

ELECTION 2006



Saxton
Wants to eliminate
estate tax



Kulongoski
Wants to raise
corporate tax

Gubernatorial debate a lesson in schools, math

Election | Ron Saxton and Ted Kulongoski are at odds over how to best pay for better education

By **JEFF MAPES**
THE OREGONIAN

SALEM — Democratic Gov. Ted Kulongoski and Republican challenger Ron Saxton largely agreed Wednesday that the state needs to do more for all levels of education, but they ripped each other's plans for getting there.

In a joint appearance at Chemeketa Community College, the two continued to debate whether the state needs to raise taxes and which candidate really speaks for the average Oregonian.

Kulongoski, who has been repeatedly hammered by Saxton in a spate of ads for backing new taxes, was the first to raise the tax issue at Wednesday's forum.

"It's not good enough to hear you say, 'I support it,'" said the governor. "The issue is, how do you fund it?"

Kulongoski then promoted his proposal to raise the minimum corporate income tax to ensure that all low-income children can attend Head Start pre-school programs.

"Look at the corporate minimum, which is \$10," said the governor. "Ten dollars! Fifty-two percent of the corporations in the state that have revenues over \$25 million pay \$10. It is unfair."

"The governor's answer to every new program is new taxes," shot back Saxton, noting that twice Kulongoski has — unsuccessfully — backed personal income tax increases and talked approvingly of a sales tax. Kulongoski also supports raising cigarette taxes for health care and wants to eliminate the "kicker" tax rebate for corporate income taxpayers next year.

"The truth is he's been governor for four years," Saxton said. "He's proposed new taxes over and over. ... None of them has happened. ... We need to come back to earth to talk about the reality we have."

Saxton scored the governor for not doing more to improve the financial operations of schools and to adopt merit pay for teachers, which he argued would improve educational quality. He argued that the state can take advantage

of the rising economy to put more money into priority programs without having to raise taxes.

The Republican candidate said he was a strong supporter of community colleges and told students he would be "one of your best friends." Kulongoski charged that Saxton's pledge to community colleges is another in a string of spending promises for popular programs. At the same time, he noted, Saxton wants to cut taxes on capital gains, eliminate the estate tax and support an initiative, Measure 41, that would cut income taxes for many Oregon families.

"It doesn't add up," Kulongoski said, "and it's all to the benefit of the wealthy. He doesn't care about the working people of this state."

"When he says he is for the little guy, whose taxes do you think he is raising?" countered Saxton. "When he's taxing your auto insurance, do you really think he's hurting the rich guy?"

During the forum, sponsored by the Salem Statesman-Journal, both candidates occasionally got tangled up by the facts.

Kulongoski bragged that the state's unemployment rate of 5.5 percent was the lowest in 12 years. Actually the state had reached a low of 5 percent unemployment in 2000 and frequently had a similar or lower rate in the late 1990s, according to the U.S. Bureau of Labor Statistics.

Saxton criticized Kulongoski because the state received a D+ grade from Children First For Oregon, a non-profit advocacy group, for "child well-being."

However, the group said the way Oregon could earn an A grade included two key steps opposed by Saxton. The group wants to divert corporate kicker checks to a rainy day fund, and it calls for the defeat of the Measure 41 income-tax cut.

The forum did start on a friendly note when Saxton announced that the governor had just become a grandfather for the first time and offered his congratulations. Kulongoski said his daughter, Kristen, gave birth to a boy earlier in the morning.