Opinion

BAKER CITY Herald
Serving Baker County since 1870

TUESDAY, MARCH 31, 2020
Baker City, Oregon

Write a letter
news@bakercityherald.com

OUR VIEW

Voting by mail: It's time for all

Norma Paulus would be proud. And she would be amazed. As secretary of state from 1977 until 1985, Paulus was the prime mover of Oregon's voting by mail. Other states have been slow to follow Oregon's lead. But — in the way that sudden events provoke unexpected change — the coronavirus makes voting by mail a timely solution.

Oregon's U.S. Sen. Ron Wyden and U.S. Sen. Amy Klobuchar, of Minnesota, have authored legislation to make the mail ballot more prevalent.

For Wyden, this has been a long slog. He first introduced this legislation in 2002. "I've never had the interest that we have now," he said during a Monday interview. "During the most recent slate of presidential primary elections, three states opted to postpone voting because of the coronavirus."

In this climate, Wyden argues that the pandemic offers a stark choice. "Either people are not going to be able to vote or they vote by mail. If those are the two choices for America this fall, that is not a close call."

Like the bottle bill, public beaches and statewide land use planning, voting by mail is one of Oregon's emblematic, pioneering achievements. Initially, it was a Republican proposal, opposed by labor unions that influenced the Democratic Party. Then it became a Democratic party cause, led by Secretary of State Phil Keisling, who served in the 1990s.

Under Paulus, counties were allowed to use the mail ballot for nonprimary or nongeneral elections. When counties took advantage of the new mode of voting, turnout increased by factors of three and five, Keisling said.

In 1995, the Oregon Legislature enacted Keisling's bill to allow voting by mail, but Gov. John Kitzhaber vetoed it.

Months later, a surprise allowed Keisling to make history. When Bob Packwood resigned from the U.S. Senate in 1995, county clerks across Oregon urged Keisling to conduct the sudden, special Senate election by mail ballot. He could do that, because existing statute prohibited mail ballots only in the primary and general elections.

The special primary in 1995 and the general election in early 1996 became the first federal elections in America to be conducted by mail. Turnout was high — 58% in the special primary and 66% in the general. Wyden became Oregon's new U.S. senator.

In 1998, Oregon voters by a margin of 2-to-1 approved a ballot measure mandating voting by mail in all Oregon elections.

Keisling has continued his advocacy within the National Vote At Home Institute, of which he is founder and a board member. His 2016 article in the Washington Monthly ("Vote From Home, Save Your Country") is an extensive history of the national discussion of mail balloting.

In the most recent development, Wyden's biggest opponent is the voting machine lobby. Of digital voting, the Oregon Democrat says: "A voting machine with remote access software is the equivalent of putting an American ballot box in the Kremlin." He disparages the voting machine lobby, saying: "They lied to me, to the New York Times. They stonewalled Congress."

Wyden measures his progress by how many Republican senators who now say they are thinking about his proposal.

