

# School-Finance Program Proposed Tax-Relief and FOR AGAINST

Senate President Jason Boe, D-Reedsport, today branded "a bald-face lie" the statement in recent TV advertising that the McCall Tax Relief Plan benefits large corporations at the expense of the average citizen.

"The worst rumors of a month ago have been confirmed," Boe said, "as anyone who watched TV last night can testify. We have warned that a well-financed TV campaign would be launched by a small minority of selfish interests in an attempt to discredit these reforms for the common man.

"What we are seeing here is the Big Lie Technique in action. One ad suggested this plan is geared at relieving taxes for large corporations, with the average taxpayer picking up the tab. There are exceptions, of course, but in the vast majority of cases, the opposite is true.

"As evidence, if this plan really WAS made for the big corporations, then who is paying for this expensive TV campaign AGAINST the plan? Not the little guy. We demand the opponents reveal who is bankrolling the television time.

"This plan provides massive relief to 85 percent of Oregonians... that's just about everybody earning under \$16,000. These people are not organized and cannot buy expensive TV time.

"Therefore we have no money for media. The campaign for the McCall Property Tax Relief Plan is basically a citizen's campaign, being carried by word of mouth. I encourage each citizen not to be swayed by the opponents' campaign of deceit.

"Find the facts out for yourself. Check your own tax obligation under the proposed reforms by calling the state Revenue Department toll free at 1-800-452-0330.

"By the way... of the 3,000 calls handled by this service to date, more than 1,100 requests have been tallied. For individuals, 721 will pay less taxes, 284 will pay more. And for businesses: 114 will pay less, 47 will pay more."

"Farm Bureau is supporting Ballot Measure #1, the tax reform package for education, because it moves taxation in the direction of the ability to pay rather than the property tax," Joe Hobson, Legislative chairman, announced today.

"Ballot Measure #1 will save most farmers money because it exempts homes, livestock and machinery from the statewide property tax. It also provides tax relief to homeowners, renters and to businesses, whose inventory tax will be eliminated."

Hobson said, "The Farm Bureau also approves of Measure #1 because it provides a new up-to-date tax base for elementary and secondary schools. Last year's budget, based on enrollment, will be next year's budget plus a 6% increase each year. So education will be well provided for and educators can spend their time making improvements in the system instead of trying to pass budgets."

Hobson pointed out, "Agriculture has not gotten everything included in this Measure that we felt was necessary for complete tax reform but, we feel this is a step in the right direction. We have always said we didn't mind paying taxes when we made a profit, and our position has always been that all taxes come from income... somehow. We feel that Measure #1 provides for good education and that it begins tax reform by protecting the homeowner and by giving some tax relief."

The Eastern Oregon Elementary Principals' Association passed the following resolution during their regional meeting April 6th at La Grande.

WHEREAS, The financing of

During the balance of this month, Gov. Tom McCall's school tax bill, which has passed the Legislature and will be voted on by the people of Oregon on May 1, will be in the forefront of most political discussion.

Well it should be too, because it is not a major tax relief proposition. It is a massive tax shift. In many respects it has the most interesting and unusual legislative progression and results of any proposal in recent history, according to long-time observers of the state's legislative process.

For instance, who would have thought the controlling party would pass a bill in direct opposition to the highly regarded Sly Report, the result of a study commissioned in 1958 by the same party to analyze Oregon's tax structure? Dr. Sly reported Oregon needed a three-legged stool for its tax structure, with less reliance on any single revenue source--income tax, property tax and eventually a sales tax.

The McCall Plan whacks off a good portion of one leg supporting our present two-legged revenue source by reducing property taxes and placing extraordinary reliance on our income tax.

Who would have thought a tax program like the McCall Plan would give such substantial savings--running as high as a million dollars--to some of Oregon's largest businesses and equal increases to others, both without logical justification? Who would have imagined such a tax bill would pass out with tacit endorsement by labor leaders placing such severe penalties on job-creating types of industry?

