

1 1/2% Tax Measure Alternatives Are Given

(Editor's Note: This is the third and final article analyzing the proposed 1 1/2% property tax limitation on which voters will cast ballots next Tuesday).

By RON DANIELS

IV. Alternative tax measures to replace revenue lost by the 1 1/2% property tax limitation.

As you can see from the figures I presented earlier it will be impossible to provide any semblance of the services now provided if the 1 1/2% property tax limitation becomes a reality. With this thought in mind many of the State Finance Committee in conjunction with the State Tax Commission have been reviewing some alternative tax programs that could replace part or all of the revenue that will be lost if the 1 1/2% passes. In this connection the following tax programs have been considered:

1. A 4% sales and use tax with limited exceptions would generate an amount modestly in excess of the estimated loss of \$150 million.

2. Income taxes could be increased by 80% to produce an amount roughly equivalent to the last revenue.

However, this would make Oregon the State with the highest State Income Tax and would drive industry and business to other locations.

3. A net receipts tax (gross income) of 2 1/2% would also produce close to the \$150 million.

4. Increases in the corporate excise tax, cigarette tax, insurance premium taxes, etc., coupled with one or more of the above would also be sufficient.

Regardless of voter acceptance or rejection of State Tax increases the legislature must still come up with a distribution formula to maintain some semblance of equity among tax payers throughout the State. This would be the most difficult problem to resolve. Would probably be tied to population and true cash value, (equalization).

In addition to the above suggested tax program alternatives it can be anticipated that user charges, wherever possible, will be substituted for tax levies to permit the continued operation of special districts rendering a service which can be measured proportionate to use of the service or facility.

Even if the legislature should decide to pass one of the above described tax programs in the 1969 session it is doubtful if any of the new tax programs could produce enough revenue to re-

place lost funds for 1969-70 budgets.

The reason being that any program passed by the legislature will undoubtedly be referred to the people for a vote at a special election. If the measure were passed it still could not be effective until July 1, 1969.

Because of the tax collection and distribution system only 3/4 of the year's revenue would be available for distribution in 1969-70.

Review of facts regarding Oregon's Taxes and the 1 1/2% Property Tax Limitation.

1. Oregon is one of six states that does not have a sales tax—the gasoline tax is lower than the national average—Oregon has no local general retail, gas or sales tax like many counties and cities in other states—only three states have a lower cigarette tax.

Overall Oregon ranks among the "low tax states."

2. The proposed limitation places control of local government, service districts, and schools in the hands of the legislature and Oregon Tax Commission.

3. Two-thirds of the benefits of such a limitation would go to business, industries, and commercial property holders, and speculators. Home owners would only receive about one-third of the expected relief.

Should a sales tax be implemented to restore lost revenue, home owners would pay an estimated two-thirds of the increase; business and industry would contribute one-third.

Read some excerpts from League of Women voters sheet and Ray Vernstrom brochure.

4. The present 6% limitation has its faults, but this provision is not solely responsible for high property taxes in Oregon. As a matter of fact, of the estimated growth of some \$50 million in property tax levies in Oregon this year the 6% limitation is responsible for less than 1/3 of the increase. The balance of over \$35 million was approved by the voters themselves.

5. The need for property tax relief is recognized but all groups that have taken a position on the amendment have come out in opposition to it. The basic position is that the legislature should provide the relief. In spite of the opposition the limitation stands a good chance of passage.

Gazette-Times want ads pay. Phone 676-9228 for G-T want ad service.

Christmas Gifts To Go to Vietnam In Special Ship

Tons of St. Nick's gifts will go to members of the Armed Forces in Vietnam by special ship this year, thanks to a joint Pentagon-Post Office venture, according to James H. Driscoll, postmaster.

A fast U. S. cargo ship will be designated the "1968 Santa Claus Special," sailing from Oakland, Calif., in November with Christmas parcels. Parcels intended for transportation by this "Santa Claus Special" may weigh up to 70 pounds and measure up to 100 inches in length and girth combined (standard parcel post weight and size).

To meet sailing deadline and assure pre-holiday delivery of gifts sent via this surface transportation, items should be mailed by November 9.

Parcels should be marked "Santa Claus Special" just before the space for stamps. The "Santa Claus Special" will sail soon after November 9 and stop at Da Nang, Qui Nhon, Cam Ranh Bay and Saigon, Vietnam. It takes approximately three weeks for a fast ship to cross the Pacific ocean, and additional time is required for processing in both the United States and Vietnam.

All gifts should be packed in strong containers with adequate cushioning—this is a must—and care should be exercised to have the address correct and complete—including the applicable APO or FPO number.

Merry Mixers Meet

Merry Mixers 4-H club held its second meeting at Mrs. Pettijohn's on October 15. Natalie Tews and Jeannie Piening led the pledges. Carol McElligott was appointed sergeant-at-arms for the meeting. We planned to have our next meeting on October 29 and make hamburger dinners. We made cocoa and popcorn, and of course, ate it. Rene Flack, news reporter

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We Oregon lumbermen—all Republicans—strongly urge the re-election of UNITED STATES SENATOR WAYNE MORSE.

Here are the facts:

- * Six months ago the foundation of Oregon's economy, its forest products industry, was in dire jeopardy. Our basic raw material, logs, was being shipped to Japan without any restraint—slowly strangling the lumber industry.
- * Six months ago, it appeared that ten thousand Oregon forest products workers would be out of work . . . permanently . . . and very soon.

SENATOR WAYNE MORSE saved Oregon's major industry — lumber. CROW'S FOREST PRODUCTS DIGEST said Morse "was far and away the most effective individual in this uphill struggle."

WAYNE MORSE stopped the siphoning-off of our prime timber by using his political power, secured through seniority, to induce a reluctant Congress to pass the Morse Amendment to the Foreign Aid Bill.

The Amendment provides restriction on export of logs from public lands west of the Mississippi River for a period of 3 years commencing January 1, 1969.

WAYNE MORSE must remain in the Senate for Oregon as 1 of 16 committee chairmen, to help prevent the export of American jobs.

Oregon cannot afford to lose WAYNE MORSE in the Senate. It's that simple.

LUMBERMEN FOR OREGON'S ECONOMIC SURVIVAL:

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- S. H. Ellingson, Sig Ellingson Lumber Co., Baker
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- Ellis Bischoff, lumberman, of Salem

(Paid for by Lumbermen for Oregon's Economic Survival; John Hampton, Willamina Lumber Co., P. O. Box 8, Willamina, Oregon 97396)

ANNUAL MEETING

OF MEMBERS OF

COLUMBIA BASIN ELECTRIC CO-OP., INC.

COUNTY FAIR PAVILION

HEPPNER, ORE.

Thursday, November 14

Registration 11:00 A.M.

Regular Meeting 1:15 P.M.

GUEST SPEAKER:

H. R. (Russ) Richmond

Administrator

Bonneville Power Administration

FREE Four 100-Watt Light Bulbs

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ELECTRICAL APPLIANCES

WILL BE PRESENTED AS

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During Registration