

THE HEPPNER GAZETTE-TIMES

MORROW COUNTY'S NEWSPAPER

The Heppner Gazette, established March 30, 1883. The Heppner Times established November 18, 1897. Consolidated February 15, 1912. Single Copy 10 Cents. Published Every Thursday and Entered at the Post Office at Heppner, Oregon, as Second Class Matter.

WESLEY A. SHERMAN
Editor and Publisher

HELEN E. SHERMAN
Associate Publisher



A Look at the State Tax Referral

Even those most ardently opposed to tax increases in any form will recognize that taxes are fundamental in the economic structure of democratic government. Whether on the federal, state or local level, government could not provide services and benefits which the people expect if there were no taxes to pay the bill.

Thus, for those who believe in the democratic way of life, their objections to any tax must be on the grounds that it is unfair or inequitable, that it is not based on the ability to pay, or that it is designed to provide some service or services that the people believe are unnecessary or do not want to pay for.

As voters of Oregon prepare to go to the polls on October 15, then, they should examine the taxation proposal with these thoughts in mind.

The 1963 legislature approved the measure that would provide \$60 million to balance the \$404,000,000 budget for the biennium, and the budget as adopted by the session pared Governor Hatfield's proposed budget considerably.

The ease with which more than 55,000 signatures were obtained to refer the measure to the voters clearly demonstrated widespread indignation, whether justified or not. This stemmed from many avenues. Many persons, reacting to continuously higher taxes, summarily oppose tax increases in any form. Some have declared that it is a "bad" tax bill, perhaps because it incorporates the elimination of the federal income tax deduction from state income. Others believe that costs of education and other state-supported services are too high. Some have particular grievances against various agencies of government, stemming from what they consider to be misuses of public funds.

When it became evident that the matter would be referred to the people, various departments began to examine what defeat of the legislature's program would mean to them and what services they would have to curtail. As they reported this information, it brought cries of "threat" from those opposed to the tax program.

It is certain that no one at this point can predict accurately just what cuts must be made in all areas if the program is defeated, but it is equally certain that there will be cuts in many places. It is now the voter's problem to attempt to determine what they would be and how important they are.

Education, which received 85% of the increase in the budget, would undoubtedly feel the biggest blow. One probable result in higher education will be that admission standards would be made more restrictive on the academic level in order to hold enrollments down. This means that not all students who are qualified under present standards will enjoy the privilege of attending a state institution even though their parents are paying their share for the support of those institutions.

A cut would be made in basic school support funds from the state, which now provides about 33% of the cost of public school education on the theory that everyone—not only property taxpayers—should share in the cost of public education. The State Department of Education theorizes that the drop in basic school support would be about 14%, but Rep. Jack Smith, a member of the House Taxation committee, feels that it would approximate about 8 or 9%. In any event, this would put that amount back on the property tax and goes against the concept accepted by the legislature that all taxpayers, not just property owners, should share in the costs of public education. Morrow county's school budget this year passed only after it was thoroughly pared and the district would be hard put if it lost some of its basic school support.

A cut might be made on welfare, but Rep. Smith believes that this is a poor place to pare because for every 1% cut by the state, another 1 1/2% would be lost from matching funds.

On the local level, indications are that Morrow county would lose the state tax appraisers now engaged on reappraisal programs. This does not mean that the farm reappraisal program would be abandoned but it probably would take longer, and the bulk of the cost would be borne on the county level, against property taxes, instead of the state contributing a substantial portion.

State extension service has information out that some 64 county agents may be released if the curtailment comes. This, again, may be construed to be a threat, but it is a distinct possibility. In Morrow county's case it would be the height of irony to lose one of its three county agents after the voluntary campaign for \$3400 has been concluded to restore the budget to assure that the three remain here!

These are only a few examples of possible reductions in services.

Of the costs to state government, three categories take more than four-fifths of the general fund—education (\$234,000,000), public health (\$36,000,000) and social services (\$49,000,000). Lump all others together and they approximate \$60,000,000.

Thus, the approximate amount to be raised by Measure 1 is about equal to that for all state services under the general fund except for education, public health and social services. It must be understood, however, that these are separate from dedicated funds which are supported from revenue other than that of the general fund. Included under dedicated funds are Highway commission, Liquor Control Commission, Board of Forestry, Game Commission and others.