This plan, coupled with other labor cost legislation, could rank Oregon with the highest corporate taxes in all states--the highest income tax burden in the nation, the highest unemployment cost state in the Union and workmen's compensation rates at or near the very top in the country.

All of these costs penalize those companies in Oregon that are labor intensive industries--those which hire the greatest number of employees to get a particular job done.

I suppose all of these factors together would be the quickest way to a no-growth status for our state. We are fast approaching that situation now and will achieve it unless our legislative leaders do a fast turn-around and recognize the serious situation they are about to create.

If they don't recognize the gravity of the situation consider the new burdens placed on the state's Economic Development agency when it comes to describing benefits that would attract new industry--and new employment opportunities--to Oregon.

There are those who are supposed to benefit from the McCall Plan temporarily. But both businesses and individuals had better look carefully down the road two to four years from now. Temporary benefits or tax

public schools of the State of Oregon has been on a precarious year to year basis, and WHEREAS The funding of public schools has placed an undue burden on the local property tax, and

WHEREAS Past sessions of the state legislature have failed to develop an adequate tax structure for financing public education, and

WHEREAS Governor McCall has proposed a plan which relieves property taxes, provides for 95% school financing at the state level on a continuing plan.

THEREFORE BE IT RESOLVED: That the Eastern Region of the Oregon Elementary School Principals' Association go on record as supporting Governor McCall's tax plan.

Frank A. Deymonaz  
Executive Board Member  
Eastern Oregon Elementary Principals' Association



ANOTHER FINE NEW HOME nearing completion in Nyssa, this one being built for Mr. and Mrs. Rod Cowgill high on a hill overlooking the valley. This 3,000 square

foot house is located north of Eureka Avenue and is being built by Trees Construction Company. The Cowgills expect to move into their new home in about 30 days.

## Postal Week Begins Sunday - New Stamps

They travel four-million miles every delivery day, checking and emptying almost 314,000 collection-boxes, sending some 300-million letters and packages to their destinations at home and abroad. They sell nearly 27-billion stamps a year, man a fleet of almost a quarter of a million vehicles, work in more than 42,000 buildings and each day reach 66 million homes and 9-million businesses. These are the Postal People, nearly 700,000 in number.

After almost two centuries of honoring the tradition of putting Americans in touch with the rest of the country and the world, through the mails, the tables will turn for a week and the Americans will honor Postal

savings will be just that--temporary. Why? Because the state will be locked in a straight-jacket when it needs additional revenue.

Individual income taxpayers likely will lose more or all of their federal tax deduction. Rates can be adjusted upwards because there is no other way to obtain more revenue from income taxpayers. Businesses can anticipate increases in the business profits tax, increases in the statewide property tax to the \$10 per thousand true cash value and to lose other economic incentives now in the tax statutes.

There is no other way to go--except to create new tax sources and these likely will be sought also.

These are some of the economic reasons for individual citizens and businesses in Oregon to oppose the McCall school tax plan on May 1.

But perhaps overriding all of these is the necessity to ponder the type of school system with which we will be left. Our current system is held in high esteem throughout the nation.

Are Oregon citizens going to be willing to give up the local control that has helped build this system and turn it over to the Legislature in Salem?

Always at the roots of educational change is the question of spending money--tax money. Should these changes be dictated by the Legislature or can the job best be done at home in local districts by the combined will of parents, voters and taxpayers?

Under the McCall Plan the state would be spending our income tax dollars to fund most of the cost of operating our schools--in much the same manner the federal government collects our income tax dollars and distributes them willy-nilly at the whims of Congress.

The old adage, "He who pays the fiddler, calls the tune," has stood the test of time again and again.

All of these sound reasons, and more, are why your boards of directors of both AOI and ORC unanimously oppose the McCall Plan when it comes to a vote on May 1.

Henry T. Swigert, President  
Associated Oregon Industries

People--during Postal Week, April 29 to May 5.

