

Opinion

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GUEST EDITORIAL

Business tax idea is a threat

Editorial from The (Bend) Bulletin:

Employees of businesses with thin profit margins should start worrying about what the Oregon Legislature is scheming to do to their jobs. House Bill 3427 creates a tax that will make it even harder for those businesses to prosper.

The Legislature is not going to be able to come up with a tax everyone likes. But it should try to come up with one that is fair. HB 3427 fails.

A basic principle of taxing people or businesses is that the tax should be proportional to the ability to pay. If a business is faltering, it shouldn't pay as much as a business that is hoovering in piles of cash. HB 3427 lacks that common sense. That alone should be enough reason for legislators to reject it.

Remember Measure 97? That was a gross receipts tax defeated by voters in 2016. HB 3427 is devised to put lipstick on Measure 97's pig.

Most simply, a gross receipts tax taxes a business on every penny of revenue coming in. It doesn't make allowances for expenses. That can be a great way to raise revenue, because businesses have to pay up no matter what. Gross receipts taxes also allow government to collect more revenue because some goods will be taxed multiple times as they are sold and move through production. That's called tax pyramiding. Measure 97 had all those flaws and more. It didn't even include exceptions for health care or food.

HB 3427 is different. Businesses do get to deduct some expenses — 25 percent of their labor or purchases, whichever is greater. There's a small cut in the tax rate of .25% for individuals making up to \$125,000 a year or couples making up to \$250,000. Groceries would not be taxed. Hospitals and nursing homes would not be taxed. There's even an effort to ensure businesses are not taxed on taxes and fees they already pay.

But make no mistake. Those changes do not overcome the flaw that it is simply unfair to tax a business without fully considering its ability to pay. There will still be pyramiding. HB 3427 will also hurt the ability of Oregon businesses to be competitive. It would be much fairer to allow businesses to deduct all costs except for whatever value they add to a product. But the supporters of HB 3427 are more interested in raking in revenue than fair taxation.



Trump weakens his presidency

President Donald Trump was worried about the wrong thing.

Among the more colorful revelations of the Mueller report was Trump's reaction to hearing that a special counsel had been appointed to investigate Russian interference in the 2016 election and matters arising from it.

"Oh my God. This is terrible. This is the end of my presidency," he said, and then cursed.

After criticizing Jeff Sessions, then the attorney general, he returned to the theme: "Everyone tells me if you get one of these independent counsels it ruins your presidency. It takes years and years and I won't be able to do anything."

That fear was a reasonable one: Independent counsels have hobbled presidencies. But it turned out not to be true in Trump's case. The investigation didn't keep Trump from signing a set of major changes to the tax laws, re-orienting much of the federal judiciary, withdrawing from the Paris climate accords, or taking many other consequential actions.

Where he suffered legislative defeats, as he did over Obamacare, the investigation had nothing to do with it. It's not even clear that it did much to hurt Trump in the polls.

At most, the investigation kept Trump from making U.S. policy friendlier toward Russia — but he faced political constraints on that issue before a special counsel was appointed, and he has in any case pursued other policies that would have limited any rapprochement.

At the same time, the report illustrates three features of this presi-

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dency that have undermined Trump's effectiveness.

The first is that this presidency is marinated in lies. Some top Trump aides, such as former campaign manager Paul Manafort and former national security adviser Michael Flynn, have been charged with lying to investigators. But the report details many instances of deceit by others who have faced no charges.

K.T. McFarland, then the deputy national security adviser, lied to a Washington Post columnist, denying that Flynn and the Russian ambassador had discussed sanctions when they had. White House press secretary Sarah Sanders lied (a "slip of the tongue," she told Mueller) when she said in a news conference that "countless members of the FBI" did not support James Comey, and made a similar remark ("in the heat of the moment") on another occasion.

Trump himself lied about asking Comey for loyalty. The president and his aides engaged in bumbling dishonesty about his reasons for firing Comey. Trump was dishonest, too, about a meeting in July 2016 in which top members of his campaign had sought helpful information from Russia. He told White House counsel Don McGahn to lie about Trump's earlier command that McGahn fire Mueller.

Second, Trump regularly ignores good advice. McGahn told Trump not to call Comey directly, and afterward the president did it twice anyway. Stephen

Bannon told Trump that his claims that Mueller had conflicts of interest that should keep him from investigating the president were "ridiculous," but Trump kept repeating it.

