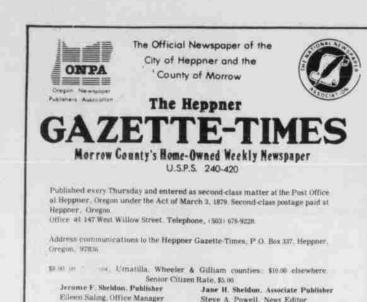
Chice Pearson, Composition



Tax Relief and the VAT

Cheryle Greenup, Advertising,

Congressman Al Ullman has proposed a Value Added Tax as a new form of federal financing, with the intent that it would permit a reduction of Social Security taxes as well as a cutback in personal income taxes

Ullman, who represents the sprawling Eastern Oregon congressional district, has introduced the plan in his capacity as chairman of the powerful House Ways and Means Committee.

As he explains it, the tax would be applied at every step in the manufacturing process, from the use of raw materials to the completion of products for market. The tax would not be compounded, he says. No matter how many hands a product might go through, credits would be allowed for taxes paid and the final assessment would never be more than 10 percent of the final value.

Great Britain applies such a tax as well as other countries. It is often regarded as a form of hidden sales

In support of the Value Added Tax, Ullman cites a growing awareness of the need to reform the nation's tax system. There should be, he says, a rollback in Social Security taxes because it represents a drag on the economy, being the most oppressive tax for small businesses and young people getting into the work force. The increasing number of retired people drawing Social Security benefits puts a heavier burden on the working population, if the payments are to be derived mainly from payroll taxes. There should be, also, income tax relief for individuals to accommodate the impact of inflation. As Harper's Magazine points out in its current issue, under the present structure when individuals get cost-of-living pay increases (as a result of which their financial position remains the same) they are simultaneously shifted into higher tax brackets. Thus federal revenues grow without Congress's having to vote for a single income-tax increase

The needed reforms could be accomplished, Ullman says, only with the enactment of an alternative tax. His alternative would be the value-added levy, which he contends could be administered with a minimum of new bookkeeping or bureaucracy.

In a recent East Oregonian interview, Ullman said congressional support for his proposal has been cautious. The idea is new. He himself would oppose such a tax, he admitted, if it were not accompanied by reductions in the present revenue sources.

As worthy as the intent might be, one is inclined to doubt that the Value Added Tax, if enacted, would result either in a reduction of other forms of taxation or put brakes on an expanding bureaucracy. The idea is interesting and deserves debate.



Notebook

Not long ago, in this space, we at the Heppner Gazette-Times admitted that we hadn't known how to spell "gasohol." In a report on the subject, we had substituted "a" for "o", in the middle syllable.

One of our readers in Fremont, Calif., Charles Lundell saw the item, and last week during a visit to Heppner left a bumper sticker at the Gazette-Times office with the word "Gasohol." In the center, in place of the "o", is an evergreen tree in silhouette. Lundell said the tree is symbolic of the Georgia-Pacific Corp., which he said supplies wood alcohol for the motor fuel. He uses it in his VW, buying the fuel at perhaps the only station in his part of California that sells it.

As for economy, Lundell said gasohol is not cheap. Currently he is paying \$1.159

per gallon for it. He was in Oregon visiting his brother, Wally Lundell, of

Portland. Together they were

visiting the family ranch at Gooseberry

While traveling on Oregon highways, Charles Lundell has seen some of the products of his handiwork. He has been employed for almost 30 years at a factory in Fremont building school buses. Fleets from his plant are used by the schools at The Dalles and Prineville, among other pla-

He is considering retirement soon and devoting his time to his "main interest," which is antique autos, he

Before leaving Heppner he left a book for the Heppner library (or museum)-a 1976 reproduction of "Asher & Adams' Pictorial Album of American Industry," origi-

nally published in 1876. The volume is lavishly illustrated in the finest detail with copperplate steel engravings-an almost vanished art form-depicting industrial plants and their output in the days of "truly free enter-

Sifting through the TIMES

Fifty-years ago the Star Theatre in Heppner installed the Resco Reproducing system so talking motion pictures could be played in the town. The up to date equipment made the Heppner movie house one of the leading small theatres in the country.

Mayor W.G. McCarty of Heppner announced a proclamation to the city that essentially gave property owners in town the right to arrest any trespasser and turn them over to the authorities on Halloween night. McCarty said there had been dangerous, reckless pranks in the past on Halloween night to people and property and the pranks were in direct violation of the law so the people should be arrested

High prices of hay, poor pastures and increased feed prices caused many farmers to sell their cattle earlier than they would have liked to.

