

# O EAST OREGONIAN PINION

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## OUR VIEW

## Grownups must take power over tariffs

This past weekend brought news of a possible truce in President Donald Trump's trade war with China. At least there will be a pause before a new round of tit-for-tat tariffs.

Some think the president's style of chest-thumping ultimatums will ultimately bring economically useful concessions from our trade rivals — most of all China.

Early on in his administration, Trump critics feared inexperienced leadership might drive U.S. industries off a cliff. So far, our economy has proven resilient. Stock markets, however, are flashing warning signs. After briefly signaling enthusiasm about the truce, markets tanked on Tuesday, as traders starting asking President Ronald Reagan's classic rhetorical question: "Where's the beef?" They see that tariffs have been almost all pain and no gain.

While General Motors begins shuttering auto plants partly due to steel and aluminum prices driven by Trump tariffs, Northwest news stories about products from agriculture to timber to crab show we may pay a stiff price for international grandstanding.

The *East Oregonian* has reported on lower prices for soft white wheat,

potatoes and dairy — all things produced locally — tied to the back-and-forth tariff battle going on between the two countries.

*Coast River Business Journal* has devoted significant coverage of tariff impacts on the seafood industry, while *The Daily Astorian* recently described how logs produced in the Northwest will suffer if the tariff truce doesn't hold. Astoria Forest Products leaders, workers and suppliers were holding their collective breath to see if Trump and China's President Xi would bury the hatchet. The answer was "maybe." As it stands, hiking tariffs to 25 percent each way between the two nations will be delayed 90 days. Ten percent tariffs already in place are unaffected by the Trump-Xi talks.

It also remains unclear whether seafood tariffs will be lowered in time to preserve the lucrative Chinese market for Columbia River processors who sell fresh Pacific Northwest crab for Chinese New Year celebrations. A growing Chinese taste for chum salmon also may wiggle off the line.

Beyond short-term skirmishes and their consequences for local products, rising trade tensions in the past two years are a reminder that it takes a



AP Photo/Pablo Martinez Monsivais

President Donald Trump, second right, and China's President Xi Jinping, second left, attend their bilateral meeting at the G20 Summit in Buenos Aires, Argentina.

long time for industries and nations to build business relationships, shipping networks and trust. For now, we can only hope that tariff spats quickly simmer down without doing permanent damage. Will Chinese companies immediately resume buying Northwest timber? Will Chinese consumers hold onto a grudge and quit eating our wheat or crab? Only time will tell.

The trade war taps into a vein of discontent among working Americans over stagnant wages and factories moving out of the country. We have legitimate gripes with the Chinese, some of whom are bullies when it comes to trade secrets and

intellectual property.

However, imposing what amounts to a high tax on American businesses is not the way to rectify this situation. Tariffs were a key cause of the Great Depression in the 1930s. Instead of giving the U.S. trading advantages, those tariffs made everyone in the world poorer and contributed to starting World War II.

Responsible Republicans in the U.S. Senate must cooperate with Democrats in the U.S. House and wrest tariff power away from the White House. No president of either party should have the power to wreck decades of carefully wrought trade policies.

## YOUR VIEWS

### 'Nutcracker' a joyous experience for all

The recent Nutcracker Ballet performances must not go without special gratitude for such an endearing, uplifting and truly joyous experience for all attendees — which included representatives of most age groups! Very few small children noises were heard as they became mesmerized by the graceful dancing — and antics — of the performers. Heroines come in all styles, but in my book, Julie Sneden Carlson is a true heroine for her dedicated and successful efforts to bring Pendleton such artistic presentations with her Pendleton Ballet Theater.

This is not to say that committed parents have not also contributed hours to assisting in so many ways — to say nothing of the hours of sheer practice and education in so many facets of collaborative abilities that these wonderful students develop. What a well-rounded workshop for their future! We are indeed lucky as Pendletonians to have this bountiful gift in our midst.

Ruth Hall  
Pendleton

### Amsberry will be missed

I recently learned that our superintendent, Brigitte Amsberry, was going to retire at the end of December. I, along with many other prisoners at EOCL, was saddened to learn of her retirement.

I first met Ms. Amsberry when she came here as a nurse. She was a great nurse and especially in this environment. She moved up the ladder yet she remained compassionate, level-headed and open to helping. That is very unusual in EOCL.

I've dealt with a lot of superintendents and administrators in the over 35 years I've been incarcerated off and on. She will go as one of the best. She was slowly moving us forward and out of the punishment mentality that has long been the core of our administration here, and I hope that our new superintendent will continue doing that.

I wish Ms. Amsberry the very best.

Frank Roof  
Pendleton (EOCL)

## OTHER VIEWS

## When CEOs cared about America

The October 1944 edition of *Fortune* magazine carried an article by a corporate executive that makes for amazing reading today. It was written by William B. Benton — a co-founder of the Benton & Bowles ad agency — and an editor's note explained that Benton was speaking not just for himself but on behalf of a major corporate lobbying group.



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The article then laid out a vision for American prosperity after World War II.

