

Legislators Divided Over What Could Happen If Referendum on Tax Defeated

Opinion among three of Jackson county's state legislators is somewhat divided over what would happen if the referendum on the new tax measure is defeated in the October election.

Two of the representatives, John R. Dellenback and Edward Branchfield, both Republicans, appeared at the Monday luncheon of the Medford Chamber of Commerce Roundtable to answer a list of nine questions drawn up by the political affairs committee of the chamber.

The third lawmaker, Democrat James A. Redden, was unable to attend the luncheon but instead submitted his answers in writing which were read to the group. Republican Sen. Lynn W. Newberry, who also was unable to attend, had commented on the questions at last Monday's Roundtable meeting.

Questions Reviewed

The questions, followed by representative comments by the legislators, were:

1. What will be the status of our economic fiscal policy if the referendum on the new tax measure is defeated in the October election?

Redden predicted "chaos." Without the needed \$60 million in revenue, he said the result would be a "drastic cut" in services, particularly in the higher education budget. He also forecast a sharp rise in local property taxes as a consequence.

Branchfield said he thought the state would be in "serious difficulty" if the referendum were beaten at the polls, but he felt "chaos" was too strong a word. He agreed with Redden, however, that there would have to be a drastic curtailment of services, particularly in the field of education.

Taxes Would Go Up

"If the basic school support is cut," he said, "local property taxes will go up." He said the choice would be either to effect "reductions in spending," or to have the legislature meet in special session for passage of a different tax measure.

Dellenback said there "would not be chaos," but rather the legislature would have to meet to do something about it. He was pessimistic about the chances of a better tax measure coming out of a special session of the legislature, however.

"There is no guarantee a new session would do any better than the last one," he said. Since there are no limitations on what business could be undertaken by a new session, Dellenback said a "Pandora's box might be opened."

2. We are unable to understand why the legislature voices concern about the people supporting the sales tax and then turns around and refuses the sales tax for a vote by the people.

Support Was Late

Redden said the bill was not referred because those with divided attitudes toward the measure were unable to work out a compromise, and because strong support for the sales tax "was late in coming."

4-H NEWS

Daffy Dills

Awards were the main items of business at the last meeting of the Daffy Dills 4-H club. Mrs. Arnold Bohnert, president of the Central Point Garden club, presented several awards received at the recent convention of the Oregon Federation of Garden Clubs in Portland.

The Daffy Dills received a blue ribbon for outstanding achievement in junior gardening in the state. James Anhorn received a trophy and check as the "All Around Junior" and Mrs. Anhorn, our leader, received an award of achievement for outstanding junior leadership in Siskiyou district.

Marsha Wilson and Zaida Clark received first place youth awards for the two divisions of a litterbug coloring contest. Mrs. Bohnert also presented James and Cathy Anhorn trophies from Mr. and Mrs. C. C. Hoover for their blue ribbon tree planting project.

Entry blanks for the coming fair exhibits and contests were discussed and each member reported on their garden. At the Central Point 4-H Pre-fair, Marsh and Cathy received blue ribbons, Andrea and Jane received red and John, white, in a flower arranging contest.

At a recent meeting Mrs. Pielaet, Perry Pielaet, De Anne Trautman and Martha Van Middlesworth of Merry Mulchers 4-H Club and Susan McCoy, Cindy Gorden and Diane Jantzer of the Little Gardeners were our guests to see a filmstrip on flower arranging - "Adventures with Flowers."

Bob Snook is a new member with a large vegetable project.

Lee Korner, Reporter.

He predicted a sales tax would have failed in the fall election had it been referred, but that "if the present tax program goes into effect, a sales tax will probably look much better two years from now."

Branchfield reminded the group that attitudes toward the sales tax were about equally divided in the House, but that the bill as such was never actually voted on. He said he would support a sales tax if it were part of a "co-ordinated over-all tax program." He warned the audience, however, not to expect "miracles" from such a tax if it should be passed some time in the future.

Dellenback said he had some serious reservations about a sales tax. In particular he attacked the argument that a sales tax would gain revenue from the tourist population that visits the state every year.

A Specious Argument

"This is a specious argument," he said, "because tourists don't spend money on items that would be taxable under the measure." The senator also cautioned that it is "too easy" to increase a sales tax some time in the future so that ultimately the individual's tax burden would be greater than it is now.

3. The logging industry presented a convincing case for fair treatment on PUC rates, indicating that they use Oregon's highways only about 25 per cent of the time on the average and yet their rates remain the highest in Oregon while heavy freight trucks using our highways 100 per cent of the time get a reduction. Why?

