Opinion

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GUEST EDITORIAL

New 'sales' tax is not the end

Editorial from The (Bend) Bulletin:

The new tax that may be levied on Oregon businesses to raise money for schools is a sales tax by another name. You won't see it added to the price tag on goods made in Oregon, but it will be there, just the same.

The bill sent to Gov. Kate Brown for her signature will impose a gross receipts tax on businesses with sales over $1 million. They'll be allowed to deduct some expenses, and the state's income tax rates will drop a bit. The bill also excludes taxes on groceries, sort of.

Consider groceries. The measure, House Bill 3427, specifically excludes grocers from having to pay the tax on goods they receive. On the other hand, a large Oregon berry farmer selling his crops to a wholesaler would pay unless the farmer certified the crops would be sold outside Oregon. The farmer no doubt would raise berry prices to cover the tax, and the wholesaler would up the price for those same berries destined for your local grocery store. The tax is there, in other words, just hidden from public view.

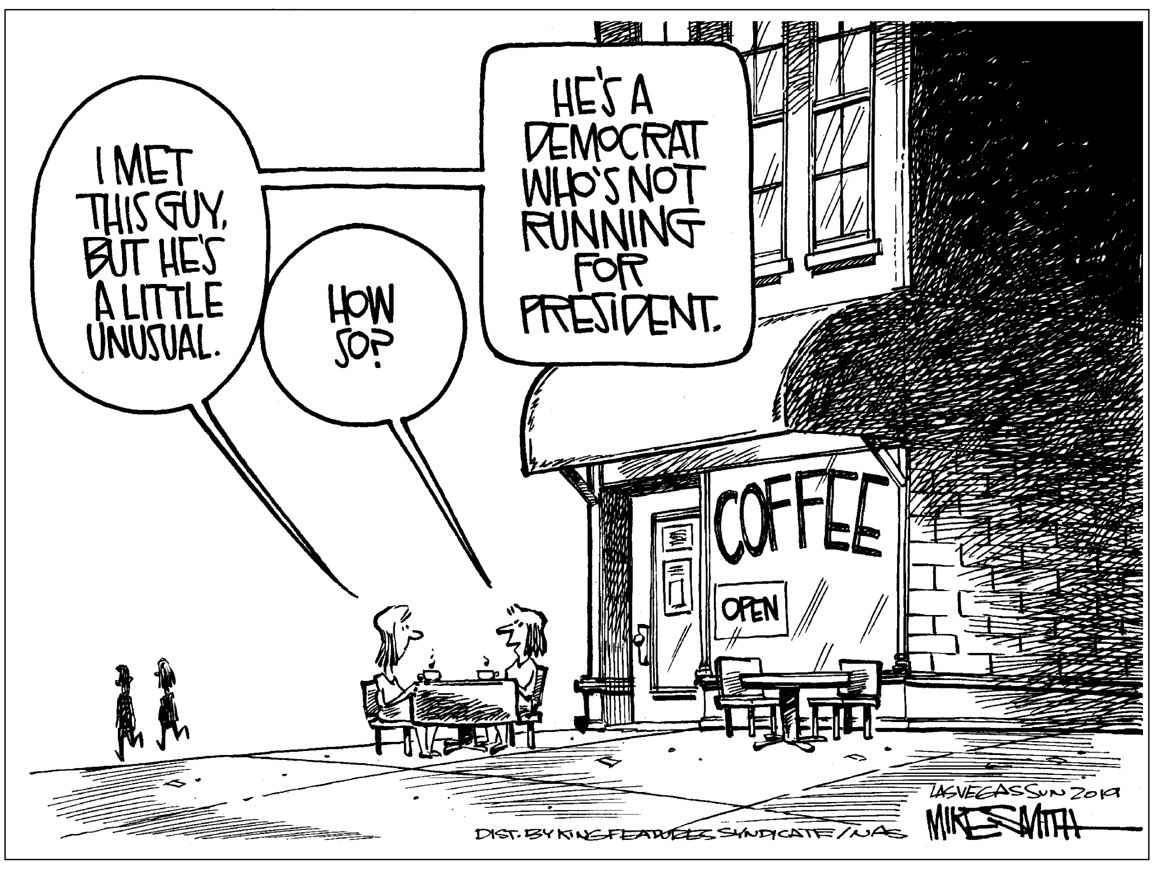
Even with substantial majorities in both houses, the Legislature's Democrats had trouble getting the bill passed. It did sail through the House on a party-line vote, but Senate Republicans staged a walkout that lasted more than four full days. And without two Republicans, there was no quorum in the Senate. They came back Monday and the measure was approved within hours.

