

Taxation Classified--Power of Different Taxing Bonds Shown

General Retrenchment Throughout All Political Units Is Essential To Bring Proper Reduction.

LA GRANDE, Ore., May 13.—Editor Observer: Taxation is indeed an important subject. It is an historical fact that whenever the price of property rises, as it has done during the war, and times are prosperous and money plentiful, taxes invariably rise. The reason for this is obvious, for whenever a prosperous people has plenty of money, new undertakings are always begun, not only in private business, but also in governmental business. The ability of the people to pay taxes, to a large extent determines their expenditures in governmental operations, and of course the expenditures made necessary in government operations primarily make necessary the collection of taxes. There is a co-relation existing between the raising of money by taxes and the expenditure of it in governmental operations. When we complain of high taxes, we are therefore necessarily complaining of excessive expenditures in government functions.

Save Reduction Must Come.

There is no question but that taxes are too high. There is no question but that taxes must be cut down. No one can take the expenditures of our government during the time that money was plentiful, and sensibly maintain that he is going to cut out all such expenditures. To do so means that that man is going to do away with all government and that all our contracted obligations shall be done away with without their payment, and that we are going to start over again with a clean slate. This, of course everyone knows cannot be done.

Our expenditures may be divided into two classes: Permanent expenditures and temporary expenditures. Permanent expenditures are those expenditures which recur year after year for the discharge of money. Temporary expenditures may or may not recur every year.

Permanent expenditures may be divided into three classes: First, those expenditures which are compelled by law or contract; second, those expenditures which are compelled by reason of principles of humanity, civilization and governmental policy; third, those expenditures which are compelled by reason of some particular governmental undertaking.

Temporary expenditures may be divided into two classes: first, emergencies; and second, all other temporary expenditures.

Let us consider all these classes and see how far the legislature or other body which govern the expenditure of money may cut down those expenditures.

The first class of permanent expenditures includes all of the obligations of the taxing body, whether it be the state, city or school district, which are imposed by a law and which the taxing body cannot repeal, or which are imposed by contract. All the interest obligations of our state fall under this head, and in our county the various compulsory taxes, like school tax, road tax, and other expenditures which are imposed by law or contract. These expenditures are a fixed charge, and the taxing body has no option but to provide the money for their payment by the imposing of taxes.

State Institutions Must Be Supported.

The second class of permanent expenditures named above includes our school system, our penal and reformatory system, our hospitals for the care of the insane, feeble-minded, blind, and also the preparations for the taking care of orphans and the unfortunate poor. The taxing body with regard to these matters has no option but to provide some money for their operation, and where a certain amount of taxes has been provided by law for any of these functions, then of course it is only for the body which passed that law to change it so as to reduce the amount, if necessary. With regard to this class of expenditures, the taxing body does have the right to exercise its judgment as to the amount which should be raised, and in exercising that judgment such taxing body should take into consideration not only the efficiency of the service which the government should render in these operations, but also the ability of the taxpayers to pay. And upon this class of expenditure there is no doubt but that some reduction may be secured. However, with regard to the expenditures for governmental functions where attendance or use is compulsory either upon all the people or upon certain classes like our common schools, penal institutions, hospitals for the insane and feeble minded, and the various industrial schools for boys and girls, the number of inmates greatly controls the amount which must be appropriated to their use, and there cannot be much reduction along these lines except insofar as the prices of materials and supplies may be reduced. As to schools or other institutions where attendance or use is not compulsory the number of people in the state taking advantage of those governmental functions must be considered, and may control to a large extent the amount of expenditures.

Business Judgment Essential.

The third class of permanent expenditures stands upon different considerations entirely from the other two classes. Where our state government has undertaken the operation of a certain duty or the carrying of a certain project which

would extend over a number of years, the taxing body has the option to discontinue its expenditures along that line. But in making that discontinuance, the taxing body should consider not only the ability of the taxpayer to pay the taxes, but also whether or not there is any loss from its discontinuance, and whether or not that loss would be greater than should be borne; and, furthermore, the demand for and benefits of such service or undertaking, together with its efficiency, should be fully considered. There is no doubt but what there can be a large saving along these lines.

Now as to the temporary expenditures. The first class covers emergencies. Whenever an emergency arises, the taxing body has no option but to make the expenditure. The amount of that expenditure should be governed by considerations of whatever is necessary to efficiently meet the emergency. We never know what these are or will be, prior to the time the emergency arises. For example, suppose that a holocaust would occur in some community in Oregon. It would be absolutely necessary that the state should expend money in extending such governmental aid to that community as the emergency would require.