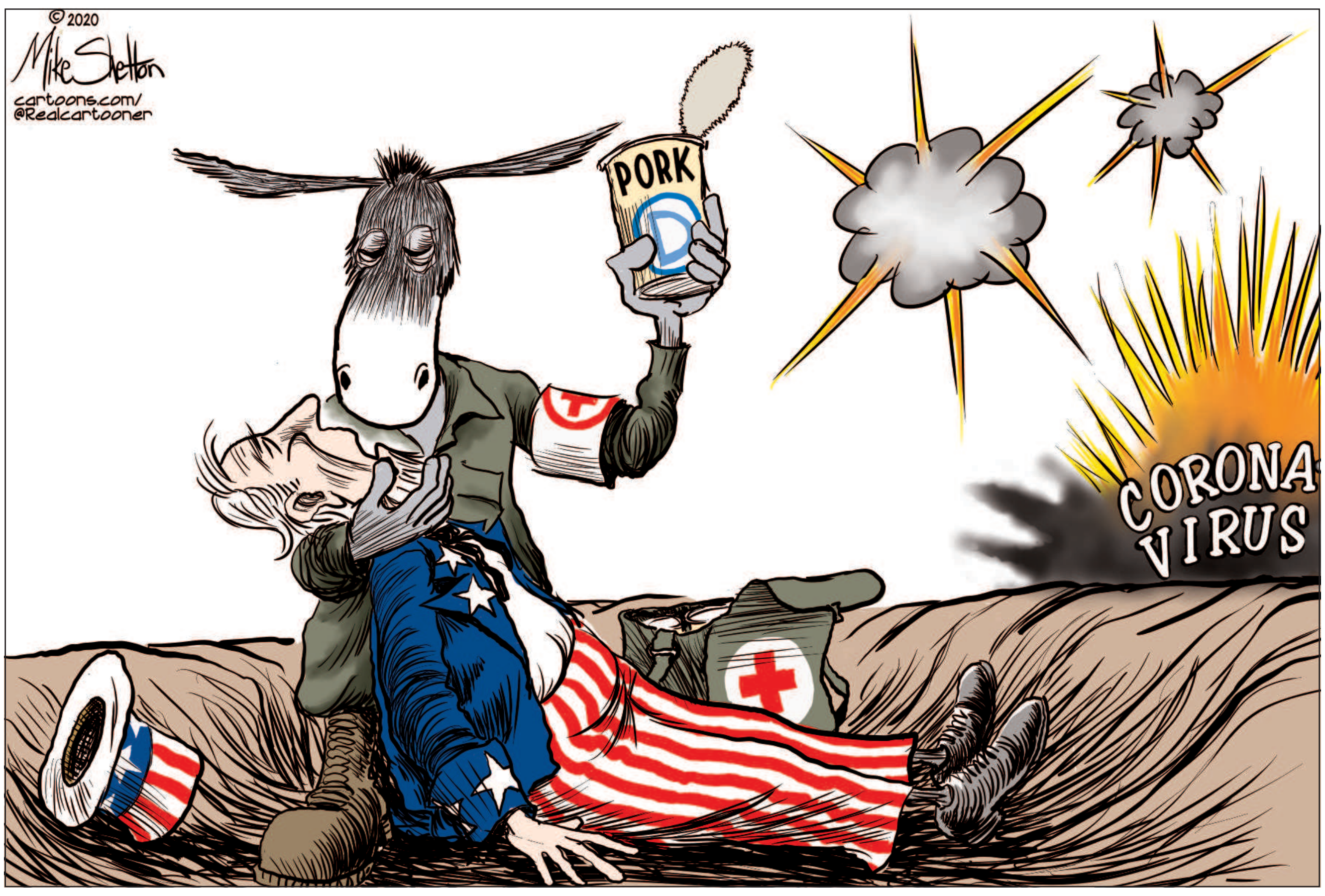
The emergency package in Congress in response to the coronavirus includes $400 million to help states with elections, but Wyden and Klobuchar believe more help is needed.

"In times of crisis, the American people cannot be forced to choose between their health and exercising their right to vote," the senators said in a statement. "While this funding is a step in the right direction, we must enact election reforms across the country as well as secure more resources to guarantee safe and secure elections. We will continue to fight to pass the Natural Disaster and Emergency Ballot Act of 2020 to ensure every eligible American can safely and lawfully cast their ballot."

An adverse moment in history reinforces the case that voting by mail makes abundant sense.

It's time for America to imitate Oregon.

Unsigned editorials are the opinion of the Baker City Herald. Columns, letters and cartoons on this page express the opinions of the authors and not necessarily that of the Baker City Herald.



Don't bail out U.S. airlines

JOSHUA D. RAUH

Did you take a flight on United Airlines between December 2002 and February 2006? How about on Delta between September 2005 and April 2007? Or on American Airlines between November 2011 and December 2013?

If so, you traveled on a bankrupt airline. These firms had all invoked Chapter 11 of the U.S. bankruptcy code and were in the process of restructuring their finances in court. Yet they continued to operate and still exist today.

However, Washington seems to believe that airlines need to be saved from this process. The Senate coronavirus emergency aid bill, headed to the House for consideration on Friday, contains up to $25 billion in loans and loan guarantees to the airline business, plus $25 billion in direct funding for airline employee salaries and benefits, plus $3 billion to keep paying the contract workers who provide airline catering and services at the airport. That's a lot of taxpayer money.

There is no reason that the federal government should spend upward of $50 billion to bail out airlines when these companies continue to have access to the same financial restructuring procedures that they have used time and time again.

When there is fundamental ongoing demand for the service or product a company provides, and there is a sustainable business model that underlies it, Chapter 11 bankruptcy allows the company to restructure its debts. Shareholders are wiped out and creditors such as banks and bondholders take losses as well. But these investors should take losses in such a scenario. After all, they took the risk of investing in the hopes of earning a higher return. There was no guarantee that such investments would perform well.

On the other hand, when a company's business is simply no longer viable, it will likely end up being dismantled and liquidated. In a liquidation, the assets are sold off and the proceeds are used to pay off some of the company's debts. For example, Toys "R" Us began with a Chapter 11 filing in 2017 but ultimately ended up being liquidated the following year. The store chain's troubles weren't just a one-time shock. Its business model was simply no longer sustainable in the world of Walmart and Amazon.

There is only one real risk of sending airlines and other affected businesses into Chapter 11 bankruptcy, and that is the risk that a business with value as a going concern might end up being liquidated anyway. For a firm to pursue Chapter 11, its creditors must get enough additional loans to be able to continue to operate the firm during the bankruptcy. This new credit is called debtor-in-possession, or DIP, financing.

