

The INDEPENDENT

Published on the first and third Wednesdays of each month by The Independent, LLC, 725 Bridge St., Vernonia, OR 97064. Phone/Fax: 503-429-9410. Deadline is noon the Friday before each issue. Publisher Clark McGaugh, clark@the-independent.net Editor Rebecca McGaugh, rebecca@the-independent.net Printed on recycled paper with vegetable based dyes

Opinion

Is incarceration working?

Who are the violent criminals in the U.S.? It might be reassuring to think that most violent crime is committed by strangers. But, that's not the reality. In 2008, 70% of women who were victims of violent crime were harmed by someone they knew. Nearly 3 in 4 stalking victims know the person stalking them. In 2007, almost 75% of abused children (in Oregon) were abused by one of their parents. Every year, about 22 Oregonians are killed as a result of domestic violence. Some estimates say that less than half of violent crimes committed are reported.

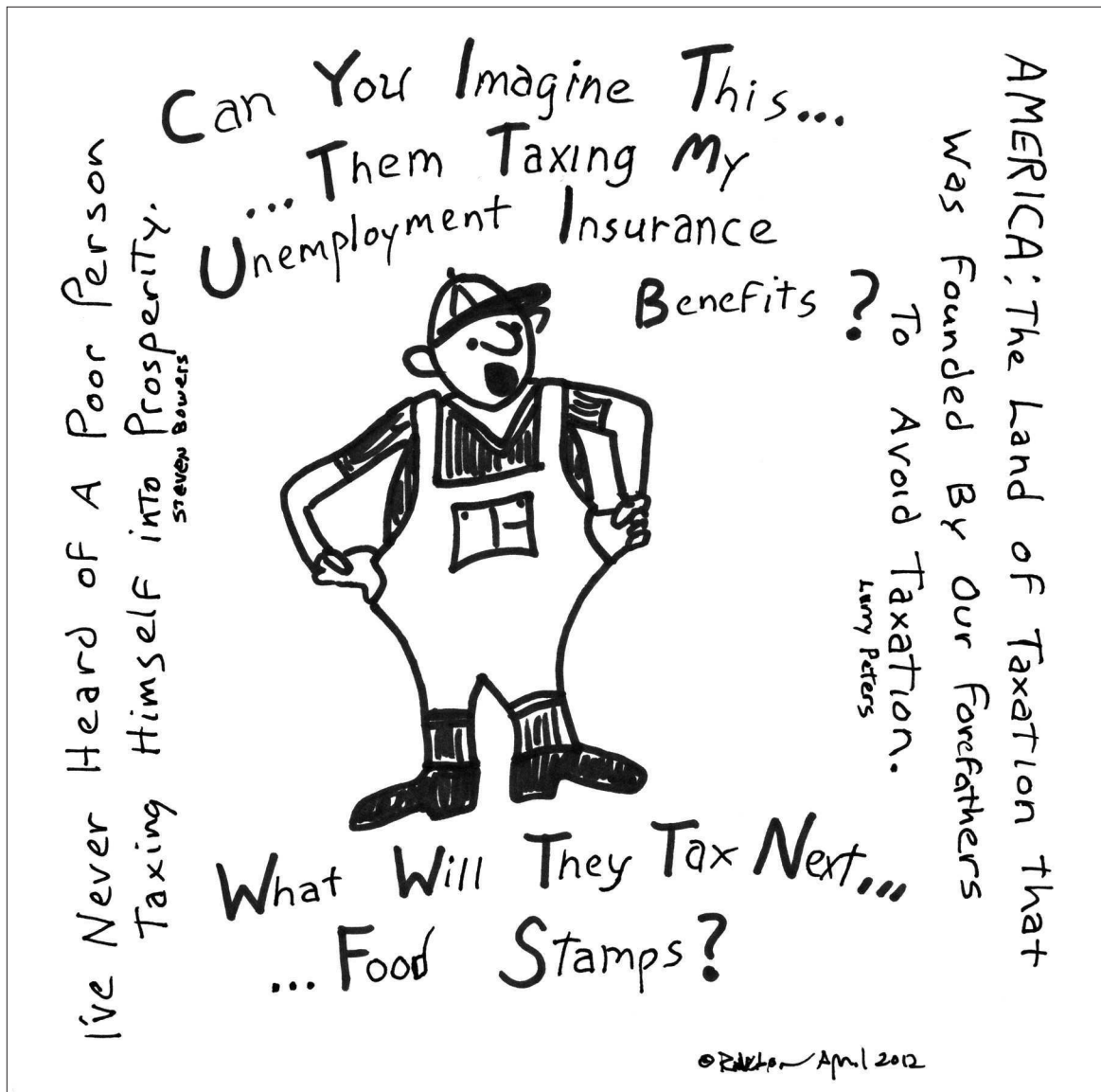
Measure 11 was supposed to improve those statistics with longer mandatory sentences for violent criminals. Even as that measure was becoming law, crime rates in Oregon, Washington, California and New York dropped by similar amounts, but Oregon's incarceration rate tripled while the other three states did not. In 2009, Oregon had a 30 year low in the overall crime rate. Oddly enough, states with lower than average incarceration rates, experienced a larger reduction in crimes than other states.

