

Highway and Auto Dope

Traffic and Tourist News

AUTOMOBILE NEWS

TAX REVENUES FROM MOTORS GROW LARGER

Court Restrains Government from Fire Engine Tax—Car Registrations of Various States Are Given.

An important decision in the automobile industry, fixing certain limits to the imposition of the federal motor tax, was handed down by the United Circuit Court of Appeals last week. It released manufacturers from the 3 per cent tax collected on the cost price of commercial motor vehicles and fire department vehicles equipped with motor power. The suit was instigated by the American La France Fire Engine company to test the reversal of the Treasury Department in 1924 that automotive engines were exempt from the taxation.

The recent opinion, concurred in unanimously, upheld the contention of the company that motor-

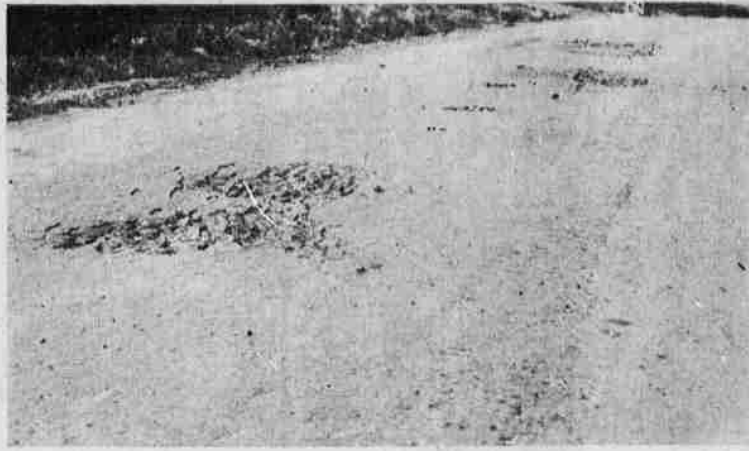
driven fire engines, used for a governmental purpose and not for transportation of passengers or property were in a class by themselves and not in the class of vehicles taxable under the congressional legislation.

This decision brings up prominently the system of federal motor taxation levied for war revenue purposes in 1917. A large number of articles, supposedly in the luxury class, were so taxed at that time, but they have since been removed from practically all with the exception of automobiles, cameras, lenses, films, automatic vending machines, automatic weighing machines, sculptures, paintings, cigars and cigarettes.

The automobile federal taxes now in force are 5 per cent on the manufacturer's sales price of passenger cars, 3 per cent on commercial vehicles, 2 per cent on the price list of tires and accessories and an occupational tax of \$10 on motor vehicles carrying passengers for hire seating from two to seven persons and \$20 for motor buses seating more than seven persons. Commercial truck chassis selling for less than \$1000 and truck bodies selling under \$200 are exempt and so are motor buses used exclusively to carry children to and from school.

These taxes on the cost price of motor vehicles, which are invariably paid by the buyers, netted the government for the fiscal year ended June 30 last, \$189,935,548. The registration fees collected by the various states, fees for driving licenses and gasoline taxes aggregating

Damage Done By Heavy Traffic



Conditions on the state highways similar to that pictured above have caused the agitation in opposition to the proposed referendum for the repeal of the tax on heavy transit vehicles.

County judges and commissioners of Oregon have organized to combat the proposed referendum of the auto bus and truck lines against the bill passed by the legislature placing a tax upon them, the proceeds of which would partially pay for the destruction of highways caused by their use as free right-of-way for private profit. People are asked not to sign the referendum petitions which would delay operation of the law for two years and therefore permit two years more of pounding highways to pieces, without cost to the

owners. The people of Oregon have an investment of over \$50,000,000 at stake. Ninety per cent of the damage to these highways is caused by four per cent of the traffic—that of heavy buses and trucks operating as common carriers for individual gain. If people sign the referendum petitions, the private car owners and general taxpayers will continue to pay the high cost of maintaining and repairing these highways.

Is there any reason why the bus and truck companies should be re-

lieved of paying for the damage they do to our highways? If there any reason why the private auto owner and taxpayer should be compelled to dig up from their own pockets money to repair the damage done by a traffic trust? Is there any reason why anyone should have the right to utilize and destroy without recompense, a public investment for private profit? Refuse to sign the referendum petition when presented and thereby help put an end to an outrageous graft.—Salem, Oregon, Capital Journal.

