CO-EDS AT KENTUCKY ENTER FORMER OCCUPATIONS MEN

LEXINGTON, Ky., March 27.—(A. P.)—Women students of the University of Kentucky here are showing an inclination to shun the professional fields in which women have formerly centered their activity and to venture into professions dominated by men.

Engineering fields and law are proving attractive. Four women members of the senior class are to embark on careers as lawyers and five plan to enter fields of engineering. A survey disclosed that social fields in which women have a recognized place are losing their attraction, while general business is drawing many.

Eat barbecue sandwiches and live forever. Brand's Road Stand.

GRANGE NOT IN FAVOR LAND TAX OFFSET PLAN

Double Taxation Provided in Income Tax Legislation Proposed.

LEGALITY IS DOUBTED

Constitutionality of Tax Offset Plan Questioned by Professor of Economics at U. of O.

A good deal of discussion has developed in the state recently concerning a form of state income tax with a flat rate and a property tax offset. A proposed income tax law for Oregon, upon which the state grange has been working for months has been filed with the secretary of state being reported to be much similar to the income tax law proposed by the grange last year with a graduated rate of tax up to 6 per cent with moderate personal exemptions and no property tax offset. The grange committee which has made a careful study of the tax problem and has decided against the property tax offset plan, the following statement by Dr. James H. Gilbert, professor of economics of the University of Oregon, representing the committee's decision:

In view of the fact that the committee has so frequently been approached regarding the desirability of including a property tax offset in its income tax bill, it seems obligatory on us to state the grounds on which we decided against it.

The imposition of an income tax on the income from real estate, which already bears the brunt under the property tax, has been condemned as a species of unjustifiable double taxation. If the force of this argument is freely admitted, it is apparent that the simplest way to meet it is to exempt the income from real estate altogether. For convenience of comparison with the federal income tax returns, the income from real estate would be figured into the statement and then allowed as a deduction. This method of dealing with the problem is, however, open to two objections. It would be of doubtful constitutionality. The rule of uniformity as applied to taxable objects always presents very great difficulties. To tax the income from manufacturing plant or merchandise while leaving the income from real estate entirely free would raise the legal question of discrimination in favor of those who receive incomes from landed properties. It could be shown, of course, that real estate is heavily burdened by property taxes while the so-called intangibles generally escape and this discrimination against real estate might be urged as justification for discrimination in its favor when we turn to the tax on income. Under the law, however, the intangibles are equally liable with real estate to pay the property tax and the courts would be compelled to recognize the theory of the law and ignore its practical operation.

Even conceding the question of constitutionality, however, the exemption of income from real estate would involve insurmountable difficulties. If the property is leased out, determination of the income from real estate would involve no difficulty. By far the larger share of land in Oregon is utilized by the owner. The income of the farmer who cultivates his own land, the merchant who occupies his own building, and the saw mill company that cuts its own timber is a mixture of rent, interest, wages and profits. Just how to reckon separately the income from land and disentangle it from other species of income presents a problem for which no one has found a satisfactory solution.

The committee saw no particular objection to a real estate offset if the tax paid on real estate could be offset only against the tax charged against income arising from the same piece of property. The offset in the form in which it is urged, however, would make taxes paid on real estate a legal tender for income taxes due on large salaries, professional earnings or income derived from securities. Let us imagine a man with a ten thousand dollar income in the form of salary or interest on bonds. According to the returns of the Oregon income tax only 523 persons receive an income that large. Under the schedule of rates proposed by the committee, allowing $3,000 exemption, the $7,000 of taxable income would pay $220. The average tax rate in Oregon cities ranged around 55 mills or $55 a thousand of assessed value. A piece of real estate assessed at $4000 would pay $220 of property taxes. Under the real estate offset the man with a modest residence valued at $8,000 and assessed at $4,000 would have no tax to pay on a $10,000 income, no portion of which is derived from real estate. The property offset would enable 98.8 per cent of individual tax payers to escape any income tax at all if they owned or acquired a bit of real estate assessed at $4,000. In the 1923 legislature, a senator from Multnomah asserted that, under the property offset, one of the largest department stores in Portland with its hundreds of thousands of income would pay no income tax at all. The lumber mills of the same state however large their profits would pay no tax on income provided their holdings of idle timber were sufficiently extended. The committee does not believe that the tax payer with large salary or professional earnings or income from sources nontaxable as property should "make his property tax dollar pay two taxes."

