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OUR VIEW

Minimum vs. median wage in Oregon



Slow and steady way to raise wages

Oregon's minimum wage increased 15 cents today. The new rate — \$9.25 per hour — remains the second-highest in the nation, behind only our neighbor to the north, Washington. Yet several Oregon politicians already are gunning up support for a \$15 minimum wage.

We're pleased to read that Peter Courtney, president of the state Senate, is lukewarm to the idea. He cautioned fellow Democrats not to overreach on the issue, saying it could jeopardize their party's new majority in Salem.

Courtney's advice is wise for more than reasons of political power. A sharp increase in the minimum wage in a state that is still recovering from a brutal recession is risky. There is scant evidence that such a boost would benefit the state or local economies.

The economic impact of hiking the minimum wage is unclear. There are dozens of research papers on the subject and their conclusions are conflicting.

Some argue that minimum wage increases boost consumer spending. Others say the impact is short-term and encourages low-wage workers

to take on more debt. Much depends on how employers would react to a large increase in the minimum wage. They could hire fewer workers. Or raise prices. Or lay off higher-paid employees. Again, economists disagree on the potential response.

Oregon's minimum wage is adjusted each year for inflation. This has kept it at half the median hourly wage for all Oregon workers. That is a sound level for a wage for unskilled workers compared with employees with years of experience or specialized skills.

The \$15 minimum wage appears to be the new gold standard for activists, unions and others doing battle in the name of economic equality.

The city of Seattle was the first to make the leap, though its City Council tempered the impact by phasing the increase over several years. San Francisco soon followed suit.

Oregon legislators should at least wait to see how those jurisdictions fare under the \$15 minimum before following their lead. As Mark Twain said: "Get your facts first, then you can distort them as you please."

BY THE NUMBERS:

	MINIMUM WAGE JOBS	PERCENT OF TOTAL JOBS
Oregon:	102,485	5.7%
Clatsop County:	1,215	6.9%
Umatilla County:	2,113	6.9%
Morrow County:	256	4.7%
Grant County:	170	8.1%
Wallowa County:	142	6.2%

Source: Oregon Employment Department. Estimates are for first quarter of 2014.

Unsigned editorials are the opinion of the East Oregonian editorial board of Publisher Kathryn Brown, Managing Editor Daniel Wattenburger, and Opinion Page Editor Tim Trainor. Other columns, letters and cartoons on this page express the opinions of the authors and not necessarily that of the East Oregonian.

OTHER VIEWS

Blood donation policy still discriminates against gay men

The (Coos Bay) World

We're sure that the Food and Drug Administration means well with its recommendation announced last week to end the nation's lifetime ban on blood donations from gay and bisexual men.

We're certain they didn't intend to simply recast the negative stereotype that has persecuted homosexuals throughout Western civilization.

But within the federal health officials' recommendation to begin lifting the ban next year was an insulting caveat — in order to donate blood, gay and bisexual men must have abstained from same sex encounters in the previous 12 months.

How, by any stretch of the imagination, is that an improvement in policy?

The ban was put into effect as a measure to combat AIDS 31 years ago — an age when little was understood about the devastating disease except that gay and bisexual men were its disproportionate victims. While the policy seemed to make sense at the time, it also gave an air of legitimacy to already discriminatory practices that even touched heterosexual AIDS victims.

An Associated Press story on the

12-month abstinence issue last week said that other countries, including Australia, Japan and the U.K., have similar policies. Studies in Australia show that, after 10 years, there was no change in the safety of the national blood supply.

Like all studies that involve surveys, though, the research relies on honest responses. There is no evidence to suggest that gay men are any more honest about their relationships than any other segment of the population, 12-month abstinence in place or not.

And scientific advancements have done much to insure the safety of the nation's blood supply. All U.S. blood donations are screened for HIV. The American Red Cross estimates the risk of getting an HIV-positive blood donation is 1 in 1.5 million.

The problem with this policy change is its continuing inherent discriminatory nature. What other subset of the population is being told to alter its sexual practices in order to participate in a charitable act? Heterosexuals? Not a chance, right?

It is curious that the nation that heralds itself as a beacon of freedom for the rest of the world always seems to approach freedom for its own with baby steps.



OTHER VIEWS

The Obama recovery

Suppose that for some reason you decided to start hitting yourself in the head, repeatedly, with a baseball bat. You'd feel pretty bad. Correspondingly, you'd probably feel a lot better if and when you finally stopped. What would that improvement in your condition tell you?



PAUL KRUGMAN
Comment

It certainly wouldn't imply that hitting yourself in the head was a good idea. It would, however, be an indication that the pain you were experiencing wasn't a reflection of anything fundamentally wrong with your health. Your head wasn't hurting because you were sick; it was hurting because you kept hitting it with that baseball bat.

And now you understand the basics of what has been happening to several major economies, including the United States, over the past few years. In fact, you understand these basics better than many politicians and commentators.

Let's start with a tale from overseas: austerity policy in Britain. As you may know, back in 2010 Britain's newly installed Conservative government declared that a sharp reduction in budget deficits was needed to keep Britain from turning into Greece. Over the next two years growth in the British economy, which had been recovering fairly well from the financial crisis, more or less stalled. In 2013, however, growth picked up again — and the British government claimed vindication for its policies. Was this claim justified?