The walkout may be the GOP's only successful effort to flex its muscle in this legislative session. Senate Republicans stood fast until Democrats agreed to kill both a badly needed tightening of state law regarding vaccines and a package of gun-control measures. Public health was apparently less important than new taxes.

Worst is what the measure promises for the future. It is not part of the state constitution, so unless opponents gather enough signatures to place it on the ballot, it will become law and can be amended at will. Were it a proposed constitutional amendment, voters could accept or reject it and any proposed changes to it.

Furthermore, because of the way tax law has been interpreted by the courts, every time lawmakers need more money they'll go back to the new tax and tinker a bit. Maybe they'll include groceries and gasoline as taxable items. Perhaps they'll lower the $1 million threshold above which the tax is imposed. Or they'll reverse the tiny reduction in income tax rates included in the bill.

You get the idea. If Gov. Brown signs it, though Oregon may not have a sales tax by name, it has one, just the same. And it's likely to go up.



Your views

Legislature shouldn't censor citizens' comments

The editorial in the Monday, May 13 edition of the B.C. Herald is titled "When Salem's right not to listen." However, the editorial itself does not even mention Salem not listening but instead defends Salem's assumed right to censor. Salem does indeed have the right not to listen just as we all do. But the first amendment of our constitution prohibits government from telling us what we can or cannot say. This especially holds true in a public setting such as a hearing before a committee of a legislative body where the public is invited to express its views on the topic under consideration. I find the views of Thomas Madison and Mark DeCoursey to be repugnant in the extreme. But I am also greatly alarmed by the Herald's endorsing chairman Doherty's censorship of these individuals.

Sig Siefkes
Baker City

GUEST EDITORIAL

President Trump's trade war will end up costing us — twice

Editorial from The New York Daily News:

Larry Kudlow, the White House national economic adviser, did the one unforgivable thing Sunday: He contradicted Trumpist tripe and told the truth.

Pressed by Fox News' Chris Wallace to say who pays when the U.S. slaps tariffs on China — the president keeps claiming that it's our competitors who foot the bill — Kudlow admitted: Yep, American importers and, by extension, consumers pay, via higher prices on imported goods.

Never mind the spasm of honesty. Back to our regularly scheduled escalation, whereby the president is hellbent on winning a trade conflict that, to this point, only has losers on both sides of the world.

Friday, as talks between negotiators broke down, the U.S. slapped tariffs on $200 billion of Chinese products. Monday, the Chinese retaliated with tariffs on $60 billion in U.S. goods — including on animal products, frozen fruits, vegetables, plus baking condiments, chemicals and vodka. Now, Trump threatens digging even deeper in.

The stock market went into free-fall. To minimize the damage, Trump pushed for another $15 billion in subsidies to farmers losing out because their products now cost more. That's above the $12 billion he authorized last year when he launched the trade war.

Which means Americans pay for the tariffs not once, but twice. First, consumers lose by paying more for Chinese products. Second, taxpayers pick up the tab by bailing out "great patriot" farmers who absorb economic pain for the motherland.

With each new round of economic penalties, Trump tells Americans the clouds will break and the light will soon shine through. Right after they pay more, and more, and more.

Pondering the demise of the great American car

JAYSON JACOBY

The four-door sedan is being driven to extinction by a fleet of vehicular frauds.

I refer to the crossover.

Most examples have the bones of a sedan but with modestly more interior space. Almost all elevate the driver's seat, giving buyers the impression — a decidedly mistaken impression — that they could forego the shopping mall parking lot for the Serengeti should the lure of the African outback prove irresistible.

I find it a bit painful to ponder the demise of this fixture of the American road, the vehicle that, notwithstanding the Wagon Queen Family Truckster, has borne more bickering families to more vacation mishaps than any other.

The American versions, anyway.

That distinction is crucial because our increasing indifference toward the sedan has a strong domestic flavor.

While Honda continues to move hundreds of thousands of Civics and Accords in this country, and Toyota sells even more Camrys and Corollas, the U.S. automakers over the past year or so have announced that they will stop building models that not long ago seemed indomitable in the marketplace.

The change is most dramatic at Ford Motor Co.