Those under the heading of dedicated funds are affected very little by the tax measure because they are not dependent on the income tax. Thus, if a voter has a grievance against any of these, he will not serve his purpose by voting against Measure 1.

There are 38 separate "reforms" in the measure. Among the most important are: 1. Changing the definition of income subject to taxation including student income and capital gains income. Under Measure 1, taxpaying parents would be able to claim a \$600 exemption for a student over 18 going regularly to school even though he earns more than \$600 per year. At the present time, this exemption is allowed by the federal government but not by the state.

Change on the capital gains removes re-investment requirements and lowers the maximum tax rate for capital gains income from 9.5% to 5%. This is designed to encourage investment and check the trend of persons moving out of Oregon to escape capital gains taxes.

2. Increased medical deduction and removal of the federal deduction. Now limited at a ceiling of \$1250, medical deductions under Measure No. 1 are unlimited. Any amount spent for medical costs, over 5% of income, would be deductible.

Most controversial of all parts of the bill is the elimination of the federal tax deduction. Some say this imposes a tax upon a tax because one pays a state tax on income that is spent for payment of federal tax. However, the effect, even though it increases the state income tax for the individual, is to reduce the federal tax because the person has greater state tax to deduct from the federal return. This means, then, that the federal government will pay a portion of the increase.

Supporters of Measure 1 declare that the federal deduction destroys progressivity of the income tax in Oregon to the point that the lowest taxpayer on the economic totem pole is paying at a rate of two per cent or less of his total income, and the individual at the top is also paying two per cent or less of his income to the state.

Had the legislature done only the one thing—remove the

federal income tax deduction—it would have provided for more than enough to make up the \$60,000,000, but the other portions of the measure were set up as needed reforms.

3. Lowered tax rates and improved treatment of single persons with dependents. At the low level, tax rate will be 2% as compared with present 3% and at the top, it will be 7.5% as compared with the present 9.5%. Under present law a head of household pays the same tax as one who files a single return. A widow with two children pays more taxes on the same income than a man and his wife and one child. Measure 1 corrects this and provides that the head of a household (an unmarried or widowed person with dependents) is treated the same as married individuals filing joint returns.

4. Revised personal exemptions and dependency allowances so that the same amount of tax reduction occurs for the same size family unit regardless of income. Under present law, the \$600 subtraction from adjusted gross income for self and each dependent is worth \$18 as a tax reduction for a taxpayer filing in the lowest bracket (3% times \$600), but the same \$600 subtraction is worth \$57 to one filing at the highest level (9.5% x \$600). The new law would do away with the exemption, and in its place, substitute a \$22 reduction each for self and wife and \$20 per dependent child from the amount of tax. This, then, would help the low income earner but cost proportionately more to the higher earner. At the same time, it would treat all equally. In other words, each personal exemption or dependent deduction would be worth the same to all, regardless of income.

5. Broadened the tax base and provided a minimum tax if one has taxable income. Under the new law, anyone earning more than \$500 would pay some income tax, minimum of \$5. This is on the theory that all should share in the costs of government. Many persons enjoy government benefits costing thousands of dollars and pay neither income nor property tax.

6. Raised the corporation excise tax slightly, representing a .5 per cent or less increase in corporate tax rates.

7. Provided that, should the law raise too much money, property taxes must be reduced. If Measure 1 is approved and brings in more money than anticipated, any surplus above \$10,000,000 will go to counties, cities and school districts to reduce local property taxes.

Since education seems to have the greatest stake in this, it may need closer examination. Taxpayers may feel that too much is being offered in this field. In higher education, however, state institutions had total enrollment of 23,000 students in 1960-61 and it is projected that there would be 33,700 in 1964-65, a gain of 10,000 in five years. It is obvious that this jump of one-third is bound to add costs.

Voters who would curtail education might consider that all have a financial responsibility for youth. If they do not provide education for the students so that they can eventually be productive to society and themselves be in a position to share in the costs of government, they may eventually have to pay for their support in a non-productive capacity—under unemployment compensation, welfare, or in correctional institutions.

Should Measure 1 be defeated, the legislature will probably be called for a special session. Some \$14,000,000 might be raised by the expedient of requiring the payment of withheld income taxes on a monthly basis rather than a quarterly basis for larger concerns, and some additional sums can be raised by special taxes, which, as Rep. Smith puts it, would be so specialized that those affected could not generate enough "steam" to have them referred. However, this could not close the gap entirely.

