

Sales Tax Proposal From Oregon Legislature Heads For Ballot In June Or July

By PAUL W. HARVEY Jr.

SALEM (AP) — A House Taxation subcommittee of the Oregon Legislature gave a broad hint Monday that it would recommend a 3 per

cent sales tax to be submitted to the voters in June or July. As the Legislature got down to business in its all-important tax problem, the House, by a 31-29

vote, completed legislative action on the bill to prohibit cities from levying income taxes after July 1, 1957.

And the Senate Taxation Committee said an income tax increase of more than 60 per cent would be necessary if a sales tax isn't approved.

PN Power Firm Asks Snake River Projects Permit

SALEM, Ore. (AP) — The Pacific Northwest Power Co. asked the Oregon Hydroelectric Commission Monday for a preliminary permit to develop two power projects on the Snake River at the Pleasant Valley and Mountain Sheep sites below Hells Canyon.

The company would use 25,000 cubic feet per second of water at each site.

The commission announced that hearings would begin in La Grande at 9:30 a.m. next Thursday.

The Mountain Sheep Dam, as proposed by the company, would be a 162-foot high concrete arch structure a mile upstream from the Imnaha River.

The reservoir would be 20.6 miles long, extending to the Pleasant Valley site. The power house would have 250,000 kilowatts of generating capacity.

The Pleasant Valley Dam, 367 feet high, would be three miles below Pittsburgh Landing. The reservoir would be 34 miles long, backing water up to the Hells Canyon site.

It would store 850,000 feet of water, of which 300,000 should be usable for power, flood control and other purposes. The power house would have 600,000 kilowatts of generating capacity.

As the lawmakers returned for the 99th day of their tedious session, the Senate Resolutions Committee introduced a resolution to adjourn at 5 p.m. next Saturday. Senate President Elmo Smith and House Speaker Ed Geary said it is possible, but not probable.

The subcommittee sales tax plan was to be submitted to the full House Taxation Committee Monday afternoon.

The bill would provide \$10,000,000 extra in state school support, of which half would be given to the distressed districts which can't finance new buildings.

The \$600 income tax exemption for adults would be increased to \$1,200. And the counties' obligation to provide \$10 per year per school child would be taken over by the state.

The sales tax would exempt food bought for consumption off the premises.

Property Tax Ban Sought
Rep. Ed Cardwell Sweet Home, chairman of the subcommittee, said it also is trying to draft legislation to make it impossible for the state to levy a property tax.

A state property tax now would become automatic if there isn't enough other revenue to finance the state government.

By holding the special election in June or July, the people would be considering the sales tax before any referendum attack could be made on an income tax increase.

The bill to ban cities from levying income taxes, which goes to the governor, squeaked through the House by a bare majority. It was defeated last week 30-30, but then was reconsidered.

It would knock out the city of Portland's business income tax.

A legislative interim committee will study the whole question of local government financing during the next two years.

Sponsors of the bill hope to reserve the income tax field for the federal and state governments, and limit property taxes to local governments.

"It's" in Tax Problem
The Senate Taxation Committee which will start work Monday night on the income tax problem, reported Monday that if the 3-cent cigarette tax is approved, an income tax increase of 60 per cent would be necessary. Without the cigarette levy, a 70 per cent income tax boost would be needed, the committee said.

The income tax increase bill, as passed by the House, calls for only a 32 per cent increase.

As to adjournment next Saturday, Smith and Geary said it would be possible if this complicated tax problem is solved. But most guesses are that the session will run another two weeks.

The Senate Natural Resources Committee reported it is almost finished with its work on the House-passed bill to create a state water resources board. The board would establish policies as to the use of water in the state's streams and lakes, and solve disputes as to how the water should be used.

Sen. Paul Geddes Roseburg, chairman of the committee, said

amendments are being drawn to meet the objections of fishing interests.

The House Elections and Re-ap-

portionment Committee holds a meeting Monday night on the controversial bill to give every county one senator apiece.



—NEA Telephone

ALL OF A SUDDEN—You can chalk up one more child actress who has successfully made the transformation into grown up roles. Natalie Wood is shown here (left) as she appeared in "The Miracle of 34th Street" in 1947 and (right) as she appears in Hollywood currently shooting "Rebel Without a Cause." She is 17.

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Fresh Approach Being Made To Seek Release In Red China Of Americans, Senators Told

WASHINGTON (AP) — The State Department and Pentagon told investigating senators Monday they are making "an additional approach" to seek the release of 481 military men and 40 civilians they now believe are held prisoner by Red China.

Sen. McClellan (D - Ark) announced the new "approach" following a closed door conference between his Senate investigations subcommittee and spokesmen for the State and Defense Departments, the Navy, Marine Corps and Air Force.

He declined to give any details, except that steps to obtain the prisoners' release are "primarily through the United Nations."

VFW Head Criticizes Policy Of Appeasement
ST. HELENS (AP) — Merion T. Tice, national commander of the Veterans of Foreign Wars, Monday criticized what he called the drifting and soft appeasement of U.S. foreign policy.

"The best way to get peace is by preparing for war," he told a veterans' banquet here Monday night. Earlier in the day at Pendleton, Tice called for a change to "dynamic national leadership" to stop Communism on every front. Tice is from Mitchell, S.D.

McClellan told a news conference "I am satisfied they (the government and United Nations) are making an effort (but) to say that everything is being done that can be done might be an overstatement."

About the time the subcommittee session broke up, House Democratic Leader McCormack (Mass) called on the Asian-African conference at Bandung to take steps toward releasing 15 American airmen and "an unaccountable number" of other Americans imprisoned by Red China.

McCormack suggested in a House speech that non-Communist nations at the giant meeting in Indonesia could succeed "by open action or by negotiation" in winning freedom for the prisoners.

"It would seem to me," he said, "that the representatives of Communist China would be in a position where they could not very well refuse such a request."

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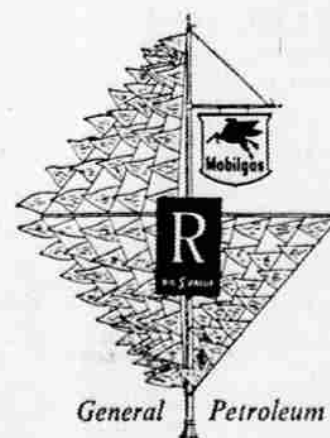
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