

State Tax Structure, Spending Near Limit, Dr. Sly Concludes

Salem — UPI — Oregon's tax structure and spending programs have gone about as far as they can go if the state expects to maintain a favorable tax position with competitive states.

That was the main conclusion of Dr. John F. Sly, New Jersey tax expert, in his final report to Gov. Robert D. Holmes and the advisory committee of the State Department of Planning and Development on the state's fiscal situation.

Dr. Sly said Oregon must choose from new excise taxes, new bases for its income tax, a consumer sales tax, or a combination of these for any additional revenues.

Tax Suggestions
He makes these suggestions

for possible new tax revenue for the 1959-61 biennium.

1. A cigarette tax of 4 cents a package to raise 114 million dollars.
2. A real estate transfer tax at 1 per cent to raise eight million dollars.
3. A 1 per cent alternative gross income tax within the present personal income tax to raise seven million dollars.
4. A 1½ per cent annual tax on the market value of passenger cars.
5. A 2 per cent Washington-type consumers sales tax, if new expenditures in excess of 50 million dollars from the general fund are anticipated.

Ways and Means
Purpose of the report, called for by the governor, says Dr. Sly "was to suggest ways and means of adjusting the Oregon tax structure toward a more effective development of the economic life of the state."

To improve Oregon's business and investment climate, Dr. Sly suggested changes in tax structures and policies so the state would have:

1. No personal tax on capital gains if the asset is held longer than one year.
2. No tax on manufacturers' inventories.
3. No property tax on industrial buildings during the period of construction.
4. A reasonable inheritance tax.
5. An established state-wide uniform assessment ratio.
7. Responsible restrictions on voting local excess levies and bond issues.

Restraint On Spending
"If Oregon is to maintain a favorable tax position with competitive states it must accept for the time being a restraint on spending programs, a restraint on additional revenues from its present income levies, and a restraint on expenditures from its property tax bases," Dr. Sly said.

He added: "Oregon's increase in state and local taxes has outpaced its increase in income. The state is not now in a good position to undertake a heavy expenditure program and the fiscal expert cautions Oregon to 'go slow' on large tax and expenditure programs until the state's economic base shows increasing strength."

The report discusses at length Oregon's problems in inheritance and timber taxation.

Timber Taxation
On timber taxation, Dr. Sly suggests a continuation of the present approach of placing the ad valorem property tax. To switch to another tax base for timber would require too drastic adjustment at the present time, Dr. Sly felt.

The report makes two recommendations in the property tax field:

1. A state-wide uniform assessment ratio possibly 40 per cent to replace the present policy of county-determined assessment ratios.
2. Reasonable restrictions on excess levies and bond issues.

Washington Practice
On the last point, he suggested that the Washington practice of requiring 3/5ths of the voters at a special election at which the total votes cast must exceed a stated percentage, 40 or 50 per cent of those voting at the preceding general election, be considered.

Dr. Sly will appear before a joint session of the state Legislature early in January at a meeting sponsored by the State Department of Planning and Development to discuss the final report.

Earlier reports on the economy and taxes plus the present and potential tax structure of Oregon, were released in July and September.

Russell Denounces Gag on Filibusters

Washington — UPI — Sen. Richard B. Russell (D-Ga.) assailed yesterday that a proposal to place a majority gag on Senate filibusters was a "biggie" issue that the entire civil rights controversy.

The Senate armed services chairman, leader of forces opposed to a rules change and civil rights legislation, said that permitting a majority of the Senate to restrict debate would "destroy the character of the Senate."

"Freedom of speech in the Senate is one of our greatest checks and balances," Russell said in an interview. "The question of changing the Senate rule on limitation of debate is bigger than the racial question itself."

He said that even the present rule on limiting debate was "too restrictive." This permits such limitation only when two-thirds of the full Senate membership has so voted. One compromise advanced by Senate Democratic Leader Lyndon B. Johnson of Texas would allow the gag by a vote of two-thirds of those present and voting.

Senate liberals are ready to launch a battle on the opening day of the 86th Congress, Jan. 7, to force a change that would enable a majority of the new Senate, or 50 members, to impose cloture on debate. After such a limitation was voted, each Senator would have one hour of debate on the issue in controversy.

Russell said his feelings on the rule issue were not dictated by his opposition to legislation to advance school integration or other civil rights proposals.

His view is shared by some non-Southerners who are concerned about protecting minority rights in the Senate. Westerners, like Democratic Whip Mike Mansfield (D-Mont.) are in this group.

Mansfield particularly recalls that it was freedom of debate in the Senate and the personal opposition of the late Sen. Robert A. Taft (R-O.) which blocked Senate action on a House-passed bill to draft striking railroad workers into the army.



ONLY \$37,000 — That's all she's asking for, says Tita Purdom, ex-wife of actor Edmond. She told a Los Angeles court that he is that far behind in his support payments.