The second class of temporary expenditures, of course, includes all those items which come up before the taxing body as being a beneficial expenditure but not a necessary one, and the taxing body has full and complete option to make or not to make such expenditures.

All the foregoing principles must be considered by all legislatures, county courts, city councils or commissions, or any other body of men in the state who have the power to designate what the expenditures of that particular government shall be. When you realize that the bonded indebtedness of this state has increased by leaps and bounds, and that thereby the expenditures imposed by contractual obligation have increased correspondingly, there is no question but that it is going to require a number of years before taxes can be lowered to the place where they really should be. In order to do this, it is necessary for each community to elect men of judgment and integrity, and in whom they have confidence, to

consider these questions and principles, so that advantage may be taken of every opportunity to cut down the expenditures so as to relieve the taxpayer.

Income Is Analyzed.

I have attempted to analyze our expenditures. Let us analyze our income.

The income of our state government is derived from taxes on lands (inheritance taxes, licenses, filing fees, fines and penalties. I understand that there are in this state over 4200 governmental bodies which have the power to levy taxes in one way or another. These taxing bodies may be classified as follows: State, county, school districts, cities, drainage districts, irrigation districts, ports, road or street improvement districts, several minor boards, such as the State Forestry Board, which has power to levy taxes upon timber land for fire protection; and park boards, which have power to levy taxes in cities for the support of city parks, and so forth.

All of these governmental agencies have power to levy taxes on land or other taxable property. The state and county governments are universal and cover all the land in the state. The school district may also be considered as universal, although there may be some little land in some counties not covered in any school district. The largest number of taxing bodies that may be placed upon city property would be the following: State, county, city, school district, port, and street improvement districts. The largest number of taxing bodies that may tax agricultural land may be enumerated as follows: State, county, school district, drainage district, irrigation district and road improvement district. There may be some of the last class of governmental agencies, like park boards in cities, or forest fire protection in the mountains, that may levy on one, but not on the other.

Taxes and Who Collect Them.

The inheritance taxes are wholly collected by the state. Licenses are collected by the state, county and city. Filing fees are collected by the state and county, rather rarely by a city. Fines and penalties are collected by all taxing bodies having a court, and may be enumerated as the state, county and city.

For the local government organization, like the county, city, school district, and several special improvement districts, about the only taxable property upon which they can levy taxes is land, and of course the personal property may be considered along with it. For the state, other classes of taxation are feasible.

In the consideration of all taxation, after having determined the amount of expenditures, the sources of revenue must be studied. Those who are elected to such positions as give them the power to designate from what sources the income of our government shall be collected must be men of integrity and experience in large affairs, and who will, through habit, consider them thoroughly, and whose expressed judg-

ment upon them is certain to be for the best interests of the taxpaying public. Now is no time to entrust these matters to the lay or the inexperienced. The difficulty and importance of the subject demands everywhere the selection of the very best.

GEO. T. COCHRAN.
SHRINERS.

Reduced rates to Baker on sale May 9 to 11, inclusive, account of Al Kader ceremonial, May 13th. Tickets good returning up to May 16. Buy one-way fare to Baker and get receipt which entitles you to half-fare back. Total fare, \$2.82. Al Kader Special will leave here 7 a. m., May 13. Ride the

Special.—Union-Wallowa County Shrine Club.
5-13-22

COUNTY TREASURER'S CALL FOR GENERAL ROAD WARRANTS.
NOTICE. The undersigned county treasurer has funds on hand with which to redeem all warrants issued on the General Road Fund, No. 1190 to 1373, inclusive, series of 1921; also Market Road Fund, No. 2881 to 3251, inclusive, series of 1921; also No. 130

to 113, inclusive, series of 1922, payable on and after Tuesday, April 25, 1922. Interest ceases on the above warrants on April 25, 1922.
HUGH McCALL,
County Treasurer.
Dly Apr. 22-29, May 6-13-23.

NOTICE.
Drs. Ingle, osteopathic physicians, have moved to Sommer Bldg.
5-8-12

Put A Live Man On the Job



VOTE FOR
O. H. FITHIAN
Republican Candidate
NATIONAL Committeeman
ON MAY 19

A Real Republican Against a Politician

FITHIAN'S PLATFORM
Here is what Fithian has to say on questions affecting Oregon:
AID FARMERS
"I shall help to obtain for Oregon farmers their just share of loans from the War Finance Corporation."
HELP LIVESTOCK MEN
"I shall work for progressive legislation for relief of our farmers and livestock men."
RECOGNIZE VETERANS
"I favor just, prompt and substantial recognition of our war veterans."