A case frequently cited in the income tax campaign was that of a Portland resident with an income of $49,000 whose name did not appear on the tax roll. This income would at 6 per cent (the maximum rate) pay $2940 of income tax. If, however, he acquired a piece of real estate assessed at $70,000, he would pay, at 42 mills $2940 of property tax and, under the offset principle, have his income tax entirely obliterated.

The suggestion was made to the committee that the offset be allowed only to a limited extent say one-tenth of the property tax paid. This would be sufficient to offset the tax on the income arising from the real estate and amount to virtual exemption of that income from taxation. On the other hand, credit allowed would not go far enough to neutralize the tax on income from sources other than real estate. The objection to this limited application of the offset principle was that taxpayers with extensive holdings of idle real estate, which contribute nothing to taxable income, would find even one-tenth of property taxes sufficient to offset the tax on a large amount of income from sources other than real estate. Timber companies operating profitable mills might find it easy to escape the income tax if they held enough idle timber.

The same objection applies to a limited offset equal to the property taxes paid to the state. If the state tax is 7 mills it might be reduced to 4 by the proceeds from the state income tax reserved for state use. To allow an offset equal to the state levy would be equivalent to an offset of one-tenth discussed above for the average state and local tax is slightly in excess of 40 mills.

Another reason for rejecting the offset principle was the conviction that the income tax, as framed by the committee, will be for the majority of taxpayers a subtractional and not an additional tax. Owners of real estate and tangible property will receive an offset in the form of a reduced rate on property taxes. The proceeds of the income tax retained for state use will be deducted from the property tax which the state would otherwise levy. The projected income tax will raise in the neighborhood of $3,000,000. Since the state assessment is about a billion dollars, the $3,000,000 raised by income taxation would reduce the property rate by 3 mills. By far the larger share of farmers and small home owners would not have incomes in excess of the exemptions allowed by the new law and the 3 mill reduction in the property rate would represent a net saving. Even where the income of the tax-payer passes the exemption point and becomes taxable in part, the saving on property taxes may more than offset the extra tax on income. To take a concrete illustration, let us assume a farm worth $150,000 on which the farmer realizes 6 per cent not over and above wages for labor. This would mean $9,000 of income from his investment. Let us add an extra $2,000 as wages to the farmer himself. This gives us a total of $11,000. But a farmer with a family of average size would be exempt on $4,000 or more, leaving a total taxable income of $7,000, which, as indicated above, would pay $220 of income tax. If, however, this $150,000 farm is assessed at $75,000 and the reduction of property rate is 3 mills, the saving in property taxes will be $225 or $5 more than the income tax paid. In this case it is difficult to support the claim that a double tax is imposed. There are two taxes in place of one, but the two in combination are less than the property tax formerly collected.

When the real estate exceeds $150,000 and the amount of taxable income as well as the rate rises, the income tax will exceed property taxes saved. Here real double taxation makes its appearance. Such large holdings of productive real estate are, however, found largely in the cities, and the committee recognizes that the income of such urban real estate is profoundly influenced by the growth of the city itself. While not endorsing the single-tax theory in its full implication, the committee insists that a little extra tax on the income of very valuable city properties is taking a meager part of a socially created income for public purposes. Furthermore, the committee desires to call attention to the fact that, under the scale of rates proposed, progression ceases at 6 per cent and all in excess of $9,000 is taxed at a uniform rate. To impose a little extra tax on very large incomes even from real estate is a form of "extended graduation" which is rather easily justified.

ENSEMBLE TIES

Newest ensemble, middy and four-in-hands for women. Widths from 2 to 6 inches in plain colors or fancies. Big new line just in from New York, 25c, 35c, 50c, 65c, 75c. Also new scarfs. See them at Carr's.