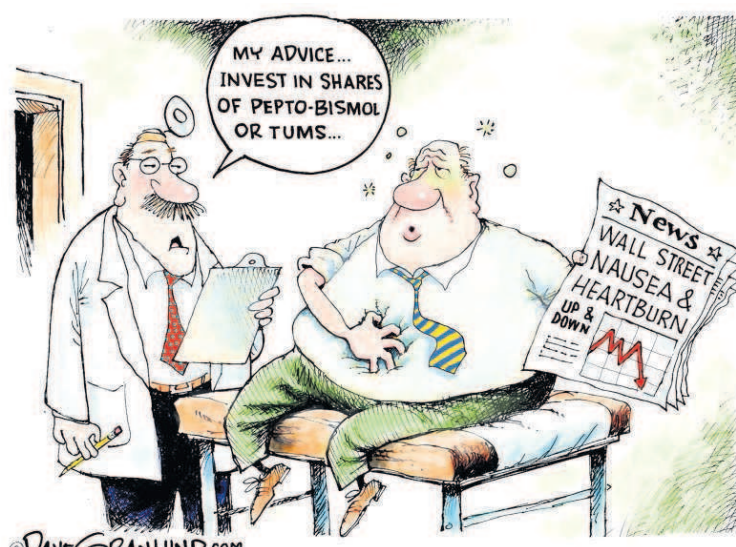
At the time, almost nobody took post-war prosperity for granted. The world had just endured 15

years of depression and war. Many Americans were worried that the end of wartime production, combined with the return of job-seeking soldiers, would plunge the economy into a new slump.

"Today victory is our purpose," Benton wrote. "Tomorrow our goal will be jobs, peacetime production, high living standards and opportunity." That goal, he wrote, depended on "American businesses accepting 'necessary and appropriate government regulation,' as well as labor unions. It depended on companies not earning their profits 'at the expense of the welfare of the community.' It depended on rising wages.

These leftist-sounding ideas weren't based on altruism. The Great Depression and the rise of European fascism had scared American executives. Many had come to believe that unrestrained capitalism was dangerous — to everyone. The headline on Benton's article was "The Economics of a Free Society."

In the years that followed, corporate America largely followed this prescription. Not every executive did, of course,



Even when economic growth has been decent, most of the bounty has flowed to the top.

and management and labor still had bitter disputes. But most executives behaved as if they cared about their workers and communities. CEOs accepted pay packages that today look like a pittance. Middle-class incomes rose faster in the 1950s and 1960s than incomes at the top. Imagine that: declining income inequality.

And the economy — and American business — boomed during this period, just as Benton and his fellow chieftains had predicted.

Things began to change in the 1970s. Facing more global competition and higher energy prices, and with Great Depression memories fading, executives became more aggressive. They decided that their sole mission was maximizing shareholder value. They fought for deregulation, reduced taxes, union-free workplaces, lower wages and much, much higher pay for themselves. They justified it all with promises of a wonderful new economic boom. That boom never arrived.

Even when economic growth has been decent, as it is now, most of the bounty has flowed to the top. Median weekly earnings have grown a miserly 0.1 percent a year since 1979. The typical American family today has a lower net worth than the typical family did 20 years ago. Life expectancy, shockingly, has fallen this decade.

The great stagnation of living standards is a defining problem of our time. Most families do not enjoy the "rapidly rising level of living" that Benton called for. Understandably, many Americans are anxious and angry.

The solution will need to involve a return to higher taxes on the rich. But it's also worth thinking about pretax incomes — and specifically what goes on inside corporations. It's worth asking the question that Benton asked: What kind of corporate America does the rest of America need?

Elizabeth Warren, the Massachusetts senator, is now rolling out a platform for her almost-certain presidential campaign, and

it includes an answer to this question. It is a fascinating one, because it differs from the usual Democratic agenda of progressive taxes and bigger social programs (which Warren also supports). Her idea is the most intriguing policy idea to come out of the early 2020 campaign.

Warren wants an economy in which companies again invest in their workers and communities. Yet she doesn't believe it can happen organically, as it did in the 1940s, because financial markets will punish well-meaning executives who stop trying to maximize short-term profits. "They can't go back," she told me recently. "You have to do it with a rule."

She has proposed a bill in the Senate — and Ben Ray Lujan, a top House Democrat, will soon offer it there — that would require corporate boards to take into account the interests of customers, employees and communities. To make sure that happens, 40 percent of a company's board seats would be elected by employees. Germany uses a version of this "shared-governance" model, mostly successfully. Even in today's hypercompetitive economy, German corporations earn nice profits with a philosophy that looks more like William Benton's than Gordon Gekko's.

Is Warren's plan the best way to rein in corporate greed? I'm not yet sure. I want to see politicians and experts hash out her idea and others — much as they hashed out health care policy in the 2008 campaign.

But I do know this: American capitalism isn't working right now. If Benton and his fellow postwar executives returned with the same ideas today, they would be branded as socialists. In truth, they were the capitalists who cared enough about the system to save it. The same goes for the new reformers.

David Leonhardt is a columnist for the *New York Times*.