

Interim Tax Committee Endorses 10 Per Cent Cut in State Income Tax

Salem, Ore. — UPI — The legislative interim committee on taxation Saturday approved a 23-page report incorporating tax proposals it is recommending to the 1961 legislature.

The committee endorsed a 10 per cent slash in state personal income taxes, to be replaced by a state tax on cigarettes of three cents per pack, and putting all taxpayers on a withholding basis.

Oregon is the only state that does not now impose a levy on cigarettes. Although Colorado does not have a state-wide levy, it authorized cities to tax tobacco products.

Under the Oregon proposal, cigars and other tobacco products would be exempt. The committee said that to include these items would make costs of administering the tax too high.

Abolish Personal Deductions

The withholding phase would abolish all personal deductions such as federal tax, split income and personal deduction for property taxes, interest and contributions.

The new income tax rates would assess one per cent on the first \$2,500 of income, with another one per cent added on each additional \$2,500. All income above \$10,000

would be assessed five per cent.

The \$600 personal exemption and \$800 for each dependent would be replaced with a \$20 tax "credit," a direct subtraction from the payable tax for each person and each dependent.

One example given was that under present law, a wage earner with three dependents on a \$5,000 salary pays \$68 in state taxes. Under the new plan he would pay \$50 in state tax.

A farmer or business with three dependents having a net personal income of \$8,000 now pays \$199 in personal income tax but under the new plan he would pay \$170.

Equitable Tax Structure

The committee said this change will definitely remove the state of states having high personal income tax rates. Oregon will have one of the most equitable income

tax structures in the nation and may well become a model, not only for other states, but for the federal government.

Repeal of the property tax on inventories was approved, to be replaced by a net income tax on business income. This, the committee feels, will make Oregon more attractive to industry.

Taxation of "piggybacks," motor vehicle trailers carried on railroad flat cars, was approved, to "keep this class of property in line" with other classes. The committee said an ad valorem approach should be used.

It was recommended that the state motor vehicles department audit function regarding fuel taxes be transferred to the secretary of state's office. Both audit the figures and the committee said the transfer should eliminate unnecessary re-auditing. Property tax deferral for

senior citizens under \$4,000 income was approved. Upon an elderly couple's death the accumulated taxes would fall to their heirs.

'Window' Gives View of Effects Of Tranquilizers

Kennett Square, Pa. — (Science Service)—A cow with a "window" in her stomach is giving an inside view of tranquilizing effects.

At the Second Demonstration Conference on Diseases of Farm Animals in Pennsylvania, the window, prepared by minor surgery under anesthesia, is designed to give students and researchers a direct view of what happens to part of the digestive tract when drugs are given. Noting that animals and humans alike have shared in the benefits of discoveries such as antibiotics, insecticides and tranquilizers, Dr. John E. Martin of the University of Pennsylvania School of Veterinary Medicine demonstrated how the cow's stomach quieted down after she took the antimotility drug isopropramide.

Disease Costly

Traps and bait for catching wild animals that may play a part in transmitting leptospirosis from farm to farm are being tested. This disease costs farmers about \$200 million yearly in animal loss. It strikes many cattle, swine and horses and has varied clinical symptoms, including abortion, fever, drop in milk production, kidney and eye ailments. Leptospirosis can also be transmitted to household pets and to man. The research program at the New Bolton Center here includes a special laboratory, sponsored by the U. S. Department of Agriculture.

Mastitis research is being done on 30 young cows that will have their first calves and begin their milking life here. A popular theory is that mastitis, a disease of the cow's mammary gland, is spread by poorly managed use of the milking machine. Dr. James M. Murphy of the School of Veterinary Medicine will try to find out how some cows resist infection.

Dr. Richard T. Houpt is studying what may be a key to animal survival, the ability of ruminants and some other animals to manufacture protein from their own internal supply of urea, usually considered a waste product.

Arson Suspected In Grade School Fire

Woodburn — UPI — Fire Friday night, believed to be arson, damaged the basement of the old Belle Pass grade school which was scheduled to open this year for the first time in 20 years.

The school is located two miles south of here.

Firemen found oil-soaked rags scattered around. The state arson squad was called in.

The one-room school has been closed since 1940 but local school authorities planned to open it this year to take care of an overflow from Woodburn grade school.