Lexington defeated Arlington 7-0 in a football game. Representative R.R. Butler

visited Heppner Ione lost to Arlington in a grid game 18-0 in high school play but the grade school boys

Legislative Report from the State Capital

EXCLUSIVE to Oregon's Weekly Newspa

By Jack Zim merman

expected to suffer in months to

come but Oregon will ride out

the storm in relative comfort.

casting these events for nearly

a year. And some of the

reasons Oregon is expected to

Everyone should read the

article in the October issue of

Oregon Magazine which tells

how the Milton-Freewater-

Walla Walla area is really

fighting the Forest Service

plans to log the watershed of

Native son John Tillman's

long, documented article tells

of changes in Forest Service

policy and of the opposition

movement being led by Butch

Coe (brother of Heppner's

This carefully written re-

view of what might happen to

the big agricultural area

dependent on the Walla Walla

River for its irrigation points

out that many residents dis-

agree with the plans which

Herb Rudolph, Umatilla For-

est Supervisor, feels should be

Hope you're thrilled

by poisoning dogs'

To Whom It May Concern:

thrill out of poisoning all the

dogs in the neighborhood. It

would be more humane to

shoot them in the head than

give them strychnine. Our

neighbor's dog died last week

from strychnine poisoning. We

buried our dog this morning.

Both had been outside only

This is only the third time

this year you've poisoned our

dogs and we're getting

Obviously, with neighbors

Does that mean having to

like you, we are all going to

have to keep our pets tied up.

keep our little kids tied up.

five minutes.

damned tired of it.

We hope you're getting a

Editor:

Gail Hughes.)

the Walla Walla River.

Economists have been fore-

The nation's economy is

of Ione beat Arlington 28-7.

Warren Cool, an 18-year-old Ione man, died suddenly when he was hit with pnemonia.

Heppner beat Condon in a footbal game 8-0. In Boardman, two young men broke into some box cars

and attempted to steal some autos. One of the culprits was caught but the other got away. Carl Cason, the local Union

Oil Co. manager, shot a

four-point buck on his hunting trip to John Day. 1928 Buick Standard Sedan that looked like new and was unquestionably in the finest mechanical condition was a wonderful buy at \$850. A

1920 Buick Touring was on

sale for \$75. 1954

Twenty-five years ago Willard Herbison was injured in the first hunting accident of the year in Morrow County when his hunting partner, Charles Gomillion, set his rifle on the front of the jeep to sight in on a deer. When he pulled the trigger, the bullet hit the corner of the jeep and fragments of metal shot into the air. Herbison was sitting in the jeep and fragments of metal hit him in the thigh.

survive the generally incle-

ment economic weather ahead

may be contained in recent

reports from two agencies of

The reports are from the

Department of Economic De-

velopment and the Employ-

ment Division of the Depart-

carried out as mandated by

"Rudolph holds sway over

more than a million acres of

Oregon forest land, and inci-

dentally over more of Uma-

tilla (and Morrow) County

than anybody else. He is a

tough administrator...he is

moving about four times more

board feet of timber out of the

Umatilla now than when he

took over the forest ten years

Arguments are presented in

the article defending forest

service policy and defending

the thoughts of the concerned

citizen opposition. Those who

have heard Morrow County's

Orville Cutsforth talk about

preserving our Willow Creek

watershed will surely find this

article enlightening and help-

Personally, I can't under-

stand why the forest service is

not moving out the acres of

diseased trees. Selling them

would bring helpful funds to

our county treasury. Maybe

the fault is not completely

with the forest service-possi-

bly the county court is not

working in the right direction?

Justine Weatherford

the U.S. Congress.

state government.

Article describes fight

against watershed logging

About \$100,000 worth of damage occurred at the Willis Spoo Mill in Elgin when a fire broke out and completely leveled the mill. The Heppner Lumber Co. decided to double shift its workers at another

local mill so they could

continue operation. The Heppner Chamber of Commerce was excited about the probability of putting lights on the rodeo field. The Chamber had only been selling bonds for a few weeks in an effort to raise the \$10,000 for the lights and \$8,000 had already been collected. The bonds were to be paid off over a five-year period to citizens buying the bonds.

The volume of cattle sales in Morrow County was increasing

The junior class at Heppner High School was getting ready to put on the play "Don't Ever Grow Up.

A hunter from near Hermiston, C. Buck, had his trip cut short when his 1950 Buick caught on fire, for no apparent reason. The man was driving south of Hardman pulling a trailer loaded with camping equipment when the car caught fire. He was not

Salem Scene

Oregon to ride out economic storm

ment of Human Resources.

One deals with Oregon's

changing employment picture

and the other with something

called Gross State Product.

Each reinforces the other and

together they provide indica-

tors on which economists can

Gross State Product is

base their optimism.

A bond was approved for the construction of a new grade school in Heppner.

Mary Van Stevens, a local florist, filed to become the mayor of Heppner. She was the only candidate for the position.

Polictics was a topic of conversation in Heppner as Democrats and Republicans made charges at each other about levies, and claims each party had made concerning local and state candidates. Heppner beat Maupin in a

grid game 13-6. 1974

Morrow County Extension Agnet Mike Howell told the Chamber of Commerce that the Morrow County 4-H Club was the second largest in the state of Oregon.

The Kinzua Mill was forced to close down for about 30 days because of boiler problems and they had to be replaced. The mill operated on steam and the repairs had to be made before work could continue.