GOING TO CONSISTORY—Gaetano Cardinal Cicognani (left) greets three cardinals-elect as they arrive at Rome airport, after a special non-stop flight from Boston to attend Vatican Consistory ceremonies next week at which Pope John will award them their red hats. The three cardinals-elect are (left to right, after Cardinal Cicognani) Msgr. Amleto Cicognani, Apostolic Delegate to the U. S. and brother of Cardinal Cicognani; Archbishop John O'Hara of Philadelphia; and Archbishop Richard Cushing of Boston.

Medford Youngsters May Telephone Santa
Medford vicinity youngsters may telephone Santa Claus to make their Christmas requests four evenings this week as a service of the Medford Kiwanis club's "Hello Santa" project.

Kiwanians have arranged the service with Pacific Telephone and Telegraph company. Children may call Spring 3-7353 between 7 and 9 p.m. Tuesday, Wednesday, Thursday and Friday, club members said.

HOW CHRISTIAN SCIENCE HEALS

Station KWIN 1400 K.C. Sundays 10:15 A.M.

HERTZ RENT-A-CAR SYSTEM LICENSE

Daily's U-Drive Medford Airport

Hurry - Hurry SAVE on Christmas Trees

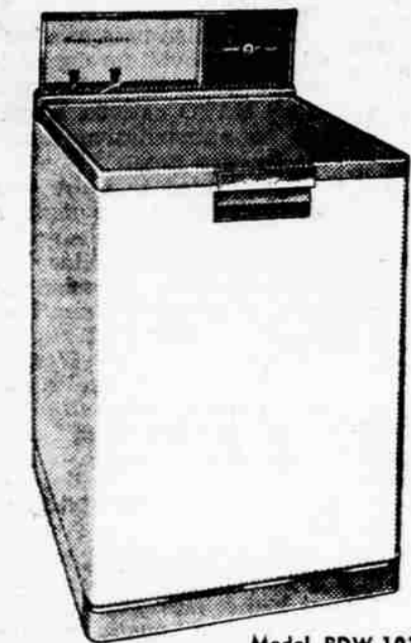
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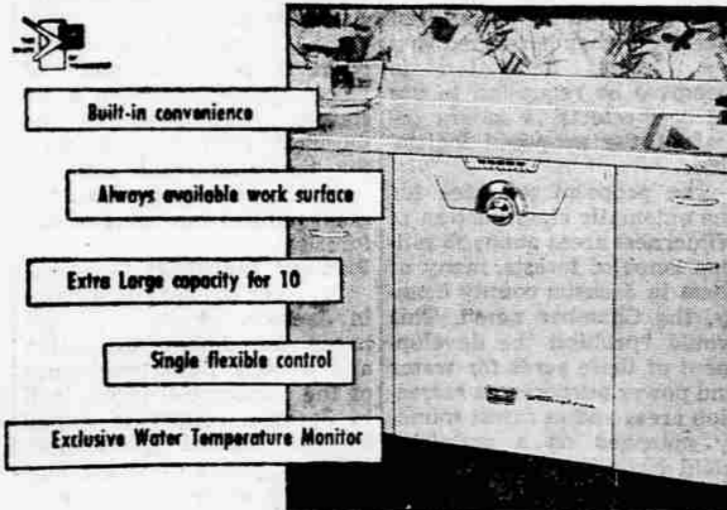
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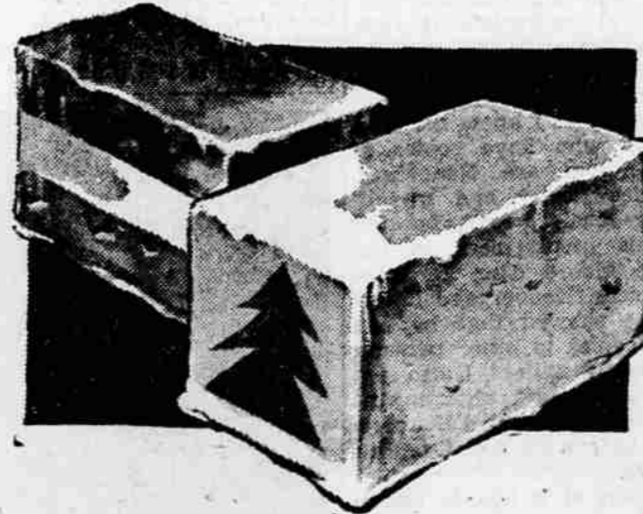
COPPING SCORE — Scandia sports cardigan is the style that's fast "copping" the casual scene. This one, in three-dimensional knit with a truly bulky look. It combines soft, fleecy lambswool and iron-strength Orion... amazingly warm yet light in weight. Imported metal buttons and two-tone trim set it off.

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