WILLIAMS' PLATFORM
Here is what Fithian's opponent, Ralph E. Williams, has to say on those same questions:
NOTHING.
NOTHING.
NOTHING.

VOTE FOR A LIVE REPUBLICAN LIKE FITHIAN, WHO WILL GET SOMETHING FOR OREGON AND HER PEOPLE. HIS OPPONENT, WILLIAMS, HAS HELD THE JOB OF NATIONAL COMMITTEEMAN FOR 14 YEARS. CAN YOU MENTION A SINGLE SUBSTANTIAL THING THAT WILLIAMS HAS DONE FOR OREGON IN ALL THAT TIME? IT IS TIME TO MAKE A CHANGE.

VOTE FOR FITHIAN.

FITHIAN CLUB.
By Chas. T. Early, President.
Robt. G. McNary, Secretary.
Chas. W. Eberlein, Treasurer.

(Paid Advertisement)



Why Make a Change

WHEN YOU HAVE A CAPABLE, HONORABLE AND RELIABLE MAN AS GOVERNOR?

In the present primary campaign with so many candidates seeking the Republican nomination for governor a number of Union county voters have decided that it would be folly to make a change in the Governor's office when we have a capable, honorable and reliable man in that office at the present time and he has agreed to accept the nomination again if it is given him.

Ben W. Oleott has given Oregon a clean, straight forward business administration. The Charges of excess taxes cannot be laid to his door. His efficiency as an official is not denied by anyone, and his clean life both private and public is known to everyone.

Before voting for a change in this office it is requested that every Republican weigh the matter carefully, making a comparison with a record already made against a myriad of promises made by other candidates, promises which may or may not be kept.

Let us play safe—re-elect Ben W. Oleott to the Governorship—and we know that we will have a good governor.

Union County Oleott-for-Governor Club
La Grande, Oregon.
Paid Adv.

MONEY TO LOAN
On La Grande Residence Property
J. R. OLIVER
232-W

LA GRANDE NEWS COMPANY
P. E. Wyrick, Mgr.

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B. & T. BATTERY STATION
Fred Burgess, Prop.
In Leighton's Machine Works

For Sale

- 1 1/2 acres just outside city limits, city water, electric lights, 5 room house, with bath, one-half acre alfalfa, chicken house, small barn, fruit and berries, water right, near school. Price \$2,000. Terms.
- 2 acres, 6 room house, barn, good land, near Greenwood school.
- Acres tract on N. Fir. Any reasonable terms considered.
- Modern 5-room house, full basement, garage, good plumbing, well located on Cedar street. Owner would consider soldier loan. Price \$2250.
- Six room house, close in on paved street, good plumbing, basement, for \$4,000. Soldier loan considered.
- Seven room house on paved street, big lot, nice lawn and shade trees. Splendid location, for \$4,000.
- 10-room house on Main avenue, 6 bed rooms, new heating plant, choice location. This house will easily bring in \$75 per month besides providing the owner a splendid home. Soldier loan considered. Investigate this.

I have several homes that are priced right and can be sold on very small payments.

Geo. H. Currey
Phone 2003
Real Estate, Insurance, Farm Loans

After investigation of Union county's business as a taxpayer I am convinced that material reduction can be made in public expenses of this county.

If nominated and elected I promise to bring about this reduction.

John Wells,
Alicel, Oregon
Democratic candidate for County Commissioner in the Primary on May 19th.
Paid Adv.

CHARLES A. HUNTER

Wallowa, Oregon
Candidate Before the
Republican Primaries

For
JOINT REPRESENTATIVE
Union and Wallowa Counties

Paid Adv. May 19th

SPECIAL PRICES on Tires, Tubes, Gabriel Snubbers, Bumpers, Spot Lights and Tire Chains. Over stocked and must move them—We want your repair business on any make of car. Our Guarantee is what you need on your repair work—Home of the Chevrolet and Nash.

BLUE MOUNTAIN GARAGE
AVERY HARRISON, PROPRIETOR

Cecil Galloway of Elgin For County Commissioner

I have served as County Commissioner for ten years and it is gratifying to know that Republicans of the county have accepted my efforts and work expressing their appreciation of same by not entering another candidate for the office of Commissioner in this primary.

When elected this fall my energy will continue to be given the county in my endeavor to keep the public expense down and to obey the will of the people whom I shall serve.

I Will Help Complete The Public Work That We Have Started

(Paid Advertisement)