Proposition 13 ironies noted

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Executive Director

The only reason that I can think of that the Jarvis-Gann amendment, or Proposition 13 as it appeared on the ballot, passed with such a large majority in the largest turnout of voters in California history, is that citizen anger with government far outweighs the ironies that its passage will bring.

The ironies are everywhere. And if the Whittenburg Amendment passes in Oregon (I have no doubt that there will be enough signatures by July 7 for it to get on the November ballot), many of these same ironies will apply here.

While Proposition 13 was billed as a way to keep property taxes from driving people out of their homes, it in fact is windfall tax relief for California's LARGEST property owners. The Wall Street Journal reports that "the major beneficiaries of the substantially lower property taxes will be business and property owners who are not home owners. It is estimated that home owners will receive only about one third of the reduction." Over fifty percent of the property tax in Oregon is levied against non-residential taxpayers.

Let's not forget that Howard Jarvis, for whom the amendment is named, is the head of California's apartment house owners association.

Owners of expensive homes will get greater relief than owners of moderately-priced housing.

For example, the owner of a $30,000 house will see his property taxes reduced from $617 to $375 for a savings of $242 or 39 per cent. The owner of a $100,000 house, on the other hand, will watch his taxes drop 50 percent from $2,495 to $1,250, a savings of $1,245.

What the passage of this amendment does to local control of government is another irony. In fact, it places a greater burden for supplying local government services, such as police and fire protection, onto the state government and in turn onto the federal government. With that will come other taxes to replace the income lost by the cut in property taxes. The Wall Street Jornal noted that "BankAmerica Corp, the holding company for the Bank of America, estimates the Proposition 13 could add seven cents a share to annual earnings as a result of property tax cuts." However, "one reason the business establishment in California opposed Proposition 13, even though it stands to benefit from reduced property taxes, was fear of increases in other levies."

If Oregon public schools were financed largely from state funds, dissatisfied school patrons would no longer have the hammer of the levy vote to control their schools. Think about it.

Proposition 13, and likewise the Whittenburg Amendment in Oregon, would cause a large increase in individual Federal income tax. The property tax deduction would be cut dramatically. That's sending money to Washington that could be providing jobs and services in your own state!

Executive Notes

PROPOSITION 13 AND THE WHITTENBURG AMENDMENT ARE SPECIAL INTEREST TAX BREAKS DRESSED UP AS A COMMON MAN'S CAUSE! I believe this vote goes beyond a reaction to high property taxes; it is clearly an expression of the voter's unhappiness with all levels of government. However, Proposition 13, and its imitators, gives the most relief to those who need it the least -- and none at all to renters.

In Oregon the property tax is a relatively equitable form of taxation, certainly more so than a sales tax which Oregon voters have resoundingly rejected. As the Wall Street Journal states, property taxes as a percentage of all local revenue has gone steadily downward since 1902 when this data was first collected.

Since the end of World War II, a period of our nation's greatest growth, property tax has dropped from nearly 43 percent to less than 31 percent of all local taxes collected in 1976. So the dependency of local government on the state and federal government for sustenance got a huge boost on June 6 and with that goes local control.

It's a further irony that Gov. Jerry Brown, who believes "small is beautiful," will now have to provide state funds to local governments if services provided by those smaller governmental units are to be maintained.

It's ironic that another group that will suffer the destructive effects of Proposition 13 did it to themselves -- the public employe! Proposition 13 was a divisive issue within the California State Employes Association (CSEA), OSEA's relative to the south. While there was not a mass exodus, there were some membership resignations from CSEA as a result of their board's stand in opposition to the measure.

Several months ago, a poll showed that 70 percent of the public employes would have approved the measure. Just before the election, after a massive educational effort, that had only been turned around to 40 percent still favoring the measure despite the fact that more than 150,000 employes could be laid off.

The final irony involves the date of the election. -- June 6. That date was the 10th anniversary of the assassination of Senator Robert F. Kennedy, which also occurred in California. I can't help but wonder how many of his dreams and aspirations for America will be lost in this unthinking reaction to government.