In Washington, Postmaster General E. T. Klassen will inaugurate the activity on Postal People Day, Monday April 30, when he officially dedicates the special commemorative set of ten stamps honoring Postal Service's 700,000 employees. The first day of issue ceremony will take place at the Smithsonian Institution's museum of History and Technology with Postal People attending. Similar ceremonies will take place throughout the country.

Each postal employee will receive a memento from Postmaster Klassen, mailed to their home.

At the local post office, the set of stamps will be for sale. Free souvenir envelopes will be given to customers on a first-come basis. Postal lobby will feature banners, and counter displays and posters. Press attention will include news spot announcements to nearly all TV and radio stations. 70,000 elementary schools will receive a film strip with sound depicting how Postal People move the mail. It is hoped that we can foster an understanding of the important part postal employees play in serving their communities.

At this time a new service will be inaugurated, "Stamps-by-mail," which will enable the elderly, shut-ins and others who find it difficult to visit their postoffice to purchase stamps and other postal material.

With the exception of Benjamin Franklin, this is one of the few times stamps have honored those who make it all possible. Printing ten commemorative stamps on the same sheet is also unusual. Another innovation is the printing of a message on the back of each stamp under the adhesive. 500-million of these stamps are being printed--each in effect a reminder to the public of the people who make the mail go.

Each stamp depicts a service given by Postal People.

"Every community in the United States is linked to the nation and the world by our national mail service."

"The welfare of every citizen, every business, on every city street and across the countryside, is dependent upon this vast communications network. The measure restricts the use of moneys obtained from the sale of these bonds so that one-half of the bonds are used for irrigation and water development projects and one-half are used for community water supply systems.

The measure restricts the use of moneys obtained from the sale of these bonds so that one-half of the bonds are used for irrigation and water development projects and one-half are used for community water supply systems, Smith said.

Smith said the measure becomes effective when a companion measure which proposes an amendment to the Oregon Constitution is approved by the people. The amendment provides for the increased debt limitation on the state.

"This measure is vital to the

## New Process Helps Recycle Newspapers

Ice-cube-size pellets of compressed and shredded old newspapers are being shipped to the Far East by the Papekuba Corp., of San Diego.

A test shipment is being made to Japan, and a newsprint mill in Taiwan and a boxboard company in South Korea are making arrangements to import the cubes.

Key to the export potential of the product is that it drastically reduces the mass of the waste paper. A 48-page newspaper becomes four or five cubes, a handful. Thus, 30 to 40 pounds of old newspapers can be compressed into a cubic foot, about half the original bulk, cutting down shipping charges to \$14 per ton compared to \$44.28 for baled newspapers.

Three patents are pending for the cubing process which involves the use of heat and water-soluble glue

## Salem Scene

by Jack Zimmerman

Voters of Oregon next Tuesday will make a singularly unusual contribution to the state's legislative process.

In a special statewide election they will ratify--or reject--one of the most sweeping and controversial proposals to emanate from the Legislature in decades.

Various titled during its equally controversial and unusual journey through House and Senate, it appears officially on the May 1 ballot as Measure No. 1, "Property Tax Limitation: School Tax Revision." But from a practical standpoint, the plan has carried the name of Gov. Tom McCall since he enunciated its initial concepts on March 29, 1972.

Envisioned that day by the Governor as a pattern for reformation of taxes and educational finance, the McCall Plan now before voters was reformed first by his own advisors, scrutinized by specially appointed citizen task forces and examined at length by the Legislative Interim Committee on Taxation.

By last fall it became an issue during the General Election. And at that time the Republican governor's proposal was embraced by several Democrats, some of whom were to play key roles in its recent legislative metamorphosis.

By the time the Legislature convened on Jan. 8 this year, the plan was unanimous choice for "most important issue" of the session.

The legislative record shows that after only 31 stormy days in House Revenue Committee, during which the plan was trimmed from three to two bills, it emerged bearing what proponents and opponents alike referred to as more ornaments than a Christmas tree.

