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Opinion

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EDITORIAL

Hoping governor is getting a message

The efforts to put a recall of Oregon Gov. Kate Brown on the ballot is a visible sign of the rural-urban divide.

There are two separate efforts underway — one sponsored by the Oregon Republican Party, the other by a self-proclaimed grassroots organization that goes by the descriptive moniker "Flush down Kate Brown."

To get a recall on the ballot, either group needs to collect 280,050 valid signatures from registered voters by Oct. 14. Realistically, either effort will need well over 300,000 signatures to survive challenges.

Our colleagues at the Oregon Capital Bureau talked with people signing the petitions at the Oregon State Fair.

The majority of those interviewed at the fair struggled to specify why they wanted to recall Brown, and seemed to be doing so based on a gut feeling. Most commonly, people brought up cap and trade — a failed effort by the Legislature that Brown backed to curb greenhouse gas emissions.

"My understanding is that a lot of people just don't think Salem cares about them right now," said Linn County GOP Chair Adam Keaton.

Indeed. Many Oregonians feel that political leaders such as Brown have not only abandoned them but are actively working against their interests.

Kate Brown is not a wildly popular governor. As secretary of state, she ascended to office when John Kitzhaber resigned in 2015. She barely won a majority of votes in the special election to fulfill Kitzhaber's remaining term in 2016 and won just 50% of the vote in 2018 when she was elected for her own four-year term. A recent poll found her to be one of the least popular governors in the country.

Recall efforts are a long shot, even with officials of marginal popularity. In the absence of actual corruption or malfeasance, we question the wisdom of trying to overturn legitimate elections either by recall or impeachment. It's a clumsy way to reconcile policy differences.

Still, we understand the frustration that farmers, ranchers, loggers, truckers, fishermen and other working Oregonians — rural and urban — are feeling. They think they have no other options left but to replace Kate Brown with the next officer in the line of succession — state Treasurer Tobias Read, a Democrat who is at least as liberal as Brown.

What they really want is for Brown and other urban leaders to hear their concerns and take them seriously.

Do they have her attention now? We can only hope.

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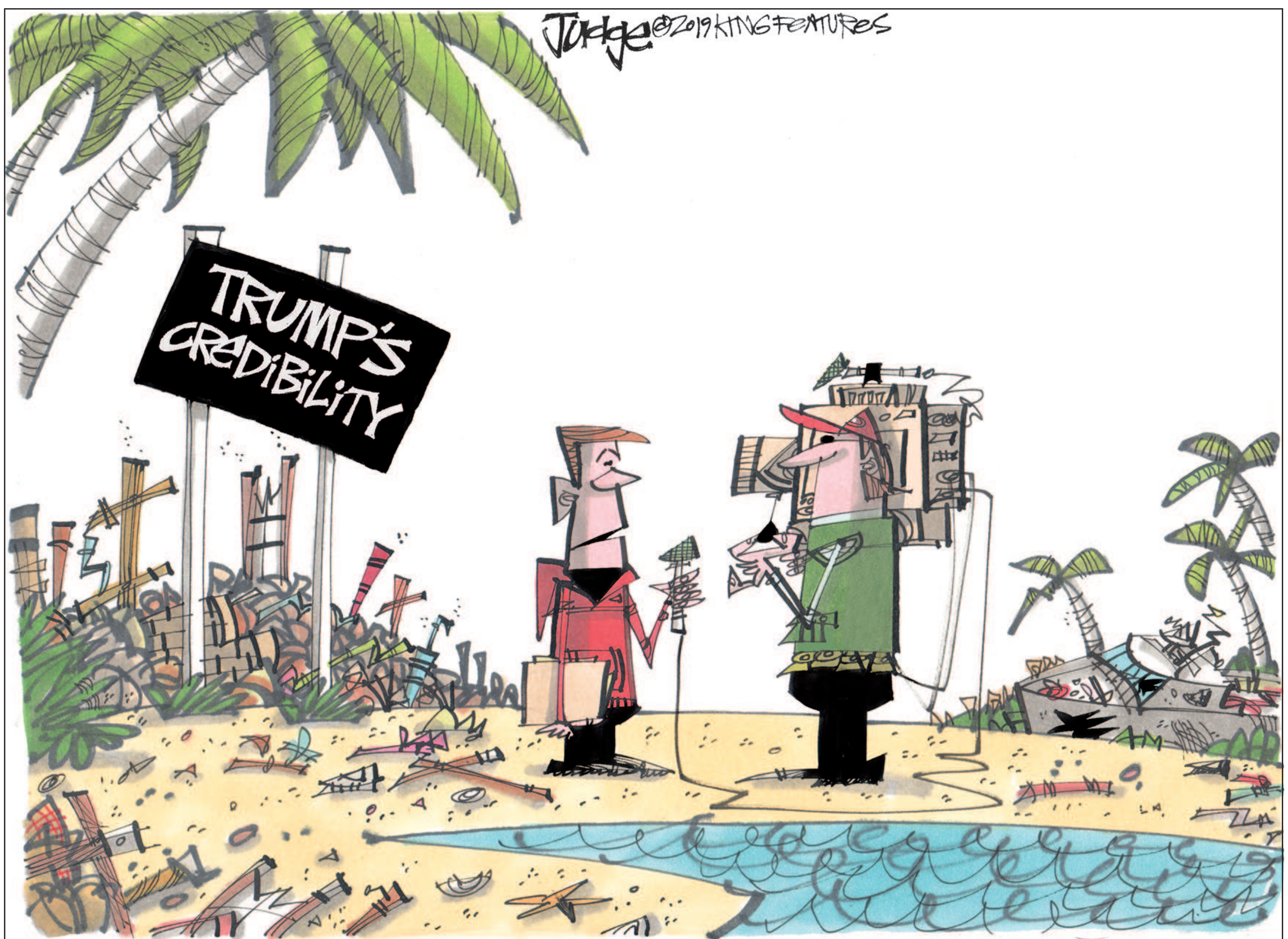

"SO IT APPEARS THE STORM MISSED ALABAMA, BUT..."