Columbia Compact Set for Signing

Spokane — UPI — The Columbia Interstate Compact, designed to develop resources of the Columbia river, will be signed by representatives of seven western states at a meeting here Monday.

The compact, adopted unanimously by 42 compact commission members in Seattle Sept. 15, must be ratified by the legislatures of Washington, Oregon, Idaho and Montana, and then be ratified by Congress, to be legalized.

Under terms of the compact, a permanent group of 16 commissioners would review and forward plans for all projects involving use of water in the Columbia basin.

"This commission may make recommendations as to the projects to be developed and . . . recommend that an allocation of power be made to a state in which a hydro-power storage project is built," the compact reads.

The commission said this article is aimed at encouraging upstream states to develop storage projects whose stored water would make possible large quantities of firm power for use where needed in basin states.

Other articles in the compact set forth the principles of water apportionment, "recognizing that the right to basin water for irrigation and other consumptive uses . . . must prevail over nonconsumptive uses . . ."

The permanent compact commission would consist of three commissioners each from Washington, Oregon, Idaho and Montana, two from Wyoming, and one each from Utah and Nevada.

Portland — UPI — Thirty-nine persons were arrested following a vice squad raid early Saturday on an alleged gambling house here.

All arrested, including four women, were released on bail bond of \$100 each.

Police Make Arrests In Portland Raid

Hatfield Not Happy With Nixon Speech

San Jose, Calif. — UPI — Republican Gov. Mark Hatfield of Oregon said Friday night that if he had been grading Vice President Richard M. Nixon and Sen. John F. Kennedy in their debate "I'd have given them both a B-minus."

Hatfield formerly taught political science at Willamette university, Salem, Ore.

Hatfield told Republicans at a fund-raising dinner here that Nixon backers thought the Vice President did not appear in Monday's TV debate as the rugged fighter of previous campaigns. Nixon's so-called soft approach was out of character, Hatfield said.

The governor charged that "Jack-be-nimble" Kennedy was "going all out on a something for nothing kick."

Salem — UPI — The Oregon Employee Suggestion Awards board gave cash awards Friday to eight state workers whose suggestions will save the state \$2,845.

About three-fourths of the U.S. annual supply of maple sugar products comes from Vermont and New York State.

New Welfare Budget Receives Approval

Portland — UPI — The Oregon State Public Welfare commission Friday officially approved its 1961-63 biennial budget of \$92.3 million. The commission earlier emphasized the amount is only 3/10 of one per cent over the current budget of \$92 million.

The new totals were first announced Sept. 19.

The budget is some \$11 million over the target budget set up by the department of finance and administration. That total was \$81.2 million.

Commissioner Gerson Goldsmith of Portland said the group had no basis arbitrarily to cut the case-load estimates. He said he had no information on what basis was used by the finance department in setting up the target.

Take Advantage of Funds

In other action, the welfare commission moved to take advantage of what federal funds will be forthcoming to Oregon from the new federal medical care program.

In a resolution, the commission directed its staff to file letters of intent with the regional office of the department of health, education and welfare claiming such funds which will be supplemental to the Old Age Assistance program.

The commission said about \$6 per case will be given to the state which presumably will release that much for other purposes.

It was decided at the meeting that a one year limit be imposed on support maintenance for persons leaving Oregon for another state. Effective date of the one year limit will be Jan. 1.

Two Accidents Are Reported Here

A "stuck gas pedal" was given as the cause of one of two traffic accidents reported to Medford police Thursday. There were no reported injuries in either of the accidents.

Gearold Lloyd Jones, 23, Central Point, told police, after the car he was operating ran over a rock garden at 1336 Queen Anne ave., and crashed into a laurel hedge at 122 Oregon Terrace, that the gas pedal stuck and he lost control of the vehicle.

The accident occurred at 3:24 p.m. No citations were issued.

Police cited Franklin LeRoy Alm, 53, Grants Pass, for an improper turn from the wrong lane after Alm's vehicle collided with a car operated by Nellie Faye Wright, 35, of 2524 Table Rock rd., at 11:11 a.m., at the intersection of Court st., and McAndrews rd. Damage was described as moderate to both vehicles.

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(Answer to last week's adv.)

THERE WERE NO PURITANS ON THE MAYFLOWER!

The Dictionary of U. S. History confirms the fact that the Puritans were members of the Church of England who wanted to "purify" it—while the Pilgrims were separatists from the church. The Pilgrims came over on the Mayflower.

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