And that emergence was facilitated by further "packing" an already Democrat-controlled committee with the personal presence of House Speaker Richard Eymann and Majority Leader Les AuCoin. A similarly partisan Lower Chamber voted 43-16 to send it along to the Senate following lengthy debate--spiked again by the unusual when Speaker Eymann vacated his chair and spoke from the floor in its behalf.

Even then groundwork had been laid for the unprecedented election next Tuesday. Democrat leaders of both houses vowed repeatedly the McCall Plan would be referred to voters during the session so lawmakers could offer an alternative if voters rejected it.

Orderly progress of the measure through the Senate Revenue Committee faltered however, when Chairman Vern Cook voiced determination deliberation by that body would not be rushed. Senate President Jason Boe reacted immediately by ousting Cook and assuming chairmanship of the committee himself on March 6.

Thirteen days later the Mc-

Call Plan received the committee's do-pass recommendation--accompanied by two opposing minority reports.

On March 21 the Senate turned back the minority objections and defeated the committee report 16-14, which a handful of defecting Democrats giving minority GOP Senators the deciding votes. Then, upon reconsideration, three Republicans changed their minds and the plan went on to pass 17-13.

Although Senate Revenue had stripped away some of the Lower Chamber's ornaments and added a few of its own, the House speedily concurred with only a murmur of objection and Gov. McCall affixed his signature to House Joint Resolution, 3 and House Bill 2004 on March 23--steadfastly maintaining the final version still was his plan.

The trucker hadn't ended though. HJR 3 was slated to go before voters. In essence it is a Constitutional Amendment limiting property taxes for school operating costs. It triggers HB 2004, which substitutes higher income and business taxes to make up revenue that would be lost from former taxes on owner-occupied residences and leaves the state assuming 95 percent of operating costs for elementary and secondary schools.

Opposing lawmakers quickly objected to HJR 3's original ballot title--which made no mention of provisions in HB 2004--and the Supreme Court rewrote the title correcting the deficiency.

Already under way were the first of some 40 hectic days of campaigning for and against what proponents label "tax relief" and opponents decry as "tax substitution."

Supported nightly by an almost totally engrossed Gov. McCall and an impressive array of organization, opposition stems primarily from more than a third of the total Legislature and equally impressive organizational line-up.

Claims and counter-claims have revolved mostly around the plan's complexity. And one side no sooner offers an explanation before the other responds to discredit the claim.

Explanations of the plan in the Voter's Pamphlet, Oregon's unique state-funded method of informing the electorate, have come in for their share of criticism. Revenue Department officials admitted their own figures did not provide an accurate taxpayer impact. State officials and lawmakers on both sides have been involved deeply on the campaign circuit.

Normal business of the biennial legislature has faltered to the point leadership already has achieved gubernatorial approval for another session next year. And as the campaign reached mid-point, the House found it necessary to break again with precedent and try to untangle a massive logjam of other legislation.

**YOU & YOUR FAMILY**

WHEN YOU WORK HARD FOR YOUR DOLLARS, IT'S USE TO KNOW THAT YOUR DOLLARS ARE WORKING FOR YOU AND THAT'S CERTAINLY TRUE OF THE DOLLARS YOU INVEST IN LIFE INSURANCE.

PART OF EVERY PREMIUM DOLLAR YOU PAY AS A POLICYHOLDER IS SET ASIDE TO COVER FUTURE OBLIGATIONS TO YOU AND YOUR FAMILY. BUT UNTIL THEY'RE NEEDED, THESE FUNDS ARE INVESTED AND THE INTEREST THEY EARN HELPS TO KEEP THE COST OF YOUR INSURANCE PROTECTION DOWN.