Third, Trump is surrounded by people who feel free to disregard his words. Chris Christie, even though he wanted an administration position, refused Trump's suggestion that he call Comey on his behalf. McGahn refused to fire Mueller. Corey Lewandowski, by that time an outside adviser to Trump, ignored a request even to pass along a message to Sessions that Mueller's investigation should be curtailed. Lewandowski tried to get White House official Rick Dearborn to do it, and he balked, too.

Public discussion of the Mueller report is, justifiably, focused on its legal conclusions. Mueller reached no judgment on whether Trump's conduct amounted to obstruction of justice and found insufficient evidence that his aides had criminally conspired with the Russian government.

But the report is also an episodic portrait of the administration, and what it shows is a president who is untrustworthy, who has untrustworthy advisers and whose advisers do not respect him. Mueller has not destroyed Trump's presidency, as Trump feared. But he has shone a light on what's weakening it.

Ramesh Ponnuru is a Bloomberg Opinion columnist. He is a senior editor at National Review, visiting fellow at the American Enterprise Institute and contributor to CBS News.

GUEST EDITORIAL

Editorial from The East Oregonian:

A small facet of a once little-known federal program now poses a big threat to many farmers and orchardists across the nation.

The H-2A visa program has for years been used by farms and orchards to obtain adequate numbers of farmworkers for harvest, pruning trees and other chores. The visa allows farmers to hire temporary foreign guestworkers.

To do that, farmers have to scale a mountain of paperwork, advertise the job openings, pay for transportation to and from the workers' home country and provide housing for them while they are on the job.

The use of H-2A workers has grown exponentially as the supply of domestic workers has dropped, mainly because they are finding jobs in other industries. The number of H-2A

guestworkers has grown from 5,318 in 1990 to 242,762 in 2018.

The reason: Farmers cannot find enough domestic workers. They advertise the jobs, but the number of U.S. citizens who are willing and able to work is inadequate. As the Northwest tree fruit industry continues to grow the labor shortage has become even more critical.

Foreign guestworkers appreciate the opportunity to work in the U.S. They make many times more than they would make in their home country. For example, a field worker in Mexico makes about \$10.50 a day. The same worker made at least \$14.12 an hour in Washington state last year.

By and large, the H-2A program has allowed many farmers to continue when the lack of domestic workers would have otherwise crippled them.

A single aspect of the H-2A program, however, threatens to destroy it and the farmers who use it.

The adverse effect wage rate — known as AEWR — it is the minimum wage the federal Department of Labor sets for H-2A workers in each state. Farmers must pay all of their workers the artificially high AEWR wage.

The problem is H-2A workers don't adversely affect domestic farmworkers, who are in short supply anyway. But it does hurt farmers, who are stuck paying their employees more than the market would otherwise dictate.

Just this year, the Department of Labor increased the H-2A minimum wage 22.8% in Nevada, Utah and Colorado; 15.9% in Idaho, Montana and Wyoming; and 14.7% in Arizona and New Mexico.

The AEWR is set to increase 6.4%, to \$15.03

a hour in Oregon and Washington — far above the state minimum wages of \$11.25 and \$12, respectively.

Compared to the rate of inflation, 2.8%, the AEWR is indefensible and unaffordable, agricultural groups argue.

They are correct. An artificially high wage only puts farmers at risk.

A federal judge recently cited a technicality to rule against farmers who had challenged the AEWR and how it's set. He found that the lawsuit was beyond the statute of limitations for challenging the rule.

The Department of Labor would do well to rewrite that rule so the AEWR matches a state's minimum wage.

That's the only fair way to set a minimum wage in each state.

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Oregon Legislature: Legislative documents and information are available online at www.leg.state.or.us.

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Baker City administration: 541-523-6541. Fred Warner Jr., city manager; Dustin Newman, police chief; John Clark, fire chief; Michelle Owen, public works director.

Baker County Commission: Baker County Courthouse 1995 3rd St., Baker City, OR 97814; 541-523-8200. Meets the first and third Wednesdays at 9 a.m.; Bill Harvey (chair), Mark Bennett, Bruce Nichols.

Baker County departments: 541-523-8200. Travis Ash, sheriff; Jeff Smith, road master; Matt Shirliff, district attorney; Alice Dufflinger, county treasurer; Cindy Carpenter, county clerk; Kerry Savage, county assessor.

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