Who is the world's leader in incarceration? Us. Yep, we're #1, followed by China, the Russian Federation and Brazil. In 2011, nearly 2.4 million people were in our jails, state prisons, or federal prisons.

Since over 90% of those in prison will be released, it makes sense to look at ways to keep people out of prison in the first place, or from going back. Washington state found that investing in programs such as Head Start, drug and alcohol treatment, and mental health programs saved them a billion dollars (over building prisons) and led to lower crime rates. Estimates are that more than 50% of people in prison have serious mental illness.

Other countries use alternative means to handle crimes and criminals. Finnish police do a lot of community policing. When San Diego chose a neighborhood policing strategy, "quality of life" (like graffiti and loitering) crime rates and arrests dropped. Switzerland uses The Four Pillars approach to drug use: prevention, treatment, harm reduction and enforcement (in that order); while Canada adds job preparation. When California tried drug treatment, instead of incarceration, for nonviolent offenders, they saw a five year drop in drug incarceration of 34.3%.

There are other, and cheaper, ways to reduce crime. Isn't it time Oregon tried some of them?



Out of My Mind . . .

by Noni Andersen



The income tax deadline has passed, so you can breathe a sigh of relief – unless you used an extension of time to file.

Today, let's take another look at those 30 Fortune 500 corporations that paid no net federal income tax from 2008

through 2010. They are all big, profitable, international businesses; many of them earn billions in federal contracts so, surely, they aren't still able to avoid federal income taxes.

Not so surprisingly, new information for 2011 shows that all but four of the 30 companies have extended their tenure in the no-federal-income-tax category by another year, from 2008 through 2011.

Over the four years:

- 26 of the 30 companies continued to enjoy negative federal income tax rates. That means they made more money after taxes than before taxes, over the four years!

- Of the remaining four companies, one paid a four year effective tax rate of 0.2%, the other three paid 2.0%, 3.8%, and 10.9%.

- In total, 2008-11 federal income taxes for the 30 companies remained negative, despite \$205 billion in U.S. pretax profits. Overall, they enjoyed an average effective federal income tax rate of -3.1 percent over the four years.

Had these 30 companies paid the full 35 per-

cent corporate tax rate over the 2008-11 period, they would have paid \$78.3 billion more in federal income taxes. To put it another way, over the four years, the 30 companies received more than \$78 billion in total tax subsidies. Wells Fargo alone received \$21.6 billion in tax subsidies over the four years, followed by General Electric at \$10.6 billion, Verizon at \$7.7 billion, and Boeing at \$6.0 billion.

The taxes you pay are subsidizing these big, profitable corporations. It makes no economic sense, and it contributes to budget deficits.

Looking at just 2011, instead of the four-year figures, 24 of the 30 companies paid effective tax rates of less than 4 percent, including 15 that paid zero or less in federal income taxes in that year. For all 30 companies, the average 2011 effective federal income tax rate was a paltry 7.1% — only a fifth of the statutory 35 percent federal corporate tax rate. (Middle class Americans pay an average effective tax rate of 25%.)

Over the past three fiscal years, corporate taxes have fallen to 1.2 percent of our gross domestic product (GDP). That's lower than at any time since the 1940s, except for one year during President Reagan's first term. By comparison, corporate taxes averaged almost 4 percent of GDP during the 1960s.

Eliminating corporate tax subsidies that allow widespread tax avoidance needs to be part of any deficit-reduction program. Tax reform that increases revenues would also make it easier to fund needed improvements in education and to repair our crumbling roads and bridges — key

Please see page 3