

OPINION

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No Sales Tax for Health Care

May be the worst idea ever

BY LOIS DANKS

Desperately searching for a way to fund a \$1 trillion healthcare reform package, the Obama administration floated a trial balloon in a Washington Post article on May 27 — a VAT or Value-Added Tax.



Americans for Fair Taxation. In 2001 this group called for replacing the federal income tax with a national retail sales tax, and dubbed it the "Fair Tax."

Senate Budget Committee Chairman Kent Conrad agreed the tax should be considered. So did Obama's economic adviser Paul Volcker. Recently even U.S. Rep. Charles Rangel, Democratic Chairman of the House Ways and Means Committee gave the tax a plug.

This may sound appealing: no more horrible tax returns to fill out! But some basic math shows otherwise. To replace current taxes would require a sales tax rate of 30 percent.

Meanwhile, Democrats would also like to slip some form of sales tax through to pay for the ballooning deficit and healthcare initiatives. Given that openly pushing such a tax could mean political suicide, Democrats are sugarcoating the idea by coupling it with proposals such as instituting a higher income tax on the wealthy or offering to subsidize people below the federal poverty level.

A VAT is essentially a national sales tax that is collected at each step in the production process and ultimately passed on to the consumer in higher prices. For example, a flour mill owner buys grain and pays a VAT; he sells flour to a baker and she also pays a VAT; and so

This is a slick effort to make a regressive tax seem progressive. Don't buy it. No matter how they spin a sales tax, it still hits the people who can least

No matter how they spin a sales tax, it still hits the people who can least afford it the hardest.

on until the consumer pays \$4 for a loaf of bread instead of \$2! The VAT is widely used in Europe and other countries such as Australia, Japan, and Brazil — and tax rates range as high as 25 percent.

Ezekiel Emanuel, the brother of the president's chief-of-staff Rahm Emanuel, was hired by the White House Budget Office to help overhaul the U.S. healthcare system. A year ago last May, he published a book, Healthcare, Guaranteed that proposed using a 10 percent VAT to fund healthcare reform.

Through the years, the rightwing has made similar proposals in an effort to free the rich from paying taxes on their profits, dividends, and inheritances. But with the U.S. deficit soaring, Democrats are desperate to raise revenues. And what better way to do it than by proposing a regressive tax to fund a program that working people really care about, like publicly funded healthcare.

From the right, a major pusher of the sales tax is

afford it the hardest. Folks with smaller incomes see a much larger proportion of their paychecks hit by sales tax because all of it is spent every month just to cover basics. Millionaires may pay more sales taxes on their expensive yachts, but have money left over to invest, all free of sales tax.

Any version of a national sales tax will worsen an already regressive U.S. tax structure. Over several decades, Republicans and Democrats have already shifted most of the cost of government and services onto the wallets of workers.

Rightwing groups utilize talk shows and bogus studies by conservative think tanks to hide this reality and protect the wealthy from paying more taxes. Meanwhile, Democrats are piggybacking their VAT proposal onto healthcare reform.

But no matter which party is pushing the idea or how the politician dresses it up, this one is a no-brainer for working folks. A sales tax by any name stinks.

Lois Danks is the organizer of Radical Women in Port Angeles, Wash.



Kennedy's Most Passionate Purpose:

National health care proposals

BY MARC H. MORIAL

My introduction to Sen. Edward Kennedy came in 1979, when as a 21 year old Senate intern I witnessed his spell-binding presentation



before the Senate Finance Committee in support of one of his earliest proposals for national health coverage.

I did not know it then, but over the years, as I watched Senator Kennedy's tireless advocacy for those who scripture calls, "the least among us," I came to understand why he was called "the Lion of the Senate."

During his 47 years in the Senate, no one roamed farther, fought harder or was a more fearless champion for the rights of everyday people than Ted Kennedy.

From the bleak hills of Appalachia to the shanty towns of South Africa to the back streets of Boston, Senator Kennedy went

wherever there was a need to support democracy's highest ideals of freedom and opportunity for all.

Like his older brothers John and Bobby, he saw politics not as a game of self-interest and personal gain, but as an opportunity to

rights the National Urban League fights for daily — equality, education, employment, and healthcare for all.

He taught us that standing on principle, and not yielding to even the harshest critics, is the true barometer of statesmanship and leadership. He did not mind criticism when he knew that what he was fighting for was right, just,

talk and moral equivocation, Senator Kennedy was a straight shooter who was clear about the values he and his party should stand for. In his 1980 presidential concession speech he said, "It is the glory and the greatness of our tradition to speak for those who have no voice, to remember those who are forgotten, to respond to the frustrations and fulfill the aspirations of all Americans seeking a better life in a better land. We dare not forsake that tradition."

Senator Kennedy never forsook that tradition and he gave life to it in everything he did — from his fights to improve public education to his battles for a living wage to his endorsement of Barack Obama for President. His life is a vivid example of a man who stood tall and firm even in the face of the most vehement opposition.

I am hopeful that his most passionate purpose — the passage of national health care — becomes a living, enduring legacy to his remarkable life.

Marc H. Morial is president and chief executive officer of the National Urban League.

Senator Kennedy went wherever there was a need to support democracy's highest ideals of freedom and opportunity for all.

improve the lives of those who are too often locked out and left behind, including workers, women, people of color, the poor and dispossessed, immigrants, children, and people with disabilities.

As one of the last U.S. Senators who fought for the Civil Rights Act of 1964, he stood for many of the same

and in the best interest of the nation.

As a skilled politician who authored more than 300 laws and supported thousands of other pieces of critical legislation, he showed us the value of reason over rhetoric and pragmatic compromise over partisan posturing.

In an era of political double-

Helping Primary Care Doctors

Reform must address critical needs

BY JUDGE GREG MATHIS

Family doctors work to keep adult and children healthy and away from the emergency room, controlling medical costs for families and the government alike. Yet, lost in currently heated healthcare policy discussion is the fact that there



10 years, we will need close to 140,000 family doctors but are currently only attracting half of that number.

According to the American Academy of Family Physicians, the number of medical school graduates entering

Congress should contemplate legislation that provides incentives for those who choose to become primary care physicians. Forgiving a portion of student loans for those who do is a good start. The average medical school grad owes hundreds of thousands of dollars in loans.

Providing government funded salary increases is another option. Family care physicians typically earn less than half that of a highly specialized doctor. Along the same lines, tax breaks for family care doctors, increasing the money they take home, could also be used as an incentive.

If something isn't done, the family physicians academy predicts a shortage of 40,000 primary care doctors by 2010. We will see longer lines in doctor's offices and more people using the emergency room for basic care, increasing medical costs for everyone and defeating the purpose of the healthcare plan the Obama administration is working to pass.

Judge Greg Mathis is vice president of Rainbow PUSH and a board member of the Southern Christian Leadership Conference.

We must consider all of the needs of the patients...and that includes producing qualified doctors who can serve them.

is real a shortage of family care, or primary physicians, in this country.

If this issue isn't addressed, the more than 40 million people the Obama administration intends to extend coverage to through its healthcare plan are unlikely to have a doctor available to treat them.

There are about 100,000 family physicians, which include primary care doctors and general pediatricians, in the U.S. healthcare system. In the next

this field has dropped over 51 percent in the last two decades. There are many reasons for this: the lower pay, longer days and less prestige key among them.

The country is spending quite a bit of time discussing the health care and reforming the current system. If we are to truly revamp the way health care is administered in this country, we must consider all of the needs of the patients...and that includes producing qualified doctors who can serve them.

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