

OPINION

What's All the Fuss about Top Tax Rates

Increase would be paltry in historic terms

BY KENNETH LEWIS

The national conversation on our fiscal health for the past few months has been about whether to extend the Bush-era tax cuts for households with incomes over \$250,000, or to allow them to expire on Dec. 31. To my amazement, lost in all this controversy and discussion has been any mention of what this would really mean for high-income people in the context of historical tax rates.

During the 1950s this country was flourishing economically and adding new jobs that moved millions of people out of poverty and into the middle class. What kind of tax policy was in place during this period, those years after World War II when the Baby Boomers were growing up?

What was the top marginal tax rate during all eight years of the Eisenhower Administration? 91 percent! The increase pro-

posed for today's rates seems paltry, and the top rate seems very low, in fact too low, and incongruent with the needs of the country for investment right now in education, health and infrastructure.

This comparison is also true when looking broadly over the mid-century; during the years from 1935 to 1980 the marginal rates were never below 70 percent.

One can only wonder what the big fuss is all about.

Right now people pay income taxes on a sliding scale between 10 and 35 percent. If the Bush-era tax cuts expire, the rates would return to between 15 and 39.6 percent. Less than one percent of taxpayers now pay the 35 percent (according to the Wall Street Journal) and less than four percent pay 33 percent. If the tax cuts are allowed to expire, the top tax rate of 39.6 percent would only apply to those whose income, adjusted for inflation, exceeds \$363,000 per person.

So in reality, the big controversy over the extension of tax cuts boils down to a mere 4.6 percent for those making over \$363,000! And remember, they pay that extra amount only on

incomes over \$363,000, not their entire income. Based on the arguments and emotional forcefulness of those who want all tax cuts extended, one would think that the rates we are talking about are historically high rates. Top rates of 35 and 39.4 percent aren't even close to historic highs.

At a time when reducing the deficit is a main concern of both the public and of policy makers, it seems incredible that there is even any discussion about this. Letting the tax cuts expire for the top two to four percent of high earners will reduce the deficit by over \$700 billion. How can we not do this?

The argument that lower tax rates leads to increased employment is belied by the experience during the Bush Administration. The most massive tax reductions in U.S. history occurred during those eight years, and the increase in employment during those years was the lowest in U.S. recorded history. Lower taxes did not lead to increased employment.

I have benefited enormously from the infrastructure that strong federal, state, and local governments provide. As a business-

man I have used more than my fair share of these public institutions and therefore, I want to pay my fair share. That's why I'm asking Congress to raise my taxes!

There is no valid reason to continue these historically low tax rates for those making more than \$250,000 or more than \$363,000 during a period of economic stress. This country is in trouble and those of us who have benefitted the most need to step up and pay our fair share. The small rate increase will decrease the deficit by over \$700 billion and have no appreciable adverse impact on employment. In fact, I would argue it would stimulate job creation if Congress were to invest in this country again. The House has rejected letting the wealthy off the hook for their fair share. The Senate should act now, do the right thing - and also reject the compromise.

Kenneth Lewis is former president of Lasco Shipping Co. of Portland and of the Port of Portland Commission. He is also former national chairman of the I Have a Dream Foundation and a member of Wealth for the Common Good.



All Students Deserve Up-to-date Schools

Supporting the modernization bond

BY TAMALA NEWSOME AND LASHAWN LEE

As school principals in north and northeast Portland, we see every day the positive effects that our schools have

on students and families — and on our immediate community, which utilizes our buildings as neighborhood centers. But it takes a much greater effort to be effective and to serve our community well at one of our schools. Why? Its physical condition.

Only four miles separate our two schools, but it may as well be an ocean.

Built in 2006, Rosa Parks Elementary School represents a new way: of designing learning spaces, of defining "children first" by addressing the needs of the "whole child;" of building partnerships, of linking a public school to its community and a com-

munity to a school. Rather than focusing on space, the district focused on learning and asked the building to respond.

The Rosa Parks building features flexible learning space to support a variety of student groupings and individualized instruction. There is access to technology throughout the school, as well as a dedicated technology lab to support the requirements of 21st century learning. Extensive natural light brightens the rooms, reduces lighting-related electricity consumption and improves learning.

At Faubion PK-8 School, built in 1950, teachers do a wonderful job utilizing the resources available to meet the academic needs of students, but every school day, staff members and students struggle with noise, poor lighting, mildew, lack of fresh air, hot or cold temperature, overcrowded classrooms, limited technology and inadequate security. For many years, we have used everything from superglue to duct tape just to keep our school up and running, but the building continues to deteriorate.

The adverse conditions at Faubion negatively affect the academic achievement of our students. Our students are cold in the winter, hot in the summer and wet during the rainy season. What's more, the building simply is too small for our growing population. Next year we will use part of the library, cafeteria stage, and principal's office as mini classrooms for next school year.

Our schools are places where children can grow to their full potential, now and for generations to come. All of our students deserve the opportunity to learn, develop and grow in a safe and inspiring environment such as Rosa Parks. The school modernization bond that the Portland School Board is considering for placement on the May ballot is a step toward this achieving that goal.

We would like to leave you with these final thoughts: If not now, when? If not here, where? And if not our children, whose?

Tamala Newsome is the principal Rosa Parks School, and LaShawn Lee is principal of Faubion School.



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