

Editorial & Opinion

Reapportionment could help here

The state legislature must deal with much-needed reapportionment this session in advance of the 1982 election cycle, and changes almost certainly will benefit Sandy and Hoodland.

In fact, Sandy, Hoodland, Boring, Estacada and east Multnomah Co. might constitute a new house district. At least that's how local state Rep. Wayne Faubush sees it. He's quick to add, however, that he's grown used to his present district and would hate to lose local constituents.

Moreover, if the Republican do the redistricting, this Dist. 56 Democrat might lose Sandy in favor of boundaries farther east where his reelection would be jeopardized.

Local state Sen. Ken Jernstedt, R-Hood River, also fears loss of the Sandy area with reapportionment. He figures the four primarily eastern senate districts could be rebordered to represent strictly the eastern half of the state. Such has been the growth in parts of eastern Oregon. Jernstedt currently represents Hood River, Gilliam, Jefferson, Morrow, Sherman, Wasco and portions of Clackamas, Linn and Marion Counties.

Since his Dist. 28 has seen less growth than Districts 27, 29 and 30, however, a more likely eastern reapportionment might carve a new senate seat out of Deschutes and Crook Counties.

"I'm comfortable with my district as it is," Jernstedt said. "I hope they don't mess with it too much. My district has not grown enough to where I would expect any shifts."

Clackamas County's population is up 43.9 percent from the 1970 Census, however, and that's higher than all counties except Josephine (57.7 percent), Washington (55.5 percent) and Deschutes (103.5

percent.) Statewide, population averaged only 25.14 percent increase with the 1980 Census.

Portland and Multnomah Co. figure to be the big losers in reapportionment, due to relative declines in population. Multnomah Co. increased less than 1 percent since 1970, while the Rose City actually declined 4 percent.

Consequently, Portland could lose as many as four house seats and possibly two senate seats, while Clackamas County, Hermiston and Bend could gain seats. One house district in Portland contains only 10,000 constituents, while the average state constituency for representatives is 40,000-45,000.

There are snags to reapportionment, of course. First, census tracks will not be available until as late as April. The state may sue to get them. Then political battles over clout gained or lost with redistricting could render the state legislature incapable of agreement. So insiders like Sen. Jernstedt warn that Sec. of State Norma Paulus may have to step in and handle the job this year.

One thing in favor of Sandy and Hoodland come reapportionment time: A 1979 independent legislative committee recommended new districts of equal population and contiguous boundaries. It favored geographically compact districts formed by natural geographic barriers.

Mount Hood provides such a natural boundary.

It's not the local Sen. Jernstedt and local Rep. Faubush have done less than admirable jobs of attempting to represent this area. Both Hood River men represent sprawling districts, however, and we think the time has come when Sandy and Hoodland deserve more localized attention. (VB)



The Innocent Bystander:

Mr. Reagan goes to Washington

Shooting is actually ahead of schedule on that monumental Hollywood epic, "Mr. Reagan Goes to Washington."

As fans of the silver screen know, the multi-billion-dollar movie will tell the simple story of how a simple man, Ronald Reagan (played by Ronald Reagan), comes to the nation's capital and saves the country by vanquishing the cynical politicians and wasteful bureaucrats with just plain goodness.

One of the most dramatic of the early scenes, "The Battle of the Budget," is already in the can. Producer Cecil B. de Meeze, who saw the first rushes, emerged with tears in his eyes, to say only: "This day we have made theatrical history!"

The scene opens on a dark and stormy night. Inside a neat but wretched hovel, Tom Trueheart, president of a poor, starving oil conglomerate, is seated on a rickety stool, wrapped in a threadbare

by ART HOPPE



blanket and feeding pieces of his kitchen table into a tiny fire. He scrapes the last flecks of sustenance from the bottom of an Alpo can and shares them with his pet mouse, Pinkerton, who is near death from malnutrition.

Outside, the winds howl with such intensity that it is difficult to hear Tom's old, rusty oil rigs creaking attempting to suck the few remaining drops of precious oil from the unforgiving ground. There is a knock on the door.