Among the models disappearing from Ford showrooms are the Fiesta, Focus, Fusion and Taurus, each of which is a traditional sedan or has a sedan version.

This will leave Ford's lineup with only one model that meets the classic definition of "car" — the iconic Mustang, a two-door coupe.

The rest of the venerable company's roster, in common with those of other domestic manufacturers, will run heavily to crossovers and other SUVs, and pickup trucks.

General Motors is shelving six sedans — the Chevrolet Volt, Cruze and Impala, the Buick LaCrosse and the Cadillac CT6 and XTS. (Caddies, it saddens me to note, no longer bear such gaudy monikers as Fleetwood Brougham and Coupe de Ville, so redolent of velvet upholstery and chrome-lined ashtrays in the door handles. Current models are instead sullied with anodyne alphanumeric badges that strike me as wholly inconsistent with the marque's grandiose reputation.)

Fiat Chrysler, meanwhile, has deleted the Dodge Dart and the Chrysler 200 sedans from its offerings.

The explanation for these decisions is obvious even to someone like me, who blundered through the Econ 101 textbook in a manner that suggested to my professor that English not only wasn't my first language but wasn't in the top 5.

Americans are buying lots of new vehicles, to be sure.

We signed up for more than 17 million in 2018. It was the fourth straight year we exceeded that figure, a major renaissance after the recession caused sales to plummet from 16 million in 2007 to 10.4 million in 2009.

But increasingly we're making payments not on sedans but on pickups and SUVs — and especially the smaller, usually car-based crossovers.

Of the top 10 best-selling vehicles in 2018, the first six on the list, and seven of the top eight, are trucks or SUVs.

Three sedans barely made it into the top 10, but none is built by an American company — the aforementioned Camry (No. 7), Civic (No. 9) and Corolla (No. 10).

I read a fair amount from the automotive industry press and there is universal consensus about certain reasons for America's growing demand for SUVs, and in particular the smaller ones.

There is the aforementioned spaciousness. Crossovers are also more likely to offer all-wheel drive as an option — a major draw for drivers in snowy regions.

With gas prices remaining low, historically speaking, the relatively fuel efficiency advantage that many sedans offer is a weak selling point.

Many buyers prefer crossovers for their higher seating position and their greater rough-road prowess — although the latter, as noted above, is more advertising puffery than reality. The typical crossover, which has the same or similar mechanical bits as one of the company's sedans (which is why these vehicles are sometimes referred to as "car-based," to distinguish them from old-fashioned SUVs or pickups which are designed to be brawny from the start), would be as helpless on many of Baker County's roads as a skateboard on Phillips Reservoir.

But of course buying a new vehicle is rarely a matter determined solely by practicality — if it were the minivan would rival crossovers for sales dominance.

(Also, how else to explain the proliferation of wheel diameters of 20 inches or more, which all but require tires which have a sidewall as wide as a fingernail and offer as much cushioning as an oak table.)

I can offer only anecdotal observations but it seems to me that America's shrinking interest in driving sedans has been less noticeable in Baker County than in some other regions.

Partly this is due, of course, to pickups and traditional, truck-based SUVs having been popular hereabouts for decades.

Except we drive these rigs not because they're in fashion, but because we need, or at least we use more than occasionally, their special capabilities. You can't haul a horse trailer with a sedan, for one thing — at least not well. And a crossover wouldn't make it 200 yards up the road to Pine Creek Reservoir without spewing vital fluids and discarding trim pieces in a grim Hansel and Gretel style path of plastic.

Pickups, unlike crossovers, have been among the best-selling vehicles in the U.S. for decades.

Indeed, the top 3 sellers from 2018 are all full-size, half-ton pickups — led by the Ford F-150, perennially the most popular vehicle in the U.S., followed by the Chevrolet Silverado and the Dodge Ram.

Crossovers — the Toyota RAV4, Nissan Rogue and Honda CR-V are the archetypes, and all three were among the 10 best-sellers last year — have made major inroads in the American market. And although they've taken far more sales from sedans than from pickups, I'm skeptical that these diminutive vehicles will ever lure a significant number of pickup or truck-based SUV drivers in our area.

Try to get a load of topsoil or gravel in a crossover — they don't have much towing capacity, so never mind a big trailer — and you're going to make an awful mess.

And possibly bury temporarily any small passengers watching videos in the back row.

Jayson Jacoby is editor of the Baker City Herald.