No, not at all. What actually happened was that the Tories stopped tightening the screws — they didn't reverse the austerity that had already occurred, but they effectively put a hold on further cuts. So they stopped hitting Britain in the head with that baseball bat. And sure enough, the nation started feeling better.

To claim that this bounceback vindicated austerity is silly. As Simon Wren-Lewis of Oxford University likes to point out, if rapid growth after a gratuitous slump counts as success, the government should just close down half the economy for a year; the next year's growth would be fantastic. Or as I'd put it, you shouldn't conclude that hitting yourself in the head is smart because it feels so good when you stop. Unfortunately, the silliness of the claim hasn't prevented its widespread acceptance by what Wren-Lewis calls "mediamacro."

Meanwhile, back in America we haven't had an official, declared policy of fiscal austerity — but we've nonetheless had plenty of austerity in practice, thanks to the federal sequester and sharp cuts by state and local governments. The good news is that we, too,

seem to have stopped tightening the screws: Public spending isn't surging, but at least it has stopped falling. And the economy is doing much better as a result. We are finally starting to see the kind of growth, in employment and GDP, that we should have been seeing all along — and the public's mood is rapidly improving.

What's the important lesson from this late Obama bounce? Mainly, I'd suggest, that everything you've heard about President Barack Obama's economic policies is wrong.

You know the spiel: that the U.S. economy is ailing because Obamacare is a job-killer and the president is a redistributionist, that Obama's anti-business speeches (he hasn't actually made any, but never mind) have hurt entrepreneurs' feelings, inducing them to take their marbles and go home.

This storyline never made much sense. The truth is that the private sector has done surprisingly well under Obama, adding 6.7 million jobs since he took office, compared with just 3.1 million at this point under President George W. Bush.

Corporate profits have soared, as have stock prices. What held us back was unprecedented public-sector austerity: At this point in the Bush years, government employment was up by 1.2 million, but under Obama it's down by 600,000. Sure enough, now that this de facto austerity is easing, the economy is perking up.

And what this bounce tells you is that the alleged faults of Obamanomics had nothing to do with the pain we were feeling. We weren't hurting because we were sick; we were hurting because we kept hitting ourselves with that baseball bat, and we're feeling a lot better now that we've stopped.

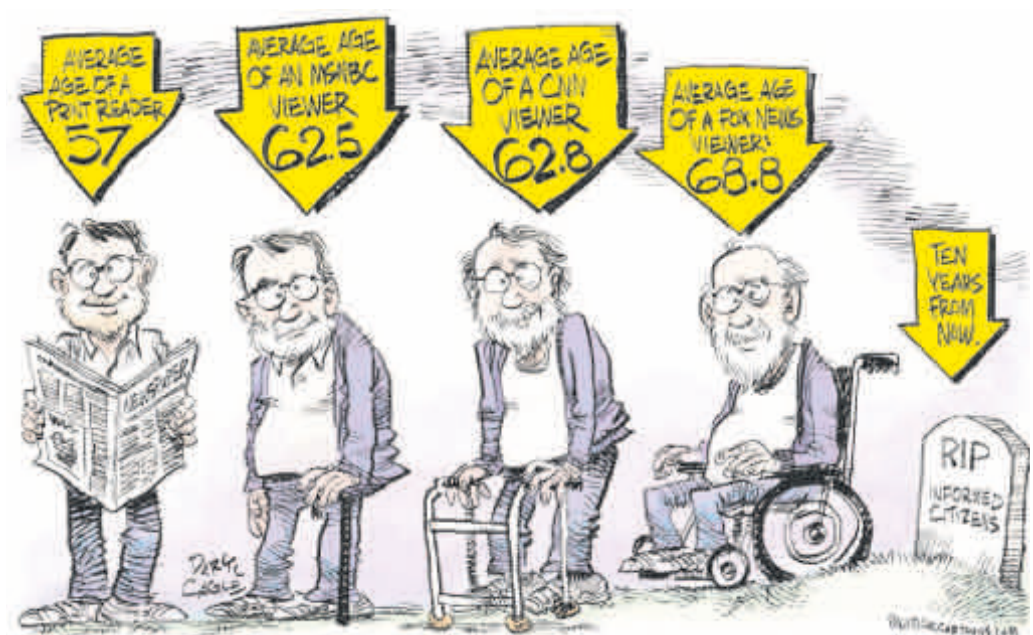
Will this improvement in our condition continue? Britain's government has declared its intention to pick up the baseball bat again — to engage in further austerity, which does not bode well. But here the picture looks brighter. Households are in much better financial shape than they were a few years ago; there's probably still a lot of pent-up demand, especially for housing. And falling oil prices will be good for most of the country, although some regions — especially Texas — may take a hit.

So I'm fairly optimistic about 2015, and probably beyond, as long as we avoid any more self-inflicted damage. Let's just leave that baseball bat lying on the ground, OK?

Paul Krugman joined *The New York Times* in 1999 as a columnist on the *Op-Ed Page* and continues as professor of Economics and International Affairs at Princeton University.

LETTERS POLICY

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