Some believe that a no vote will force the legislature to put up another sales tax bill, and these people believe that it could be passed this time despite a record of defeat at the polls.

No one can say with certainty, however, that it would carry. While it seems that the sales tax is drawing more support, it may be that sales tax proponents are becoming more vocal and that the wholehearted voter sentiment is still not there.

It can readily be seen that this measure has many ramifications, and it is a highly important matter for the voter to weigh before he casts his ballot. Rep. Smith gave a rather thorough analysis of it at the Chamber of Commerce meeting here Monday and discussed the pros and cons. It is too bad that everyone in the area could not have the opportunity to hear his discussion and pose questions to him. Another opportunity is coming Wednesday night when he appears at the PTA meeting at Heppner High school.

Voters who would like to hear an analysis of Measure 1 by a man who has spent many hours studying it and working on it should attend.

New Cars Bring Excitement

If you don't like to watch the World Series and if you don't go deer hunting, chances are you still may find this a most exciting time of year.

It is the time that the new model cars come out and go on display. Everyone enjoys looking them over and admiring the streamlined glamour that they present. Some fortunate ones have waited for this time of year to trade, but others retreat into the dream world of wishing.

Heppner is fortunate to have so many makes and models from which purchasers may make selections—complete lines in Chevrolets, Fords, Mercurys, Pontiacs, Buicks, Ramblers, Willys Jeeps, and GMC Trucks. That's a pretty fine assortment.

This paper has announcements of several of these, together with news pictures of some of them. They look irresistible! Join the gang and go to the dealers to give a look!

TO THE EDITOR. . .

Dear Mr. Sherman:

My impressions of the Morrow County Picnic at Laurelhurst Park this summer were so different from those expressed by Mr. Gerald A. Rice in your issue of September 19, 1963, that I read his comments with considerable surprise. This will also undoubtedly be the reaction of the many, many people who told me that they, too, had a wonderful time.

I was so busy visiting with all the old friends—and even found a former Morrow Countyian at the Four Square Picnic next to ours—that I missed the dead dodo crying in his apron. There were a few who had suffered serious illnesses during the past year, but they had the old Morrow County spirit to be there, and cheerfully visited with all of us who approached them.

And as long as we're on the subject of the Bible, how about not casting the first stone but helping our neighbor? Mrs. Dorothy Olston and her assistants are to be highly commended for the time, effort and work they contributed to make the Morrow County Picnic a most enjoyable affair.

Sincerely,
Elaine Sigsbee George

The Keep Oregon Green Association asks that you be extra careful with fire of any type when in or near the woods. Payrolls and the economy of your community depend on keeping forest fires from starting. If you don't prevent forest fires . . . who will?

COMMUNITY BILLBOARD

Coming Events

MORROW COUNTY ROLLER SKATING RINK
Fair Pavilion, Heppner
Open Fridays and Saturdays,
7 to 10 p.m.; Sundays, 2 to 5 p.m.

GRAND OPENING
Fiesta Bowling Lanes
Friday evening, October 11
Join in the festivities—Prizes, entertainment, lots of fun for everyone.
Join A League Now

HEPPNER HIGH FOOTBALL
Heppner vs. Stanfield, Rodeo Grounds, Heppner,
Friday, Oct. 4, 8 p.m.
Support the Mustangs!

CATHOLIC SMORGASBORD
Plan now to attend
October 20, 3 to 7 p.m.
St. Patrick's Parish Hall
Tickets—\$2, \$1, 75c. Pre-school free.

SPONSORED AS A PUBLIC SERVICE BY
C. A. RUGGLES
Insurance Agency
P. O. Box 247 PH. 676-9625
Heppner

Chaff and Chatter

Wes Sherman

HERMAN GREEN says that he has been treating himself very kindly these days. Through the summer his boys have been helping him a great deal, but now they have gone back to college and high school and he is the only one that is left to take care of his sanitary service. "I'm afraid if I slip and treat myself mean, I might get mad and quit. Then there would be no one to do the work," he declares.

DON GILLIAM is ready to wave the white flag, throw in the towel, or pat the mat. He knew he would be dodging bullets if he went deer hunting on opening week-end, so to be safe, he went down to the Columbia River to go steelhead fishing.