Omnibus Corporation, calls attention to this rising trend in motor taxation in the current number of Bus Transportation. He shows that the motor industry, through the various taxes collected from it, paid more than all the American railroad lines in 1924, including both steam and electric. Steam railroads paid approximately in taxes \$250,000,000 and electric roads \$66,500,000, a total of \$416,500,000, or \$178,500,000 less than the amount obtained from automobiles.

"The theory, which is steadily gaining ground in the United States," he says, "holds that the amount of special taxes levied against the individual motor user shall always be limited to improvement of highways of general motor use and shall be devoted first to maintenance costs.

"Owing to the wide variance of different states in valuations, tax burdens, population and average wealth, number of motor vehicles used, geographical and physical conditions, and the state of high development, there can be no fixed formula as to the proportion of the total cost of highways in general use which should be paid from motor vehicle funds. The guiding principle should be: No scheme of taxation should be adopted which will place undue burdens upon any branch of the industry or upon the individual motorist."

It is quite natural that Mr. Ritchie should complain of the onerous burdens which many states are placing upon the motor bus. The rising popularity of motor bus transportation has resulted in a heterogeneous mass of taxation laws. Comparatively little scientific study has been given to this important factor of motor taxation but there are, fortunately, signs of improvement and more reasonable regulations will doubtless prevail in the near future.

Mr. Ritchie is correct in saying that thus far there has been no proper recognition in the taxation law of the country of the new distinct status and function of the motor bus. It is frequently classified in taxation legislation as a truck.

"If excessive taxation is levied upon a public utility," says Mr. Ritchie, "the public itself, in the long run, pays the bill, either by an increase in the price of service or by a reduction in quality or quantity of service, or its total extinction. The interests of the public utilities and of the public are one."

Coilidge, president admits he once told a joke about a hen, but none of us are perfect.

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If you have a flat tire or need a new tire; if you want your oil drained or your car greased completely; if you want your car washed and cleaned thoroughly inside and out—complete car service is available for you at this station with the exception of engine repairs and repainting.

Bring your car and leave it, or call us on the phone and we will get it and return it.

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Prices f. o. b. La Grande

- TOURING\$1065
- ROADSTER\$1025
- COUPE\$1190
- SEDAN\$1315
- COACH\$1315

Smith's Garage

GARAGE GOSSIP

Salesman Hit—
H. D. MacDonald, Overland salesman for Gettings and Hanks, known to his associates as "Mac," has been off the job nearly all week with a case of the flu.

Paint Pumps—
The gasoline filling pumps at the Gettings and Hanks garage are now resplendent in a shiny new coat of paint. Work was done on them the first of the week. They were painted red, white and blue.

Accessory Man Here—
"Barnes" Barnes, representing the Higgins Incorporated accessory house was in La Grande this week. Mr. Barnes works out of Portland and is at the present time on an eastern trip.

In New Quarters—
W. P. Morelock, Star and Oldsmobile dealer, has moved to new quarters in the Roesch building, two doors from the Observer. Mr. Morelock had expected to move several days ago but experienced difficulty getting the place ready for occupancy. The new showroom fronts on Adams Avenue and will display the virtues of the Star and Olds lines to the best advantage.

Will Make Trip—
E. L. Ledbetter will make a business trip to Portland the first of next week. Mr. Ledbetter is more convinced than ever that the Hudson car is the greatest buy on the market since the \$110 price drop which became effective this week.

Made Trip—
W. C. Perkins, head of the Perkins Motor company, drove to Joseph on a business trip early in the week.

Sold Car—
Jennings and Shumate report the sale of a new Buick coach to Frank Leavelle. The car is finished in Brewster green and is a very handsome job.

Oil Man Here—
H. W. McCallum, assistant district sales manager of the Standard Oil company was in La Grande Thursday on company business. Mr. McCallum works out of the Walla Walla office.