"Have faith, Pinkerton," cries Tom. "Help has arrived in the nick of time!"

He joyously throws open the portal. But there before him stands the ominous figure of a dark-visaged woman wearing a top hat, black cape, gold chain and diamond stickpin.

"Alas," says Tom, falling to his knees, "it is Simone Legree, the wicked welfare widow. May heaven protect the poor oil conglomerate president."

"Not even heaven can help you now, Tom Trueheart," she says cruelly, twirling her waxed moustache. "I am throwing you out in the snow for non-payment of your windfall profits tax."

"All is lost," says Tom, wringing his hands. "Allow me at least to fetch the lock of my sainted mother's hair, which is all that I have not eaten."

He goes to the kitchen and raises a bottle of rat poison to his lips.

"Farewell, cruel world," he says. "But, hark, what is that sound? Could it be hoofbeats?"

Ronald Reagan bursts through the window wearing a charcoal gray club coat, dove gray vest and striped trousers. "Fear not, Tom," he says, "I am abolishing the windfall profits tax and deregulating oil prices so that you can make a poor but honest living."

"How can I ever repay you?" sobs Tom.

"Give me four years and I'll think of something," says Ronnie. "And as for you, you wicked welfare widow, I am scuttling your scurrilous scheme by cutting your social security benefits, stiffening your unemployment compensation requirements and eliminating forever your urban community block grants."

"Curses," sighs Simone Legree, covering her chin in her cape, "foiled again!"

New magazine offers week's TV

There's something new in your Post this week.

We've redesigned our television directory. The directory now comes in magazine size for easier lift-out and retention.

Also, The Post television magazine contains complete

daytime and evening listings for all 12 channels unique to our area.

The local listings for the next seven days are located in Section II of this issue.

Please let us know how you like it.

Salem scene:

Economy squeezes legislature

by JACK ZIMMERMAN
Associated Oregon Industries

Circumstances surrounding the beginning of this year's biennial regular session contrasted sharply with the scene in Salem two years ago. As the 60th Assembly began its deliberations, the weather outside the capitol consisted of ice and snow. Ill winds were blowing inside the building, also, as majority House Democrats spent that session's first week just determining who would serve as speaker.

Despite its stormy beginning however, the 1979 session turned absolutely balmy — particularly as far as the state's taxpayers were concerned.

No such forecast is being offered for the future of this year's session. In fact, just about everybody agrees there's foul weather ahead and things will get worse — even for taxpayers — before they get better.

The current session managed to organize with relative dispatch, and as its first week drew to a close nearly 500 pre-filed bills were introduced and committee hearings for the most part were underway. But while the session is off to a comparatively smooth start, the going is expected to get nothing but rougher in the months ahead.

Biggest reason for the gloomy outlook of course, is a faltering economy, plagued by rising unemployment, steadily advancing inflation, shrinking federal assistance and high interest rates.

The Atiyeh budget does leave last session's property tax relief program in place. But income earners — both personal and corporate — will be able to more fully comprehend that particular relief is being fueled by larger portions of their paychecks and profits.

The taketh and giveth process lawmakers are scrutinizing involves revenues and expenditures during fiscal 1981-82 of \$12.1

billion — up \$1.6 billion from the last biennium.

Divided into its three major components, the new budget calls for general fund expenditures of \$3.2 billion. That compares with \$3.1 billion budgeted last session but cut to \$2.9-plus billion during the special session last August. Federal funds in the coming two years are expected to be \$1.4 billion, up only slightly from the last biennium's \$1.3 billion.

The biggest revenue producer again will be the other funds portion of the budget — projected to soar from \$6.3 billion to \$7.5 billion. And while much of that fund consists of revenue to operate expensive workers' compensation and unemployment insurance programs, other funds revenue also will increase at the expense of those who buy everything from liquor and cigarettes to fishing licenses and tuition to state-operated institutions of higher learning.

Major revenue sources sought by the Atiyeh budget are six in number. Two are aimed at income taxpayers and consist of a two-year delay of indexing the \$1,000 personal exemption under personal income tax and a reduction of the allowable deduction of the state personal income tax for federal income tax from \$7,000 to \$5,000. Those tax increases are expected to produce additional revenue of \$85 million and \$41 million respectively.