THESE INVESTMENTS HAVE OTHER FAR REACHING EFFECTS. THEY PROVIDE ONE OF THE MOST IMPORTANT SOURCES OF CAPITAL IN OUR COUNTRY AND RESULT IN AN EXPANDED ECONOMY. WITH THE ADDED JOBS THAT SUCH AN ECONOMY CAN PROVIDE TO REALIZE THE IMPACT. CONSIDER THE FACT THAT THE LIFE INSURANCE INDUSTRY'S INVESTMENT IN OUR NATION'S ECONOMIC GROWTH TOTALS SOME \$22.2 BILLION!

THIS IS MONEY THAT THE LIFE INSURANCE INDUSTRY IS CHANNELING INTO COMMUNITIES LIKE YOURS ACROSS THE COUNTRY. IT IS MONEY THAT HELPS TO BUILD HOMES; APARTMENTS, FACTS, OFFICE BUILDINGS; SHOPPING CENTERS, HOTELS; IN HUNDREDS OF AMERICAN HOMETOWNS. AND, IN THE PAST TWO YEARS, \$2 BILLION OF THESE FUNDS WAS COMMITTED TO HOUSING AND JOBS FOR THE DISADVANTAGED. BEHINDING NEW HOPE TO OUR NATION'S INNER CITY AREAS.

LIFE INSURANCE FUNDS ALSO HELP TO FINANCE MODERN PLANTS, EQUIPMENT AND WORKING CAPITAL FOR ALMOST EVERY TYPE OF BUSINESS. WHETHER THIS MONEY IS INVESTED IN A JUMBO JET, A NUCLEAR GENERATING PLANT, A CHEMICAL RESEARCH FACILITY OR A TELEVISION STATION, IT'S MONEY HELD AT WORK HELPING OUR ECONOMY GROW.

TO DISCUSS YOUR LIFE INSURANCE NEEDS, CONTACT YOUR LOCAL METROPOLITAN LIFE OFFICE. REMEMBER, THE DOLLARS YOU INVEST IN PROTECTION FOR YOURSELF AND YOUR FAMILY WON'T BE RETIRED. THEY'LL BE PUT TO WORK -- UNTIL YOU NEED THEM.

## Sen. Smith Introduces Water Bond Legislation

State Senator Robert F. Smith, R-District 30, introduced a measure in the Oregon Senate today to allow the sale of bonds for irrigation and water development projects.

The measure is similar to one passed by the Legislature in 1971, but was defeated by the voters.

Smith's bill establishes a financing program to provide moneys for loans for irrigation and water development projects and for the acquisition of obligations of cities, counties and municipal corporations issued to finance community water supply systems.

The measure restricts the use of moneys obtained from the sale of these bonds so that one-half of the bonds are used for irrigation and water development projects and one-half are used for community water supply systems, Smith said.

Smith said the measure becomes effective when a companion measure which proposes an amendment to the Oregon Constitution is approved by the people. The amendment provides for the increased debt limitation on the state.

"This measure is vital to the

productivity of our state's farmlands. We must all work to assure the passage of this bill in the Legislature and then throughout the state if we are to expand our crops and help cut the rising costs of food," Smith said.

**WHAT MAKES A GREAT NEWS TEAM?**

DAN SMEDE—News Director  
JACK SELWAY—News Reporter  
SAL CELESKI—Special Affairs  
SUSAN EBY—Weather

**KTVB**  
ANALYSIS SEVEN NEWS

**FARM COMMUNICATIONS**  
Need Not Be Expensive !!  
Let Us Help You With Low Cost C.B. Radio.  
Free Consultation No Obligation Estimates.  
We'll Come To Your Place. In Nyssa Every Wednesday.  
Call Boise Collect 376-2431

**HAILSTONE ELECTRONICS**  
5301 EMERALD ST. - BOISE

**EAGLES SPRING FLING**  
Sat., April 28, 1973  
Music By The MARK IV  
9:30 p.m. - 1:30 a.m.  
Attitude Adjustment  
Hour 8:30 - 9:30 p.m.  
Steak Dinner Served 7 - 10 p.m.  
Admission - \$1.50 Per Person