Install Machine—
Jennings and Shumate added a new connecting rod and piston lining machine to their shop equipment this week.

gated for the same period \$305,256,742. The proportion obtained by the several states, with their respective motor registration, has been compiled as follows by the Research Division of the American Automobile association:

| State | Cars | Motor Fees |
|---------------|-----------|--------------|
| Alabama | 157,262 | \$ 5,093,482 |
| Arizona | 57,828 | 1,670,500 |
| Arkansas | 141,983 | 5,191,775 |
| California | 1,319,394 | 19,004,335 |
| Colorado | 313,247 | 2,984,162 |
| Conn. | 217,227 | 1,623,640 |
| Delaware | 35,136 | 908,746 |
| Dist. of Col. | 88,792 | 759,660 |
| Florida | 132,124 | 6,377,612 |
| Georgia | 297,688 | 7,959,737 |
| Idaho | 69,227 | 1,882,584 |
| Illinois | 1,319,226 | 13,546,206 |
| Indiana | 651,705 | 9,028,938 |
| Iowa | 616,123 | 8,979,170 |
| Kansas | 416,891 | 4,222,526 |
| Kentucky | 229,804 | 4,584,317 |
| Louisiana | 175,000 | 4,128,668 |
| Maine | 137,175 | 2,459,911 |
| Maryland | 199,398 | 3,923,373 |
| Mass. | 576,518 | 8,122,166 |
| Michigan | 847,545 | 12,504,546 |
| Minnesota | 502,427 | 5,591,863 |
| Mississippi | 124,650 | 3,173,825 |
| Missouri | 549,509 | 4,525,914 |

| | | |
|--------------|-----------|------------|
| Montana | 79,895 | 1,395,615 |
| Nebraska | 508,715 | 3,587,261 |
| Nevada | 18,118 | 344,566 |
| New Hamp. | 79,922 | 2,110,931 |
| New Jersey | 264,717 | 9,278,428 |
| New Mex. | 41,890 | 616,295 |
| New York | 1,412,879 | 24,089,241 |
| N. Car. | 302,232 | 9,143,569 |
| N. Dak. | 117,346 | 1,259,725 |
| Ohio | 1,241,600 | 11,685,329 |
| Oklahoma | 369,503 | 6,712,180 |
| Oregon | 192,415 | 7,464,848 |
| Pennsylvania | 1,228,587 | 31,186,917 |
| Rhode Is. | 95,432 | 1,828,004 |
| S. Car. | 181,753 | 3,328,120 |
| S. Dak. | 142,394 | 3,273,592 |
| Tennessee | 204,650 | 4,410,105 |
| Texas | 801,712 | 14,266,766 |
| Utah | 68,316 | 1,176,330 |
| Vermont | 61,179 | 1,554,242 |
| Virginia | 261,945 | 7,184,744 |
| Washington | 295,443 | 7,439,831 |
| West Va. | 190,734 | 4,168,321 |
| Wisconsin | 528,221 | 6,786,485 |
| Wyoming | 42,939 | 648,983 |

Total.....17,591,981 \$305,256,742
It will be noticed that New York leads in the number of motor vehicles registered in 1924, while Pennsylvania leads in the amount of tax collected. The five states

with more than a million registrations are: New York, 1,412,879; California, 1,319,394; Ohio, 1,241,600; Pennsylvania, 1,228,587; Illinois, 1,119,235.

In state fees, drivers' licenses and gasoline taxes Pennsylvania paid \$31,186,917, New York \$24,089,241, California \$19,004,335, Texas \$14,266,766 and Michigan \$12,494,546.

The important feature of this survey is the wide difference in taxation between the states, and at the same time it shows the rising curve of taxes on the motor vehicle. The average vehicle tax of the state levy in 1924 was \$17.35. In 1923 it was \$12.50, while in 1919 it was \$8.55. The state levy has increased 100 per cent in five years.

Industry Pays \$555,000,000
The figures above do not tell the whole story of motor taxation, for there must be added \$555,000,000 exacted in several states as personal property taxes, bringing the total sum collected in motor vehicle taxes during 1924 to \$555,028,548.

John A. Ritchie, former president of the Fifth Avenue Coach company and now president of the

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| | WAS \$1585 |
| HUDSON 5-PASSENGER SEDAN | NOW \$1950 |
| | WAS \$2050 |
| HUDSON 7-PASSENGER SEDAN | NOW \$2050 |
| | WAS \$2150 |
| ESSEX COACH | NOW \$1060 |
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