in his reply. "I believe that a 'Jim Crow' school system is the greatest possible menace to democracy. At the same time," DuBois added, many all-Black schools "are doing excellent work. . . I believe in these schools in the sense that without them we could not have gotten our present education." DuBois consistently maintained this perspective the remainder of his public life. In his July, 1935 essay, "Does the Negro Need Separate Schools?," DuBois again urged Afro-Americans to achieve academic excellence within separate institutions, while supporting the long-term effort to abolish racism.

What has happened to Cheyney State since this early debate? Thousands of Black youth for three generations received a college education at that institution — and before the 1960s, most of these individuals would not have obtained any post-secondary training had Cheyney and other segregated schools not existed. But with desegregation, the percentage of Black university students attending historically Black institutions declined from 85 percent to barely one-fourth. With the development of community colleges, Black colleges were unable to compete with lower tuitions. By the early 1980s, over one-half of all Black students were enrolled in two year institutions.

Cheyney's enrollment declined from 2,940 in 1977 to 1,795 last academic year. Neglected by state officials, the

school's physical plant rapidly deteriorated. Financial and administrative problems proliferated. In 1980, faculty and students filed a suit against Pennsylvania, charging that "disparities between resources available at Cheyney — library holdings, budget allocations, and dormitory conditions — and those available at the state's other universities were part of a systematic scheme to eliminate Cheyney." This March, the Middle States Association's evaluation team voted to remove the university's accreditation. Winning an appeal in June, Cheyney now has until December, 1986 to resolve its major budgetary and administrative problems before its accreditation case is finally resolved.

Cheyney's problematic status is shared by several other Black institutions: since 1977, the enrollments of Fisk University have fallen 36 percent; at Knoxville College, 22 percent; and at Bishop College, 30 percent. Although many Black institutions remain relatively stable financially, all are ultimately threatened by the disturbing trends evident at Cheyney. The real issue at stake is whether Black Americans can afford to lose any of these colleges, given the reaction against the recruitment of Black students, faculty and administrators at many white institutions. The pursuit of equality demands prompt measure: to support all existing Black academic institutions.

Dr. Manning Marable teaches political sociology at Colgate University, Hamilton, New York.

POSAF ON SOUTH AFRICA

Legislative roundup: Anti-apartheid Act of 1985

The bill approved by the House-Senate conference committee, and passed by a vote of 380 to 48 in the House of Representatives, while an important and significant step towards ending the failed policy of "constructive engagement" and towards the disengagement of the U.S. from relations with the apartheid regime, cannot be considered a total victory for the anti-apartheid movement. The current crisis in South Africa calls for much stronger action by the Congress. The U.S. response to the increased repression of apartheid should be comprehensive economic sanctions, or at the very least include the cut-off of new U.S. investment in South Africa. This step has already been taken by several Western nations in light of the deteriorating situation in that country.

However, we do recognize this legislation as an important milestone achieved by anti-apartheid activists towards ending U.S. support for apartheid. There can be no doubt that the role of the anti-apartheid movement in bringing us to this point has been critical. The high visibility of the issue of apartheid generated by the Free South Africa Movement demonstrations, and the constant pressure maintained by its grass-roots allies, have forced the conservative, Republican-dominated Senate to pass a bill with limited economic sanctions against South Africa. While this bill in fact does little toward achieving the overriding goal of ending U.S. economic support for apartheid, it does represent a significant political and psychological blow to the apartheid regime.

A number of significant successes were achieved by the anti-apartheid movement during the process leading to this legislation:

- 1) An immediate ban on Kruggerand gold coin imports was added to the final bill in conference committee.
- 2) The conference committee strengthened the Senate bill's relatively weak language on computer exports and nuclear trade with South Africa.
- 3) The Senate bill's delay mechanism on consideration of further sanctions, originally 24 months, was reduced to 18 months on the Senate floor, and further reduced to 12 months in conference committee.
- 4) The final bill, as reported out of conference committee, did not contain Overseas Private Investment Corporation (OPIC) credits to South Africa, a provision contained in the Senate version of the bill.
- 5) The Senate defeated the filibuster

attempted by Sen. Jesse Helms (R-NC) to kill the Senate version of the bill, which would have forestalled conference committee action.

6) Key opposition Republican Senators, who had originally opposed any sanctions, moved to a position of support for some key sanctions.

7) Three immediate sanctions were added to a Senate bill (banning public sector bank loans, restricting computer exports, and limiting nuclear trade), which had originally contained no immediate sanctions, before it went to conference.

8) The passage of a limited sanctions bill in the Senate, after more than nine hours of floor debate, is in itself a significant achievement. S-995 as limited as it was, was the first South Africa sanctions bill ever passed by the U.S. Senate, and the first free-standing sanctions bill passed by the House.

While these important achievements must be recognized, there remain a number of serious problems with this compromise bill:

1) Mandatory Sullivan Principles for all U.S. corporations in South Africa are included in the compromise. Such codes of conduct in fact protect U.S. corporate involvement in South Africa, and are completely irrelevant to the fundamental issues of ending apartheid and achieving full democratic rights for all South Africans. Further, the Sullivan Principles have had no significant impact on the structure of apartheid since their introduction in 1978.

2) The 12-month delay mechanism included in the compromise remains problematic. There is no guarantee that a ban on new U.S. investment in South Africa, or any other sanction, will be imposed at the end of that period. The compromise language only provides for the consideration of additional sanctions after 12 months; new investment is only one of several options. It must be noted, however, that the Congress is free to consider any sanctions it wishes after the expiration of the 12 month period and a presidential report on progress in dismantling apartheid.

3) The compromise includes \$34 million in U.S. government scholarships for Blacks within South Africa's segregated apartheid educational system over three years. As the South African educational system is one of the backbones of apartheid designed to maintain white dominance, official U.S. support for that system is a significant backward step which will reduce U.S. credibility among the Black community struggling for its legitimate democratic rights.

4) Credits to Black businesses through the Export-Import Bank remain part of the compromise bill. By encouraging such credits, the bill creates a very large loophole in a significant economic sanction. Further, it increases U.S. ties to apartheid business structures which severely restrict Black business opportunities.

5) The economic impact of these limited sanctions on the apartheid regime will be minimal. Apartheid will be forced out of existence only when the purse-strings of U.S. and other foreign investment which allow it to continue are finally severed.

While there remain many problems with this legislation, it is important not to underestimate its importance in the context of other international action against apartheid. Combined with the decision by France, Denmark and the Scandinavian countries to cut off new investments in South Africa, the decision of 11 European Economic Community countries to recall their ambassadors to discuss joint punitive measures against South Africa in light of the current "state of emergency," and the ever-increasing toll of anti-apartheid actions around the world, this bill joins in dealing a serious political and psychological blow to apartheid.

It is now clear that the racist apartheid system is beginning to crumble, as a result of both internal unrest and external pressures. The struggle in South Africa continues, and is intensifying. The international struggle of solidarity with the oppressed people of South Africa is also continuing. In coming months, this struggle of solidarity will continue in the U.S. through pressing for more state and local divestment, regardless of the presence of mandatory Sullivan Principles in the local divestment, regardless of the presence of mandatory Sullivan Principles in the Congressional action, by making support for apartheid into a major election issue for the 1986 campaign season, and by pressing for the introduction and passage of total disinvestment as U.S. policy in 12 months.

POSAF, Portlanders Organized for Southern African Freedom, is a local multi-racial citizens action group that supports Black majority rule in southern Africa and an end to U.S. support for apartheid. For more information call 230-9427.

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