

THE PRAIRIE PROGRESSIVE



A NEWSLETTER FOR IOWA'S DEMOCRATIC LEFT

Anti-Sales Tax Issue!

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THE PRAIRIE PROGRESSIVE

is edited by members of the Iowa City Local of The Democratic Socialists of America, 728 1/2 Oakland, Iowa City, IA 52240. Editor for this issue: Jeff Cox. Each article represents the views of the author, and not those of the editors or DSA. We welcome articles and responses to articles written from any point of view whatsoever. Subscription per calendar year: \$5. Contributions of money are always welcome.

Labor Donated.

The Main Event

The bell has rung for the most controversial boxing match this town has seen since a cop slugged the Chief of Police and went on to become the Mayor of Iowa City. The fight over the local option sales tax could prove to be as dramatic a main event as the time a female fire fighter challenged the entire city administration & good ol' boys network.

Here's what happened in the opening rounds. The City Council appointed fifteen citizens to suggest ways for the city to cope with a projected budget deficit. Five of the citizens

recommended that a sales tax be put before the voters; ten said that other options were more appropriate. The Council decided to place the sales tax on a county-wide ballot.

Now the skirmishing has intensified. The city manager, who maintained a veneer of professional neutrality during the Citizens' Committee meetings, is pitching the sales tax to every breakfast club and service group in town. The Johnson county Democrats have scheduled a forum for September 19. From Rossi's to the Athletic Club, from the Hills Bank to

the Sutliff Tavern, the sales tax is the talk of the town. By October 6, the date of the referendum, the hoopla will probably rival that of the Bork nomination.

In the pro sales tax corner:

- Five City Councillors. Unpredictable club fighters, known more for endurance than strategy. Recent

sloppy performances probably due to lack of ring generalship. Inconsistent record, but entertaining style. Tendency to cave in under pressure.

- City Manager. Promising

newcomer who previously fought in Illinois and Wisconsin. Reputed to be clever tactician. Poised, bordering on cocky. Has yet to prove he can take a punch.

- Human Service Agencies. Ex-champs who've seen better days. Desperate to remain contenders, willing to take chances in hopes of going the distance. Lack of confidence despite outstanding career and hometown popularity.

COMMENTARY BY PRAIRIE DOG:

From Rossi's to the Athletic Club, from the Hills Bank to the Sutliff Tavern, the sales tax is the talk of the town.

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In the anti-sales tax corner:

• Two City Councillors. Weighed in with doubts about the motives of the fight's promoters. Lodged protests over hasty planning and disregard for Citizens' Committee's preliminary decision. Good moves, but unable to combine punches effectively.

• Traditional Democrats. Once-potent sluggers, now thought to be on the ropes. Stubborn in the clinches, won't quit until the final bell.

• Labor Unions. Old-fashioned style, sticks to fundamentals. Not much of a knock-out punch, but can jab sharply for a few rounds.

• The *Press-Citizen*. Unpopular lightweight, but occasionally connects with a good left.

Prairie Dog predicts ... a dogfight, with the sales tax camp scoring a narrow victory. Watch for taunts, low blows, and plenty of fancy footwork on both sides. •

Calendar of Events

Regular Meetings

- AFSCME Local 183, 2nd Wed., Eagles Lodge, 7:30
- AFSCME Local 12, 1st Thurs., I.C. Rec. Ctr. 7:30
- Amnesty International, 2nd Thurs., Old Brick, 7:30
- Iowa City Fed. of Labor, AFL-CIO, 3rd Thurs., I.C. Rec. Ctr., 7:30
- Democratic Socialists of America. Call Gary Sanders, 337-7739

September

- 14 **AFSCME Council 61 Caucus Training**, 6:30 PM, Holiday Inn, IC.
- 16 New television show on Ch. 26, **"Eyes on Justice"**, Host: Gary Sanders, 7 PM.
- 17 **Jackson Exploratory**

Committee Meeting, I.C. Rec. Ctr., 7 PM.

18 **Rebecca Rosenbaum** will show slides from her Witness for Peace trip to Nicaragua, approx. 8:15 PM, Hillel, 122 E. Market, IC.