If capital markets are severely disrupted, such financing might not be available, or might be available only on prohibitive terms. That might tilt the process toward inefficient liquidations. If such capital market disruption is a major concern, the government could support this market for bankruptcy finance by offering some short-term DIP financing, in conjunction with private creditors who would add discipline to the deal.

Airline executives are well aware that they run business with large fixed costs on very thin margins. Since creditors are confident in their ability to recover substantial portions of their debt investments, particularly those secured on aircraft and other tangible assets, they are willing to provide airlines with a very large amount of credit.

When Congress speaks of helping airlines, it is really talking about helping investors in these airlines: creditors and shareholders. Perhaps also frequent flyers who might see the value of their air miles diluted, but that is certainly a cost society can bear.

So while there may be some reasons for limited federal support to ensure efficient bankruptcy outcomes, there is every reason to believe capital markets and courts would work again, as they have in the past. Nobody really thinks that without government assistance the entire business of offering flights to individual travelers is going to collapse, forcing consumers to drive or ride Amtrak. And if Congress truly wants to help workers, why are lawmakers selecting airline workers in particular? Most of the millions of workers now claiming unemployment insurance are not in the airline industry.

This general line of reasoning applies not only to airlines but to all other industries dominated by large corporations. Investors should bear the losses they signed up to take when they invested. Taxpayers should be protected from restoring those losses under the false pretense of saving the business. And to the extent there is any government involvement in large corporations that are highly indebted by their own choice, it should focus on ensuring that the Chapter 11 restructuring process has the financing it needs to proceed without ending in unnecessary liquidation.

Joshua D. Rauh is a senior fellow at the Hoover Institution and Ormond Family Professor of Finance at the Stanford Graduate School of Business.

OTHER VIEWS

Editorial from The Pittsburgh Post-Gazette:

Congressional members and their aides are barred from making stock trades based on knowledge other than that available to the general public.

Recent transactions, most notably the up to $1.7 million in sales by Sen. Richard Burr, R-N.C., in mid-February, show this is a rule that needs tightening.

In fact, given their access to public and private briefings, and the perspective this provides, members of Congress and their top aides should probably be barred from owning individual stocks at all.

That's the recommendation of a recent tweet by Preet Bharara, a former U.S. attorney for New York's Southern District, and it makes sense.

The 33 transactions by Sen. Burr, chairman of the Senate Intelligence Committee, on Feb. 13, are the most troubling, so much so that Burr asked the Senate Ethics Committee to take a look.

According to a filing required of federal lawmakers and their aides, Burr sold between $628,000 and $1.7 million in stocks in hotel, restaurant, shipping, drug manufacturing and health care companies. Those trades came four weeks after a senators-only briefing on the coronavirus and six days after Burr put his name on a column saying the United States "today is better prepared than ever before to face emerging public health threats, like the coronavirus."

That those trades came a day after the Dow Jones Industrial Average closed at a high of 29,551.42 and only a week before the start of an unprecedented stock market slide greatly contributes to the American public's feeling of betrayal.

Burr says he made his trades based on news reports — a claim that deserves a look by both the U.S. Department of Justice and the Securities and Exchange Commission.

Other trades by U.S. senators, representatives and their aides, while perhaps less troubling, also emit more than a whiff of taint.

Rep. Susan Davis, D-Calif., sold thousands of dollars of stock in Alaska Air and Royal Caribbean cruises; an aide told Politico that Davis has a "third party handling her portfolio and does not play a role in the purchase or sale of her stocks."

A top aide to Senate Majority Leader Mitch McConnell, R-Ky., made a mid-January purchase of stock in a biotechnology company a week after the company said it began work on a coronavirus vaccine; the aide reportedly saw a business report that led to the purchase.

And then there's Sen. Kelly Loeffler, R-Ga., who sold up to $3.1 million in stocks in 27 transactions from Jan. 24 through mid-February, soon after her appointment to the seat. Like Burr, Loeffler's sales began soon after senators got a private briefing on the coronavirus. Loeffler said she does not handle her stock transactions and was informed of these sales three weeks after they occurred.

While some explanations of recent stock trades by federal lawmakers and their aides are better than others, the whiff of insider trading is deeply troubling for two reasons: first because they are receiving good salaries and excellent benefits paid for by the public as they appear to be profiting on information gained through their taxpayer-funded jobs; and second, and more important, because in this time of crisis, we need to trust our public officials. Now more than ever we need to believe that they're acting in the public interest, not their own.

Appearances matter. Members of Congress and their aides should halt all stock trades and think about taking themselves out of the market for good for the sake of restoring and maintaining the public's trust.