Two other proposals seek more tax revenue from business. An increase in premium taxes on foreign (out-of-state) insurance companies and creation of a new premium tax on domestic insurers would raise \$32.8 million. And a boost in the corporate income and excise tax from 7.5 to 8 percent would net \$22 million.

Smokers will pungle up an additional \$26.8 million if the cigarette tax rises from 9 cents to 14 cents a pack and drinkers will provide another \$4.6 million when the markup on booze jumps from 94 to 99 percent.

Wall Street report:

Treasury pick signals shift

One of Ronald Reagan's least-publicized appointments may turn out to be his most significant in dealing with the all-consuming problems of the U.S. economy.

The choice of Beryl Sprinkel as Treasury Undersecretary for Monetary Affairs is likely, at minimum, to signal a momentous shift in economic policymaking and governmental power relationships.

And Sprinkel, a crack bank economist, has made it clear to this columnist in a series of conversations over the months that he would not waffle or alter his tune in Washington. There is every reason to expect fireworks — and possibly historic change — ahead.

What makes Sprinkel (whose first name rhymes with "Hurl") so different from other well-meaning newcomers who have been thrown into Washington policymaking in the past?

Well, for starters, his economic position is every bit as clearcut as those of his bosses — President Reagan and Treasury Secretary Donald Regan — are occasionally artfully fussed. Moreover, he'll be in a position of sufficient power to do something meaningful about it.

Sprinkel will be, for example, the



by Louis Rukeyser

first Undersecretary for Monetary Affairs actually to be a "monetarist" — which means, simply, that he knows that if you print too much money now, you'll have too much inflation later.

While that might seem by now a reasonable self-evident assumption (independent studies have detected a near-perfect correlation between those events) it traditionally — and recently — has been ignored by Treasury Departments, White House and Federal Reserve Boards.

The conventional position of most Presidential administrations has been to hector the Federal Reserve Board into an easier monetary posture, in the belief that this pumps up sagging economies and lowers interest rates. As we have seen, however, there is a point beyond which the Fed is merely "pushing on a string" in terms of economic growth — and is sending interest

rates higher rather than lower, as lenders demand more protection from all that inflation the Fed is "generously" causing.

We are, of course, well passed that point now, and so the Fed since 1979 has given lip service to the inescapable realities of "monetarism" even while it was managing, most of the time, to pursue inflationary business-as-usual.

What looms, then, is an absolutely fascinating relationship between Sprinkel, as Reagan's key man on monetary affairs, and Paul Volcker, the Fed chairman (who once held Sprinkel's Treasury job himself).

Though Jimmy Carter, who appointed Volcker as Fed chairman, later castigated him for taking a "purely monetarist approach," in fact this was nonsense — and Sprinkel knows it. Under Volcker the U.S. money supply has bounced around with its customary lack of discipline as passing preoccupations with interest rates and credit controls interfered periodically with any theoretical change of heart.

Now, for the first time, a modern Federal Reserve Board chairman will have a Treasury Department that not only is not urging him to misbehave, but is genuinely ready to

wrap him on the knuckles if he does vary from a steady, moderate, noninflationary policy. The result should be either better news on inflation — or a blazing confrontation.

But it will not just be in encouraging the Fed toward greater sense that Sprinkel is likely to be important. His job will make him the major U.S. representative to foreign treasurers and central banks: The "Ambassador of the Dollar," if you will. As such, he can be expected to lay far less emphasis on clever international arrangements and far more on domestic financial discipline — an approach that, if successful, could be truly bullish for the dollar.

Finally, Sprinkel becomes the key point man on the Chrysler and New York City loans — and on decisions regarding any future supplicants. While it may not upset existing appeacarts, Sprinkel's strong free-market views suggest a tighter hold on taxpayer money from now on.

In short, Sprinkel, who has been executive vice president and chief economist at Chicago's Harris Trust & Savings Bank, is a tough-minded, highly intelligent thinker with a clear sense of where Washington-style economics has gone wrong.