Wealth tax just doesn't add up

TRACY MILLER

Elizabeth Warren, the Massachusetts senator and Democratic presidential candidate, recently proposed a way to make it easier to fund government programs: a 2% tax on all personal net worth in excess of $50 million and a 3% tax on net worth in excess of $1 billion. One estimate has this tax yielding $2.75 trillion of revenue over 10 years. Other Democrats in the presidential race have advocated other wealth taxes as well.

Election season is a great time to vet big ideas, and this one should not pass the test. It will not make our tax system more equitable, and in reality it will not raise enough revenue to pay for much.

We all have different ideas about what's fair, but the wealthiest Americans already pay a very large share of the tax burden. According to Pew Research, in 2014, people with incomes above $250,000 per year paid 51.6% of all individual U.S. income taxes. The top 0.1% of income earners pay 31.1% of their income in federal taxes. Those in the bottom 50% pay considerably less than 10 percent, and many pay no federal taxes at all.

In a market economy, we earn wealth as a reward for producing something consumers value. Steve Jobs accumulated $8 billion for developing products like iPhones that millions wanted and were willing to pay for. Taxing this wealth means less incentive to serve customers through innovation or lower prices, both of which raise living standards.

The wealthy also pay high tax rates on the income they earn from investing their wealth. A large share of American wealth is invested in productive capital. Greater capital investment means more business technology and infrastructure, which make workers' time more productive and enable them to earn higher wages.

Additionally, to get through Congress, a new wealth tax would almost certainly be full of the usual loopholes for special interests. After all, members of Congress rely heavily on funding from wealthy donors.

Wealth tax proposals would give one-percenters less incentive to serve American consumers and more incentive to seek and take advantage of the tax favors politicians dole out. That also means it would raise considerably less money than we might expect.

The only way to raise substantial revenue from a wealth tax is to impose it on a much larger share of the population than just the super rich, as they do in Switzerland. Its wealth tax, which generates 3.3% of Swiss tax revenue, is paid by middle class taxpayers with a net worth as little as about $100,000 in U.S. dollars.

A number of other high-income countries have tried and abandoned their own wealth taxes; 12 European countries had annual wealth taxes in 1990. All but three have since repealed them, for reasons including scant revenue raised, hefty administration costs, reduced economic growth, and an exodus of wealthy individuals and their money.

Looking at the 2% wealth tax proposed by French economist Thomas Piketty, the Tax Foundation estimated a 4.2% reduction in American wages, a 13% reduction in the capital stock, 900,000 jobs lost and a 4.9% reduction in GDP. The diminished economic activity leaves only about $20 billion in annual revenue from the wealth tax.

Finally, a tax applied to all kinds of wealth would be difficult to enforce, requiring a large and costly expansion of the IRS. Some assets, like privately held businesses, artwork, and other collectibles, are very difficult to assign a value to.

There's no question that we need to balance the government's books and avoid a future default on our growing debt. A wealth tax is not the best way to do it. Eliminating the loopholes in our current income tax system and cutting government spending might not excite the electorate, but that would boost economic growth while reducing deficits.

Tracy C. Miller is a senior policy research editor with the Mercatus Center at George Mason University. He received his Ph.D. in economics from the University of Chicago.

GUEST EDITORIAL

E-bikes not suitable for public land

Editorial from The (Bend) Bulletin:

The Trump administration moved in the last week of August to allow electric bicycles — e-bikes — on public lands managed by Interior Department agencies. The order is being billed as a way to expand access to public lands, particularly to older and younger Americans, and although it may do that, the cost is too high.

While the order doesn't apply to the U.S. Forest Service, an agency of the U.S. Department of Agriculture, it does apply to lands managed by the U.S. Fish & Wildlife Serve, the Bureau of Land Management, the Bureau of Reclamation and the National Park Service.

That means, in this part of Oregon, public lands aficionados might run into e-bikes at Crater Lake National Park in Klamath County, while horseback riding and camping in Crook and Jefferson counties and elsewhere.

There will be limits on e-bikes, to be sure. Wherever nonmotorized bikes are banned, e-bikes will be banned. Thus, they won't be allowed in wilderness areas where bicycles of all kinds are prohibited.

Unfortunately, however, e-bikes that will be allowed do pose problems. E-bikes can be real hazards around horses, which tend to spook at unrecognized noises and sudden movements around them.

And, they can be dangerous and disruptive to hikers and others. While the Interior Department order limits e-bikes to "low-speed" models, some of those models allows can reach speeds of 28 miles per hour.

E-bikes may make sense in urban parks, like those operated by the Bend Park & Recreation District. They need to keep the speed down, though.

Even outside of designated wilderness areas people on nonurban public lands aren't looking for an urban experience, and that's what e-bikes can generate. Strict limits and rules about where they can be used may help, but a ban for public lands is better.

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