DAILY WEATHER REPORT

U. S. Weather Bureau, local office, Roseburg, Oregon, 24 hours ending 5 a. m.

Precipitation in Ins. and Hundreths

Highest temperature yesterday	70
Lowest temperature last night	34
Precipitation last 24 hours	0
Total precip. since 1st month	0.06
Normal precip. for this month	3.98
Total precip. from Sept. 1, 1925, to date	20.25
Average precip. from Sept. 1, 1877	27.75
Total deficiency from Sept. 1, 1925	7.50
Average precipitation for 48 wet seasons, (September to May, inclusive)	31.13

Fair tonight and probably Sunday.

WM. BELL, Meteorologist.

CHILD FALLS INTO HOT LYE WATER AND EXPIRES OF BURNS

(Associated Press Leased Wire.)

LA GRANDE, Ore., March 27.—Hilday Mussett, three-year-old Maxville, Oregon, girl, died yesterday as the result of burns suffered when she fell into a tub of hot lye water Wednesday. The child lost her balance while playing near the tub and although taken from the water immediately, the lye had penetrated and so seared her flesh that much of her skin came off when she was undressed. Reports say her suffering was intense.

CAMBRIDGE DOWNS OXFORD OARSMEN

(Associated Press Leased Wire.)

PUTNEY, England, March 27.—The Cambridge crew, with a substitute rowing at No. 4 defeated their old rivals of Oxford by five lengths today in one of the finest races seen on the Thames in years.

At the start there was little to choose between the two eights, although Oxford was slightly the favorite. It was a gruelling race from the beginning at Putney over the four and one-quarter mile course to Mort Lake but when Cambridge flashed over the line hardly a man in her boat seemed in distress, while several of the Oxford crew were in a state of collapse.

The official time was 19 minutes 29 seconds, which is just a minute slower than the record established by Oxford in 1911.

Eat barbecue sandwiches and live forever. Brand's Road Stand.

EXPRESSING OPINION IS TO INVITE ITALIAN EXPULSION

ROME, March 27.—(A. P.)—Members of the Chamber of Deputies who try expressing their individualities against the dictates of the Party Directorate are either suspended from the party for indeterminate periods or expelled outright, a punishment which usually means the end of their political careers.

No fewer than seven deputies have been expelled and three suspended as a result of Secretary Farinacci's campaign to weed out party members who insist on having opinions of their own. They are: expelled: Edoardo Torre, Massimo Rocca, Gio Batta Rebora, Battista Boido, Tommaso Benassi, Aldo Oviglio and Michele Terzaghi; suspended: Pietro Bolson, Pietro Pisanti and Amadeo Belloni.

MINISTER SAYS HALF SATURDAY HOLIDAY IS CLOSED SUNDAY OFFSET

(Associated Press Leased Wire.)

LA GRANDE, Ore., March 27.—Dr. W. J. Loaring Clark, Episcopal missioner of New York, advocated a Saturday half-holiday for all workers in an address here last night as a solution of the Sunday desecration problem. Persons who desecrate the Sabbath are nearly always those who have to work Saturday afternoons," he stated. He said Sunday sports are not sinful.

The International tractor disc will cut into the ground the first time over. We have them in stock for any size tractor. Wharton Bros.

MEXICO REQUESTED TO HURRY INQUIRY

(Associated Press Leased Wire.)

WASHINGTON, March 27.—Ambassador Sheffield has delivered a note to the Mexican government urging that expeditious action be taken to apprehend and punish the bandits responsible for the kidnaping and robbing of a group of American mining engineers near Asarie, in Durango.

Easter Candies—All sorts of candies for the Easter time. Prices are so low on this line you'll wonder how we do it. Goettel's Variety Store.

CURRY COUNTY ASKS PARDON OF ONLY PHYSICIAN

(Associated Press Leased Wire.)

MARSHFIELD, Ore., March 26.—Claiming that the absence of the only doctor in community will be a menace to the health of residents of Gold Beach, Curry County residents are petitioning Governor Pierce to pardon J. W. Wheeler who today began serving a sixty day sentence in Coos county jail following a conviction on a charge of driving an automobile at Bandon, Oregon, while intoxicated.

SILK HOSE, $1.00

The new spring shades, gun-metal, blue fox, mauve taupe, blonde, etc., are now in. 28 shades in that wonderful Arrowhead $1.00 silk hose. We also now have the out size in black and a few colors at $1.15 a pair. Carr's.