

Not a threat, but a warning

Cutbacks in education faced if state voters turn down tax increase on October 15

(Editors note: Predicted major cutbacks in the state's education program in case of defeat of the legislature's \$40 million tax increase measure at the Oct. 15 election are not threats. They are warnings. Third of a five-part series.)
By Zan Stark
UPI Staff Writer

SALEM (UPI) — To understand the threat to Oregon's education program if voters reject the legislature's tax increase bill at the Oct. 15 election, you have to know something about the state's budget.

The state's total budget for 1963-65 totals more than \$1.2 billion. Of this, \$40 million is in the general fund.

The other \$800-plus million is made up of dedicated funds, such as gasoline tax revenue which goes for highways, or federal matching funds for welfare, or the total federal support of the department of employment.

It's that \$40 million in the general fund that's at issue. That's the money the legislature or the governor can control.

More than half that \$40 million goes to education. More than one-third of it goes to basic school support alone. Basic school support is money the states give to local school districts.

Threat Not Intended

The governor, legislators and education officials aren't trying to threaten anyone when they warn a defeat of the tax bill will have a major effect on education.

Here's where that \$40 million goes: \$24 million for education, \$16 million for new buildings, \$50

million for welfare and social services, \$36 million for public health and mental hospitals, \$27 million for public safety, \$11 million for natural resources, and \$30 million for all other operations.

One way to shave \$60 million from this general fund budget is to cancel the \$16 million building program, and make an across-the-board 11 per cent cut in all other expenditures.

Because education totals \$234 million — \$141 million of it the basic school support money — this will be the hardest hit of any of the state programs.

Other Cuts Destructive

It wouldn't be possible to make the full \$60 million cut in the \$170 million that does not go to education without destroying other programs.

This is why state and education officials shouldn't be accused of trying to use education as a "threat." If the cuts become necessary, education will be hard hit simply because it accounts for so much of the budget.

Higher education has already announced what it might do if the tax measure fails. Entrance requirements will be raised to freeze enrollments at their present level. This would mean about 3,000 Oregon youths would not be able to enter college next year. Most of the building program would be postponed, and tuition fees would be raised.

Lower education's problem is much more complicated.

Tomorrow: The Property Tax Increase.

Meyers fights drunk charge

KENT, Wash. (UPI) — Washington Secretary of State Vic Meyers, who was arrested here Labor Day on a charge of driving while under the influence of liquor, said Wednesday he was ill, not drunk.

He also said he was fastening a seat belt when the state car he was driving was reported by police to have been weaving. Meyers had been attending a Democratic party picnic.

Meyers posted \$150 bail. The arrest was made by Patrolman Rolfe Hilde.

Hilde did not realize who it was he was stopping, Kent Police Chief Robert Lee explained, add-

ing, "I do not think it would have made any difference."

No trial date has been set.

HAS NO OPPOSITION

ALGIERS, Algeria (UPI) — Only ballots bearing the name of Premier Ahmed Ben Bella will be valid in Sunday's presidential elections, Algerian government officials announced Wednesday.

Ben Bella is running for president unopposed under the new Algerian constitution which allows only one political party — Ben Bella's National Liberation Front (FLN).

State's financial picture outlined here by Belton in talk to Bend Rotary Club

By Phil F. Brogan
Bulletin Staff Writer

Four hundred and four million dollars, the total of the budgets approved by the Oregon State Legislature at its 1963 session, is a lot of money, a man whose most important official responsibility is to cash state warrants drawn by the Secretary of State agreed here Wednesday.

He is Howard C. Belton, state treasurer, who spoke before the Bend Rotarians with "Oregon's Checkbook" as his topic.

But, Belton noted, the four hundred and four million dollars, "is like that portion of an iceberg that shows above water. The bulk of the berg lies below the surface. For the total of state expenditures in the next two years will exceed one and a quarter billion dollars."

Belton pointed out that the legislature appropriates only that money that is paid into the general fund from taxes. The general fund, he noted, receives its principal revenue from the personal income tax, and the bulk of this fund is appropriated for education. It also provides for public health and safety of Oregonians and for the operation and maintenance and administration of 12 state institutions.

"The balance of your taxes goes into the so-called self-sustaining or dedicated funds, which make up two-thirds of the overall budget," Belton said. The revenue for these funds comes from a wide variety of sources, including the federal treasury, Belton noted.

Belton reviewed the operation of his office and the manner state finances are handled. He also had a word about the much-criticized 1963 legislature.

"But before you point the finger of criticism at the members of the recent sessions, I think you should understand some of the

problems they faced," he said. "Part of the problems were the result of action, or lack of action, on the part of previous legislatures. The 1961 legislature appropriated some eight million dollars more than was proposed in the Governor's budget and compounded the problem by increasing the Tax Commission estimate of income from the personal income tax by twelve million dollars."

Johnson visits in Norway

OSLO, Norway (UPI) — Vice President Lyndon B. Johnson drank coffee with 200 Norwegian factory workers today and told them Norway and the United States have the same respect for the laborer.

Johnson started the last full day of his Norwegian visit with a trip to the Standard Telephone and Cable Factory Co., a subsidiary of the American International Telephone and Telegraph Corp. (ITT) — in northern Oslo.

The vice president spent half an hour more than scheduled, chatting with the employees and looking at the huge factory.

Johnson later planned to call on Norway's Storting (parliament), attend a parliamentary lunch in his honor at the Shipping Club and make a speech at Oslo University.

The day ends with Johnson, his wife Lady Bird and their 19-year-old daughter Lynda attending a Red Cross benefit show at an Oslo restaurant.

Friday the Johnsons will fly to Denmark, the fourth stop on their five-nation, 15,000-mile goodwill tour. They already have visited Sweden and Finland, receiving a warm welcome. The tour ends with visits to Iceland and Danish-owned Greenland.

ing the Tax Commission estimate of income from the personal income tax by twelve million dollars."

He said much of the tax increase is the result of two factors over which the legislature had no control. The rising cost of everything the state buys, and the pyramiding cost of education.

Belton said "the expenditures that were made, and of which you and I may not approve, were almost certainly the result of public insistence and pressures that finally could not, or were not denied."

Carver flees prison annex

SALEM (UPI) — Perry Leroy Carver, 47, fled the penitentiary annex about 1:30 p.m. Wednesday, Warden Clarence T. Gladden reported.

Carver was sentenced from Coos County to a three year term on a charge of forgery by check writing.

OUT OF HOSPITAL

OLYMPIA, Wash. (UPI) — Peggy Goodman, the 59-year-old grandmother who sat in her wheelchair on the State Capitol steps for five days to protest a reduction in welfare benefits, was discharged from St. Peter's Hospital here Wednesday and headed home to Seattle.

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