

A photographer's journal of Nicaragua Richard J. Brown, photographer for the Portland Observer, spent seven weeks in Nicaragua learning about and meeting its people. His photographs will appear here as a weekly feature. We met Cora Molina Ramos following her release from the hospital where she was being treated for wounds she received when the Contras attacked the cooperative she lived in. She told us of the attack that lasted two minutes and left both her parents dead. Cora fled into the woods and sometime during the dark, wet night, her 2-and-one-half year-old child died in her arms. Her father was a Contra target because he was pesident of an agricultural cooperative It was difficult if not impossible to speak to a Nicaraguan who had not had a tragic confrontation with the Contras or Samoza's guard.

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Not all the workers are happy ----

some felt railroaded by political pres-

sure. And the story isn't over yet.

Rumblings are in the air about restruc-

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turing and making more accountable a Tri-Met management which seemed only too willing to take the city into a destructive strike in its drive to wrest

utcome: No Tri-Met Strike

by Robert Lothian

Portland breathes a sigh of relief -Tri-Met drivers and mechanics approved a new three-year labor contract Tuesday, by a vote of 71 to 29 percent.

The new contrct means there will be no strike. Before the vote, union members and leaders had warned there would be a strike if the last ditch compromise worked out over the weekend

proved unacceptable.

The new contract calls for a 5 percent wage cut in the first 18 months for workers who earn more than \$10 an hour, followed by a 3 percent increase at the end of 18 months and 2 percent increases each six months thereafter. The contract also includes restructuring of pension provisions and a compromise on part-time drivers. Tri-Met had opted for upping part-timers to 30

percent of the labor force in previous offers, which made union members feel that their jobs were threatened.

The compromise was hammered out in secret, last minute negotiations led by Ed Whelan, a veteran labor negotiator and public relations executive at Portland General Electric, Whelan was recruited for the job by Mayor Clark, who emerged from the cloud cast by the possibility of a strike with another political feather in his cap.

The new contract calls for \$5.1 million in savings for Tri-Met over three years, with \$2.7 million saved the first year, which is \$1 million less in savings than the company had originally asked



concessions from the union

EDITORIAL/COMMENTARY

Fair Tax group says No to sales tax

by Scott Bailey

On September 17, Oregonians will have another chance to vote on a 5 percent sales tax. After carefully analyzing the sale tax measure, Citizens for Fair Taxes recommends that citizens vote "no" on the sales tax. We believe that the sales tax will increase the tax bill for most Oregonians, and that it will hurt Oregon's economy.

Before explaining why we oppose the sales tax, let's review the basics of the measure. If passed, Measure 1 would place a 5 percent sales tax on the purchase of many goods we buy. Some basics like food, rent, utilities, mortgage payments and prescription drugs would be exempted from the tax. Revenues raised by the sales tax would be used to lower property taxes and income taxes. In addition, renters would receive a refund of 6 percent of their rent, and low-income Oregonians would receive a refund of up to \$40. The percentage of the sales tax (5 percent) and the basic exemptions could not be changed except by a vote of the people.

The sales tax, then, would trade property tax and income tax relief for a new tax. The first question for voters becomes, who would pay more in taxes and who would pay less. While the answer will be different for each of us depending on what we pay now and what we would pay, some generalizations are possible.

First, the tax bill on corporatons will drop by about \$100 million a year. Many large corporations, such as banks and utilities, have extensive landholdings and would receive far more in property tax relief than they would pay in a sales tax. Out-of-state landowners would clearly benefit - they would

have their property tax bill cut, and would pay no sales tax. Between onefourth and one-half of downtown Portland is owned by out-of-state interests, so that the amount of property tax going to non-Oregonians would be significant, perhaps as high as \$200 million.

If corporations and out-of-state landlords pay that much less in taxes, someone has to pick up the tab. That someone turns out to be 1) families. and 2) small and expanding businesses.

While the poorest of Orgonians may not see their tax bill increase, lower and middle-class families would end up paying more if the sales tax were to pass. Young families are the major purchasers of goods that would be subject to the sales tax: new and used cars, major appliances, home furnishings, and clothing. The big months for sales tax collection are September, when parents are buying back-toschool items for their children, and December, during the Christmas season.

Small and expanding businesses would also be hurt by the sales tax. Many small businesses lease their property, and so would not receive any property tax relief; however, they would have to pay a sales tax, so their tax bill would increase. Oregon businesses in the process of expanding would also have to pay more in taxes. Out-of-state corporations setting up new plants in Oregon would face high start-up costs due to the sales tax. Any incentive from reduced property taxes would be balanced by the increase in sales tax.

Contrary to the claims of sales tax supporters, passage of the sales tax would not help Oregon's economy.

and in fact would probably work against any chance at economic recovery. The sales tax would not lure new companies to Oregon, because on balance they would have to pay as much in a sales tax as they would receive in property tax relief. Those Corporations that create the most jobs - small businesses and expanding businesses such as high-tech firms would end up paying more in taxes if the sales tax passes. The companies helped by the sales tax, like U.S. National Bank and Pacific Power & Light, are not the ones creating new jobs and helping to revive our economy

Portland residents should be aware of a loophole in the sales tax measure that will greatly reduce their potential tax relief. The 1987 legislature will have a chance to change the way tax relief is distributed throughout the state. The current measure offers a 32 percent cut in property taxes. It is likely that the legislature would alter the formula and lower the figure to 18 percent for Portland, while increasing the percentage for other areas in the state.

The shift in taxes from large corporations onto families and small or expanding businesses, and the potential damage to Oregon's economy accompanying such a shift, far outweight the few positive features of the sales tax measure, such as stabilization of some school tax bases. Recent polls show that 60 to 70 percent of Oregon voters will vote against the sales tax. We urge you to join them.

Scott Bailey is the Treasurer for Citizens for Fair Taxes and the cochair of the Portland Democratic Socialists of America.

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