

# State Hasn't Got Spare \$60 Million Anymore, But Is Long Way From Broke

By A. L. LINDBECK  
SALEM (AP)—Old Man Oregon may not be as flush as he was a few years back when he was strutting around with more than \$60 million in spare change in his pockets, but he is still a long way from being broke.

This, too, in spite of repeated predictions of possible deficits in the state's general fund.

The state tax levy for this year makes no provision for a tax on property. Neither is there any likelihood of a property levy for state purposes next year.

In fact it is entirely possible that the state will escape a property levy for another year or two beyond the current biennium unless the national economy takes a sudden nose dive, carrying Oregon's economy down with it.

The tax levy for this year shows that the state had an uncommitted cash balance of \$44,357,622 on July 1. That's the beginning of the new fiscal year. More than 40 million of this "actual balance" was accounted for by income and excise tax monies.

The research division of the Tax Commission estimates that the state will end the fiscal year with a balance of slightly under \$25 million.

If that estimate holds up it will mean that the state is living year beyond its means—spending nearly \$20 million a year more than it is taking in.

But it will be remembered that two years ago it was reported that the state was spending at the rate of 10 million dollars a year more than its income, yet its cash balance increased by nearly 9 million in 1952 over 1951.

Again, the tax levy for 1951-52 estimated that the balance at the end of that fiscal year would be \$35,600,000. But the actual cash balance when the end of the year rolled around was \$44,300,000, up nearly 10 million over the estimate.

Furthermore, in computing anticipated revenues for this year the Tax Commission has estimated collections from the income and corporation excise levy at only 48 million. That is 14 million under actual collections last year.

Understandably the commission, having once burned its fingers with a too optimistic estimate, much to the financial embarrassment of the state, has ever since been very conservative in its guesses as to how much money the state is going to take in from its various sources. So that, if past experience can be taken as a criterion for what may be expected, the state could well end the current year

with considerably more than the presently estimated \$25 million balance. But even this amount will be more than enough to carry the state through 1954-55 without a levy against property and leave a sizeable balance on which to start the next year.

There are, however, some straws in the economic wind that might indicate that Oregon, along with the nation as a whole, has reached a prosperously peak and is now on the way down.

Personal income and corporation excise tax collections last year totaling \$82,200,000 were nearly \$2,700,000 under the previous year's total.

While salaries and wages were higher last year than the year before, profits realized by many small businessmen were down. This was particularly true of farmers and small operators in the logging and lumbering industry. The decline in the profits of these individuals more than offset the increase in salaries and wages and accounts for the substantial reduction in personal income taxes based on 1952 incomes.

In justifying its somewhat pessimistic estimate of tax revenues for the current fiscal year the tax commission points to two factors as contributing to this expected decline in collections: statutory

changes made in the tax laws by the last Legislature, and reduced earnings from two of Oregon's most important industries—agriculture and lumbering.

Touching on changes made by the last Legislature the commission points out that this legislation "was principally aimed at lowering the tax bills of one or more groups of individuals or corporations." Examples of this include changes in personal exemptions and dependency credits, exclusion from the corporation excise tax of foreign corporations whose activities in the state are confined to purchases of personal property, and the broadening of the so-called skyscraper clause.

Apparent continued decline in lumber profits was taken into consideration by the commission in anticipating a still further reduction in corporation excise tax revenue.

Prospective changes in federal tax laws are not expected to materially affect Oregon collections from either tax.

In short the Tax Commission, although taking a look at the future revenue picture through rosy, is keeping its fingers crossed. It is hoping that it may be wrong and that Oregon's collections from income and excise levies will continue high for some time to come.



PVT. DOUGLAS D. BARKER, son of Mr. and Mrs. W. M. Raymond, 1431 Avalon, is stationed at Fort Benning, Ga., with the Airborne Infantry. He is a graduate of KUHS and attended OSC before entering the armed forces.

# Dulles Swipes At Bricker Amendment; Senator Firm

WASHINGTON (AP)—Sen. Bricker (R-Ohio) served notice today he will force Senate action on a proposal to limit treaty powers despite the "calamitous" aid of Secretary of State Dulles said its adoption would have on world affairs.

Dulles yesterday told the American Bar Association meeting in Boston that the constitutional amendment proposed by Bricker would put Congress in charge of the conduct of foreign affairs and "have a calamitous effect upon the international position and prospects of the United States."

Bricker said in an interview that Dulles "either does not understand the Constitution or he does not understand the Senate resolution."

"My resolution in no way impairs the power of the President in dealing with foreign nations," the Ohio senator declared. "It would prevent the President and the Senate from making domestic law by treaties."

Bricker's resolution, which has 63 other senators as co-sponsors, would provide that no treaty should override domestic law unless Congress acted affirmatively. It also would give Congress power

to "regulate" executive international agreements. As a constitutional amendment, it would require two-thirds approval of both houses of Congress and ratification by three-fourths of the states.

Dulles noted that President Eisenhower has said he is opposed to any amendment which would hamper the President in his constitutional role of conducting foreign affairs.

The secretary of state said the Bricker proposal would "cut down the nation's treaty power so that no treaty could bind the nation in respect of matters which under our federal system, fall within the jurisdiction of the states."

"This would set the clock back to an approximation of the condition which existed under the Articles of Confederation," he declared.

Calling this position "absurd," Bricker said his proposal would "remedy the threatened danger that the Supreme Court by upholding a treaty could give Congress power that the Constitution doesn't give it."

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### Pocatello Justice Moves Quickly

POCATELLO, Idaho (AP)—Lester D. Brown, 22, a transient, cashed two checks yesterday at 11:30 a.m. He was arrested at noon, accused of issuing bad checks. At 1 p.m. he was arraigned before a justice of the peace. He waived preliminary hearing and at 1:30 p.m. was in the Bannock County Jail, under \$1,000 bond, having been bound over for trial in 5th District Court. "You do things in a hurry around here," Brown commented to Detective Earl Boyce, who arrested him.

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**HOW TRUE, FOR HELPING STUDENTS IS OUR MOST RESPECTED RULE.**

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