What happens? A rifle bullet comes zinging by and hits about 20 feet away from him. Don didn't have a foxhole handy but he took refuge behind some rocks, then was afraid the ricocheting bullets would get him. So he scampered out of there as fast as he could. He never figured out whether the yardbirds on the highway above had thought they spotted a deer or were just testing out their rifles without thinking that anyone would be goofy enough to go steelhead fishing on opening day of buck season.

JACK AND SHIRLEY Loyd didn't dodge hunters' bullets, but they did pick a .22 bullet out of the siding of their house, and that gave them something to try

APW Project Comes Here

When it was announced at Chamber of Commerce here some time ago that Morrow county is eligible under the Accelerated Works Program to spur employment, it was quite obvious that the businessmen were a little skeptical about it.

But announcement this week that the Forest Service will have a \$70,000 improvement project under the program comes rather swiftly, considering the slowness with which the government wheels usually grind. It indicates that the Heppner Ranger district was ready to go with its plans and applied at the right time. The project will bring fine improvements at Tupper, hub of the field operations of the district, and will do a little to strengthen local economy, even though many believe that there is very little unemployment here.

This is a feather in the cap of the Forestry staff here and will be a benefit to the area.

to figure out. They don't know whether someone had been shooting around in the residential district or whether it was a wild bullet from a more distant point.

EVERY EDITOR experiences moments of terror when someone reports reading some bad error in his paper. We felt one of these moments coming on the other day when it was told to us that someone in Pendleton had read our paper and said that we had Jack Smith, representative in the legislature, listed as a Republican in a news story.

Suppressing our qualms of fear, we grabbed the file and looked back at recent stories about Smith, but could find no reference to his being a Republican.

We did note, however, that we started the most recent story, "Rep. Jack Smith . . ." Our good reader probably mistook the abbreviation for representative as the abbreviation for Republican.

WHEN REPRESENTATIVE SMITH was here the other day, he told the Chamber of Commerce that after coming home from the legislature he sympathized with Jose Jimenez who was quoted recently as saying, "I am glad to be anywhere." "Like Jose," said Jack, "I'm glad to be anywhere—but but Salem!"

OUT AT THE work day at the new Anson Wright Memorial park recently, Orville Cutsforth challenged Judge Oscar Peterson to a contest on digging holes for the rest rooms to be installed. Cutsforth declared it was strictly no contest—that the judge wasn't even in it. The judge claimed a foul, however, declaring that Cutsforth gave him a shovel with a broken handle.

what a carpet!

- AMAZINGLY STRONG!
- RICHLY LUXURIOUS!
- WONDERFULLY PRACTICAL!
- EASY TO CARE FOR!



MOHAWK CARTIER **\$9.50** ONLY
... made of 100% Cumuloft® nylon pile

Square Yard

INCREDIBLY STRONG . . . Tough, durable . . . no fiber can outwear nylon. And no ordinary nylon carpet fiber can beat the strength of Cumuloft nylon. Cumuloft nylon is a continuous filament textured yarn that retains nylon's full strength.

RICHLY LUXURIOUS . . . You have to feel the lush depth underfoot! You have to see the rich surface . . . the fabulous new depth and clarity of color! Carpet of Cumuloft nylon pile is like no carpet you've ever owned. It has warmth and softness that is unbelievable.

RESISTS FUZZING AND PILLING . . . Cumuloft nylon is a continuous filament nylon, with no short loose fibers to pill up or fuzz. That's why carpet of Cumuloft nylon doesn't shed.

RESILIENT . . . Step on it. Jump on it. Carpet of Cumuloft nylon keeps coming back for more! The resilient nylon yarn springs back, resists matting and retains its luxurious texture.

EASY TO CLEAN . . . Because the smooth, non-absorbent Cumuloft nylon yarn resists dirt and dust, soiling stays right on the surface where you can whiz it off with the vacuum cleaner. Spills are no catastrophe either. Just spot clean with a detergent and water.

LET AN EXPERIENCED MAN
INSTALL YOUR RUG FOR YOU

MANUEL EASTER, Formerly of Heppner, Has
Had Many Years of Experience, And Will Do A Guaranteed
Job For You.

CASE FURNITURE CO.

249 N. Main

Heppner

PH. 676-9432