19 **Johnson County Democratic Fall BBQ**, 5 PM, Izaak Walton League

27 **Star-Pac Presidential Forum**, Des Moines.

Every Wed. 6-8 PM, Jim Mulac playing jazz at The Farmer's Market, 112 S. Linn, I.C.

October

6 **Sales Tax Referendum and City Council Primary**. Are you registered to vote at your current address? •

Greetings

from the following supporters of
THE PRAIRIE PROGRESSIVE

- | | |
|---------------------------|-----------------|
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Who is Prairie Dog, Anyway?
Roberta Till-Retz

Jae and Roberta: Happy 25th!
Gary Sanders

Peter Fisher

Duane Rohovit
Attorney at Law

Woodstock Furniture
532 North Dodge

Just Say No.

Myth: The sales tax has widespread support.

Fact: The sales tax has been opposed by the national and state platforms of the Democratic Party, by the Iowa Federation of Labor, by two-thirds of the Citizens' Committee, by many local merchants fearing loss of trade and jobs, by the Press-Citizen, and by the voters of Cedar Rapids and Polk County.

Myth: A sales tax or a property tax increase are the only revenue options available to Iowa City.

Fact: The Citizens' committee suggested at least a dozen alternatives to raise money or cut expenses. None have been pursued by the Council.

Myth: Our property taxes are too high.

Fact: Property tax per person in Iowa City\$222
Property tax per person in Des Moines\$276
Property tax per person in Cedar Rapids\$301

Iowa City's property tax rate is the lowest of the state's eight largest cities. It's the only city over 50,000 people with a property tax levy below the maximum set by the state. Property taxes could increase by a total of \$800,000 and still be below the legal limit.

Myth: Students don't pay enough for city services.

Fact: Students are facing a second consecutive year of large tuition hikes. These monies benefit the Iowa City community directly. They provide the cash flow which allows Iowa City to prosper. Furthermore, the large majority of UI students do not live in dorms but in pre-mises subject to the property tax.

Myth: Iowa City will receive over \$2 million if the local sales tax option is enacted.

Fact: No one knows what the take will be. Predicting sales revenue is a lot trickier than predicting property tax revenues, especially if retail sales are adversely affected by the local option tax.

Some of the sales tax money collected in Iowa City will be redistributed to neighboring communities. 100% of property taxes, wheel taxes, and franchise fees remain in the city which collects them.

Myth: One cent per dollar is a fair and painless tax.

Fact: Because we now pay 4¢ per dollar in state sales tax, an additional penny is actually a 25% increase. The Citizens' Committee recommend a one or two-year property tax increase of not more than 11.7%.

The pennies add up rapidly for people who buy school supplies, children's shoes, diapers, toys, cable TV and over-the-counter medical supplies. Because the Council defeated a proposed franchise fee for Iowa Gas & Electric, utility bills will also go up.

Many services used by higher-income people are not hit by sales tax, such as accounting, advertising, tax preparation, and legal services.

Myth: The sales tax is not really regressive because food and drugs are exempt.

Fact: The Iowa sales tax is steeply regressive, i.e. it takes a larger percentage of income from lower income than upper income taxpayers, even with food and drugs exempt. Last spring the Iowa General Assembly did a study of the consequences of a one cent sales tax increase, and found that it would take an additional .71% of the income of a person making \$10,000 a year, but only an additional .22% of the income of a person making \$100,00 a year. In other words, it would be three times as burdensome for the low income person.

Iowa is already on the Citizens for Tax Justice "filthy fifteen" list for having one of the most regressive tax codes in America. A local sales tax would make things worse.

Myth: Transit, library, and human services will receive more money if the sales tax proposal is approved.

