

of the State of Oregon at the close of 1925. The naturalized citizen should study this report as well as his native born American neighbor. He has an interest beyond the personal in the economic well-being of his state.

The total bonded indebtedness of the State of Oregon on January 1st, 1926, was, according to State Treasurer Kay's report, \$60,692,710.

The bonds for highways constitute the largest item, aggregating \$37,263,750. The state bond issue to aid the world war veterans comes next with \$21,000,000.

Oregon District interest bonds, outstanding, amount to \$1,978,960, while the item of Rural Credit Farm Loan bonds, outstanding, is listed at \$450,000.

These bonds by way of listed offsets amounting to over twenty-two and one half millions, are again reduced materially, showing an actual outstanding indebtedness of only \$37,937,781.38.

The offsets are listed as follows:

Rural credit farm mortgages.....	\$ 450,000.00
Irrigation district certificates of indebtedness..	1,978,960.00
World war veterans' state aid sinking fund.....	2,848,163.63
World war veterans' state aid first mortgage loans receivable .....	15,510,047.74
Cash to be converted into mortgages.....	1,967,757.25
<b>Total .....</b>	<b>\$22,754,928.62</b>

Deducting this amount from the original bonding total brings the net outstanding amount down to \$37,937,781.38.

As ample provision for the redemption of the balance of these bonds has been provided, general taxation will not be necessary to liquidate them, except in the case of the irrigation bonds if the districts should become delinquent in their payments in which event the state would issue district interest bonds. As there are no floating or warrant debts in addition to the bonded debt, Oregon, as a financial institution, is on a cash basis.

It is interesting to note that the first bonds issued by the state and now outstanding was an issue for \$450,000 to establish rural credits. The state's security is in farm lands and bears interest at five per cent. The bonds are offset by a corresponding amount of real estate mortgages.

The state constitution provides that such bonds may be issued up to two per cent of the assessed valuation of the state's taxable property, but as federal agencies for this purpose have since been established, no more rural credit bonds have been issued.

The need of highways necessitated the next state bonding issue. A constitutional amendment was enacted to make state bonding for roads possible. Under this act, however, the state cannot bond for highways to exceed four per cent of the total assessed property valuation in the state.

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On May eighth the secretary of state, Sam A. Kozier, issued a report covering the many varied and segregated items of cost in state government and the various sources of revenue. On analyzing Kozier's report one is amazed at the staggering cost of govern-

ment in Oregon, a state with only three quarters of a million people. Surely it is time in Oregon that something is done to simplify the operation of government and thereby the cost. The annual item for bonded indebtedness cannot be reduced, but the cost of operating the subdivisions through which the state government functions can and should be reduced before the cheap tinhorn politicians who are responsible, from the governor down, have been removed from office.

In the Secretary's report are some very interesting itemizations of revenue and expense. The report, which follows, should be carefully read by every new citizen and placed aside after reading, but always within easy reach to prove any contentions for political economy:

The taxes of the state of Oregon and these same political subdivisions for the year 1926 aggregate \$44,975,048.10. The state's share of this amount is \$7,200,830.79. Of this latter amount \$2,169,075.24 constitutes the 2-mill levy for elementary schools, each county's portion thereof, upon collection, remaining within the county for distribution for school purposes, as provided by law.

#### Tax List Itemized

For strictly county purposes within the respective counties, the tax is \$3,540,596; for county school and library purposes, \$3,079,417.89; for high school tuition, \$869,087.50; for special school levies in school districts, \$10,692,862.84; for general roads in the counties, \$3,090,330.18; for special road levies, \$1,368,137.58; for market road levies by the counties, \$1,214,844.12; for bond interest and redemption in the counties, \$2,177,076.97; for requirements of the various cities and towns the special levies aggregate \$8,195,337.02; for requirements of the various irrigation and drainage districts, \$1,826,178.23; for the organized ports in a number of the counties, \$1,588,371.81; for miscellaneous purposes, \$3,022.23, and for fire patrol, \$128,954.79.

#### Property Levy Doubled

In a period of thirteen years the property taxes for all purposes have been multiplied nearly two and one half times. In addition, the people will pay various other vocational and business taxes, licenses, fees and impositions, which for the state and its many political subdivisions, I believe, will aggregate another \$25,000,000 for the current year, making a grand total of approximately \$70,000,000 which the residents and property owners of Oregon will contribute for the support of governmental functions in 1926.

An analysis of the foregoing figures discloses that the great increase in the property taxes is occasioned through the requirements of our schools and in the construction of roads and highways. For school purposes in the year 1913 the aggregate requirements were \$5,256,059, while for the year 1926 they total \$14,641,368.23. In the year 1913 the aggregate amount levied for roads was \$2,288,256, while for the year 1926 the total is \$7,850,388.85. The amount levied for these two purposes for the year 1926 is over \$4,000,000 more than the requirements for all purposes of the state, counties, municipalities, school districts, etc., for the year 1913.

Referring to the several state penal, reformatory, curative and eleemosynary institutions, it is found that the average total population in the years 1899 and 1900 was 1746, and the average monthly per capita cost ranged from \$10, in the state hospital for the insane at Salem, to \$25 in the state school for blind children. By the end of March, 1926 the total population of such institutions had grown to 4900, and the monthly per capita cost ranged from \$16.90, for the eastern Oregon state hospital at Pendleton, to \$59.13 for the employment institution for the adult blind at Portland.

In the year 1899 there was six such state institutions, which number has been added to until there are now eleven institutions for the detention and care of the wards of the state. In 1899 there were a state university, an agricultural college and four normal schools, situated in various sections of the state, with a total student registration of less than

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