The three representatives pointed out they had voted against the bill, and that largely through their efforts a proposed flat rate fee increase to 15 per cent had been reduced to 10 per cent. Redden said a logging industry relief bill should be introduced in the next session of the legislature.

Reasons For Failure

4. What are the major reasons why the constitution failed to pass the Senate and where do we go from here?

Redden said it failed because of the Senate's "general dislike of the article dealing with the so-called 'single executive'."

Branchfield said that if an educational program were conducted to inform the public about provisions of the proposed constitutional revisions, he saw a "good chance" for passage in the 1965 session.

Dellenback said passage of the measure would have been a "forward move for Oregon." He said that organized labor unions had taken a stand against the bill but, to his knowledge, had never stated the reasons for their opposition.

Eliminate Requirement

5. Other states have eliminated the inequitable full crew requirement on railroads because of technological progress. Why is it impossible to do the same in Oregon?

Redden said he felt the legislators were concerned about the safety of the public if the "third brakeman were eliminated." Branchfield said that the Senate bill, which died in the upper house, was "heavily lobbied," and that the law will never be changed until the "railroads and the unions agree on a legislative program." Dellenback agreed that the "safety factor" was the reason for defeat of the measure.

6. Does the individual legislator think that the fiscal policy of the state is conducive to economic expansion in Oregon?

Redden said "there is no one single item discouraging industrial growth," but he urged a study of the Oregon business climate, one which would cover "taxes, power rates, freight rates, availability of freight cars and other aspects."

Branchfield said flatly "yes," he did think the fiscal policy encouraged economic growth. "The total tax program doesn't prohibit industries from coming into the state," he said. Some changes are needed, however, he stated.

Dellenback said that many factors have to be taken into consideration in such a matter, not just the tax structure, although he conceded the "tax picture perhaps gives rise to some problems."

Industries looking for an opportunity to relocate weigh a variety of elements in choosing a new site, he said. He said that so far Oregon can't compete with California and Washington because those two states have a greater consumer market right now than Oregon does. He pointed out, too, that Oregon's freight rates are undoubtedly a problem now.

Failure of Receipts Tax

7. In reference to H.B. 1033, please explain reasons for the failure of our legislators to pass a net receipts tax which would have offset the inventory tax.

Redden said that he had voted against the bill, which passed the House, because he considered the "technical defects in the . . . bill . . . most serious." It wouldn't eliminate the tax, he said, it would just create another tax.

Branchfield said that in his opinion the tax experts "were divided" on whether the bill was good or not. He said he considered the present inventory tax law "unfair," and that he had voted for the proposed measure, but that it had been killed in the Senate.

Dellenback said that H.B. 1033 was a "bad bill" and "should not have been passed." He referred to a bill passed by the House in 1961, but which died in the Senate, as a "good bill." This one would have provided only "token relief," he said, and would in effect have created a new tax. He granted it would have provided perhaps a "minimal relief" for some now, but warned it would have proved "dangerous" in the future.

Why Token Budget

8. If Civil Defense had so little value, why was a token budget passed instead of eliminating it all altogether?

Redden denied that the budget of \$47,094 was a token budget. He said he felt Civil Defense "is of value to the state," and that the present appropriation "will allow the agency to operate efficiently in coordination with existing agencies such as the Oregon state police, local police and National Guard."

Branchfield declared that "Civil Defense is a big boondoggle," and a "waste of the taxpayers' money." He said that "fall-out shelters are a snare and a delusion. This is a federal problem," he stated.

"and we should completely do away with the state agency."

Dellenback, taking a more temperate line, said that his concern was not for Civil Defense as such, because he did not feel Oregon would be a target in the event of a nuclear war, but he was convinced that the state's disaster relief facilities should be strengthened and developed.

Will Need Facilities

"We will need facilities to handle refugees from other states in the event of a disaster," he said. The only question now is whether the existing three-man staff can suf-

ficiently coordinate the activities of the state's other agencies in such a program, the legislator said.

9. How do you explain your reasons for passing H.B. 1234, the so-called sub-division law?

Redden termed the measure "an example of governmental control over a large group of businessmen necessitated by the conduct of a few." He said that "growing scandals in central and eastern Oregon" necessitated action.

Won't Have Problems

Branchfield, who was instrumental in drafting a revision of the original bill, said

that the "honest broker won't have any problems with the measure," and that "most of the things in it, the reputable broker is already doing."

Dellenback said the bill was passed because there was a "demonstrated problem" in existence. He said he spoke against the bill all the way, and noted that it had been changed several times before it was finally passed.

The Bill Reaches Beyond

"The bill reaches beyond those who should be hit," he said, but he told the group he had received personal assurance from the state commission that waivers would be

granted to legitimate small subdividers from many provisions of the law.

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