Fact: As worded on the ballot, sales tax revenues will be allocated entirely to reducing the projected city budget deficit and to reducing existing debt. Unlike Ames, where the city allocated 60% of sales tax earnings for human services, Iowa City has allocated none of the sales tax proceeds for improvements in the library, public transit, or human services. •

Carpenter's Local 1260
Barry Kucera, Business Representative

Painters Local 447
David W. Jones, Business Representative

REPORT FROM

Japan

WHEN Prime Minister Nakasone of Japan's ruling Liberal Democratic Party introduced sales tax legislation last year in the Diet, he didn't realize it would soon rank up there with some other of his spectacular gaffes such as the comments on how Blacks and Puerto Ricans dragged down the intelligence level of Americans. Since the ultra conservative LDP leader had promised not to introduce any indirect taxes, he had quite an exercise trying to explain why it was necessary. At a time when he is attempting to increase domestic spending and rationalize a lower growth rate, his intellect wasn't quite up to the challenge and leads me to suspect reactionaries tend to lower a population's I.Q. In any case, the Japanese people, not having access to referendum, as Iowa City voters do, had to resort to letter-writing campaigns, demonstrations, lobbying by consumer groups and just general loud and vociferous complaints on the morning commuter trains.

Vowing to hold fast to this reprehensible tax that would have benefitted large companies in the distribution system and put an additional burden on the already heavily taxed salaried men & women consumers, it was designed to help support an ever-increasing military budget that has already surpassed the magic 1% of GNP level.

Because of the protests, though, the Liberal Democratic Party finally had to defer to the wisdom of the common people and withdraw the sales tax proposal this Spring.

Now I return to Iowa City to find the public library closed on Thursday nights and Fridays, and a proposed sales tax. Have the City Council Members of this progressive city slipped to the level of Nakasone? Is it connected to an Iowa City military budget? Is the pesticide level in the water responsible? I doubt if there can be any more justification for a sales tax here than in Japan. Here, as there, could it be that a reordering of priorities is needed?

Iowa City voters have direct recourse. You can vote "No" to the sales tax. We couldn't in Japan. We had to fall back on marches, leafletting and letter-writing. Granted, those activities are a lot of fun, but referendums are a whole lot simpler. Vote No. •

—Kanto Korrespondent

(A former Iowa City attorney who now lives in Tokyo)

Zephyr

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Kubby Announces For Council

Excerpts from a press conference statement by Karen Kubby, Sept. 1, 1987, announcing her candidacy for city council.

"We are here at the library because I am a big user and supporter of the public library. There have been many a Friday afternoon when I needed access to the library only to find it closed. It was very frustrating. I'm sure there are many of you here who have had similar experiences.

"My involvement with city politics since 1983 has made me appreciate how complex local government can be. In 1983 the city council appointed me to an ad-hoc committee to review sections of the Human Rights Ordinance. In 1984 the council appointed me to the Committee on Community Needs, or CCN.

"From my work as a member of CCN, I have gained skills in targeting and prioritizing community needs as well as critical skills in looking at a budget. This means learning to say no to non-priority budget items. From my

experience as Chair of CCN, I have gained skills in keeping good relations between the committee and the current city council. I feel that I personally have a good working relationship with the current council and with city staff.

"We face a projected million dollar deficit this year. We need new councilwomen who have experience facing a budget. We need new councilwomen who will not just rubber stamp city staff recommendations. We need new councilwomen who can encourage economic development without compromising the quality of life we have established in Iowa City. We need new councilwomen who will fight to reopen the public library. We need outspoken, energetic council members who will work hard to make informed decisions and be responsible to all of the community."•

—Karen Kubby

Labor Day Greetings **Iowa City Federation of Labor** **AFL-CIO**

The Iowa City Federation of Labor consists of 17 affiliates to the AFL-CIO. Separate locals serve the needs of their members and elect delegates to the city-fed body.

The Iowa City Federation of Labor participates in community service, labor history commemoration, labor movement advocacy, and political action.

**Greetings
from the
Iowa State Federation
of Labor,
AFL-CIO**

AFSCME

50 Years Caring for America

American Federation of State, County, and
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AFL-CIO

Local 183

Johnson County Area Public Employees

Founded 1974

Iowa Citizen Action Network

- Working for a progressive alternative in the Iowa State Legislature.
- For an analysis of your legislator's voting record, call Jay Larson at 319/363-7208, or write ICAN, Roosevelt Hotel (2nd Floor), Cedar Rapids, IA 52401.

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Business Representative

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