When local government budgets are cut, it will be the public schools, the libraries and the social welfare programs that will suffer. What will happen to county health programs? What will happen to programs for the aged? What will happen to child care programs? What state government programs will be curtailed or eliminated so that money can be provided to local governments? Above all, what other taxes will be levied to make up for these substantial losses?

At the present time, the Whittenburg amendment petition is being circulated in Oregon. Needed are sixty-some-thousand signatures to place it on the November 1978 ballot. I have no doubt it will get the needed signatures.

Californians have been on a binge and now are waking up with a terrific hangover. We in Oregon must learn from their experience.

California's '13' brings out record vote

SACRAMENTO -- What Gov. Jerry Brown calls "serious and painful curtailments of government at every level" must, for the most part, be completed by July 1. On that day government in the nation's most populous state starts its new fiscal year under a one per cent property tax limitation, two-fifths of the current rate.

By nearly a two to one margin, a record 67 per cent of California voters passed Proposition 13, the draconian brainchild of 73-year-old Howard Jarvis, the head of the state's apartment house owners association.

While every responsible group in labor, business and government opposed the measure, its passage was expected by all in the closing weeks of the campaign. Exactly what it will mean to government employes and to government in California will become more clear in the weeks to come.

"Our position is that the will of the people was not aimed at the workers themselves, but at the legislature and poor management in governent," said Keith Hearn, editor of the California State Employes Association newspaper. "We want to make sure that that will doesn't glance off them and hit the workers. We're a little chagrined that the state was first to be hit with a hiring freeze."

In an emergency meeting the morning after the vote, the CSEA board reaffirmed its bargaining position. California is in the first year of a new public employes collective bargaining law. CSEA soon will be starting a whole series of meetings with the rank-and-file around the state to let the membership decide what the bottom line will be and what alternatives might be taken.

"The vote will have a direct effect on state employes because the state budget will be used to bail out local government to the extent of between seven and eight billion (dollars) a year," Hearn said. The legislative leadership will commit the state government's budget surplus to the effort.

Hearn said that a UCLA economist predicted a month ago that 450,000 public and private jobs in the state would be lost with the passage of Proposition 13. He said that would include 300,000 public jobs with a domino effect into the private sector. That would raise California's unemployment from seven percent to around 12 percent.

Lawsuits already have been filed by the California teachers union and by the Service Employes saying that Proposition 13 violates equal protection and that it is a wholesale revision of the state constitution, not just an amendment.

Roughly 50 organizations allied in a No on 13 Committee and contributed to a total campaign warchest of $2 million, Hearn said. Included were CSEA, teachers, Service Employes, numerous county employe organizations, the California Labor Federation, faculty associations, the school administrator association, Bank of America, Southern Pacific, ARCO, Coca Cola, Occidental Petroleum and Hilton, among others. A broad steering committee was formed, and making most of the decisions was an executive committee which included CSEA, the teachers and the state labor federation among others. The group retained a political campaign consultant and a public relations firm.

"We did as well as could be expected," said Hearn, though the executive committee did have some problems with the political consultant's judgement on some issues. "CSEA felt the issue of renters should have gotten more attention in the TV ads because they will get nothing," he said.

But now it's over and the governor is beginning to sound more like "Jerry Jarvis" than Jerry Brown. Some people wonder if what passed on June 6 was the Brown-Jarvis-Gann amendment instead of just Jarvis-Gann. "If the 'Era of Limits' was here before, it is now here in a power of two or more," Brown said in a news conference election night. "A man's home is his castle and it will not be taken away by oppressive property taxes."

Faculty tenure gets test

In an apparent test of Oregon's higher education tenure law, three TENURED Eastern Oregon State College faculty members were fired recently by EOSC President Rodney Briggs.

A successful vote of "No Confidence" for Briggs followed by a vote of 43 to 26, with one split ballot. Most of the faculty participated.

The basic issue involves whether or not tenured faculty members can be terminated without first exhausting the ranks of untenured teachers. Briggs cited financial problems and reorganization as the reasons for the terminations which become effective after the 1978-79 academic year.

Nearly 30 EOSC faculty members are OSEA members and OSEA employe representative Pete DeLuca is meeting with them to see what if any service OSEA can provide.