Al Ullman was fighting for the Willow Creek Dam but the U.S. Corps of Engineers gave a low rating to the project

because of its cost and few benefits. Ullman said the Public Works Committee in the House of Representatives would look at the proposal. Ullman said he first asked for the dam in 1965 but since the town had flooded in 1969 and 1971 he thought the dam might be approved now. He said two-thirds of the House members present had to vote for

the dam, not just a majority. Bruce Young, a 15-year-old Heppner boy, received the Eagle Scout award which is the highest honor a boy scout can receive.

The First National Bank of Oregon in Heppner reported that loans were up but deposits were down at the

Harold Kerr and Don Cole went to Portland to attend the Oregon Medical Association meeting. The two Heppnerites represented the Doctor's Search Committee and they said they were well received.

The Riverside Pirates lost to the Umatilla Vikings 14-0, the Ione Cardinals beat the Cascade Locks 48-34 and the Heppner Mustangs blanked Condon in local grid action.

Condon hires Heppner cop

A former Heppner policeman has been hired as Condon's new police chief.

Don Lien, who was a policeman in Heppner for the past 10 months, is now in Condon. He studied law enforcement at Blue Mountain Community College and attended the Oregon Police

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Heppner

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Service calls every Wednesday in Heppner. Ione and Lexington

332 S. Main St., Pendleton Telephone 276-6441 811 N. First, Hermiston Telephone 567-2731

Petroleum



GLENN DEVIN Chevron USA, Inc. Commission Agent 676-9633

Title Insurance

Morrow County Abstract & Title Company

Deranged mind

We are sincerely sorry for any problems created by our pet dog when he was alive.

Also, we are hoping and praying for the speedy recovery of the deranged mind that would permit the uncontrolled use of "STRYCH-NINE" in an area where

Heppner

there are so many children. Barb and Randy Stillman, Norm and Judy Rickert, Heppner

described by DED as the **Letters From Readers**

value of the final output of all goods and services produced in the state. The DED report shows that Oregon's economh is growing faster than the national average and pinpoints those sectors of the state's economy that are

growing fastest. The Employment Division's report reveals a steadily growing trend in the job market away from traditional sources of wages and salaries and toward different provi-

ders of worker income. Taken along, the reports might be alarming. But together they tend to calm those who keep an eye on our

The job market report, for instance, shows a distinct swing from employment in agriculture and manufacturing to nonmanufacturing activities. Agriculture, which provided 16 percent of nonfarm employment in 1950 only provided 3 percent in 1978. Manufacturing, which provided 27 percent of jobs in 1950, has dropped to 21 percent during the same period.

Nonmanufacturing over the same period rose from 58 percent of the jobs to 76

On the surface one would read into such figures a definite decline in agricultural and manufacturing activity. And for those who recognize the value of wealth producing activity in the economy, such news is bound to be disturbing.

But while the employment

picture is changing, so too is the value of goods and services produced. The DED report shows that while manufacturing jobs have declined as a percentage of all nonfarm employment, the value of manufactured goods has increased significantly. Be-

tween 1969 and 1978, the percentage of manufacturing's contribution to GSP has risen from 22.8 percent to 23.9 percent. This has been occuring in Oregon while manufacturing's percentage of Gross National Product declined seven-tenths of one percent.

can manufacturing's share of GSP increase while employ-

How come, one might ask,

And why should anyone draw encouragement from the fact our traditional economic mainstays-wood products and agriculture-are sources of a smaller percentage of wages and salaries for Oregon There are several answers.

ment in that sector decreases?

One is diversification of Oregon's industrial mix. Oregonians are less dependent upon the production of wood and agricultural products for jobs because other manufacturing activities have expanded sig nificantly. Three leaders are high

technology manufacaturingprimarily electronics-fabricated metals and printing. Each has posted significant increases in employment and percentages of contribution to

either holding their own as far as actual numbers of jobs are concerned or increasing satisfactorily. In other words, only the percentages are changing. And, because of technological advances, it takes fewer actual goods of greater value.

So diversification is helping to stabilize the Oregon economy and is expected to provide oil to calm otherwise rough seas that are expected to rock other parts of the na tion

The Employment Division report also indicates substantial recent and projected employment growth in two sectors of the economy that are not normally regarded as wealth producing-trades and services. Manufacturing jobs are considered the base for additional jobs in trades and services. In other words, for every person employed in manufacturing, a certain number of other jobs in trades

and services is required.

Taken together, it's easier to understand why economists believe Oregon's economy will suffer less by comparision if the aniticipated national recession occurs.

CASE FURNITURE Carpet, Linoleum, Counter Tops Installed

At the same time most other

sources of employment are workers to produce more

This concept is called an employment multiplier. And Oregon's employment multiplier is growing significantly. From 2.8 in 1950 it has been projected to 4.2 in 1980. Economists tell us this is caused both by increased affluence-meaning we can afford more trade and services-and growth of population and industry requiring local service that may previously have been imported or not provided at all.