

Property Tax Plan for the 1925 Exposition Is Dealt Death Blow by Legislators at Salem

ROAD REGULATION BILLS O. K'D BY HOUSE COMMITTEE

State House, Salem, Dec. 21.—The house committee on roads and highways recommended this morning that the three bills prepared by the special committee appointed by the governor to conserve the highway and regulate traffic thereon do pass with slight amendment.

The committee reconsidered its tentative decision to amend the section relating to permits for commercial vehicles and the bill now stands as worded by the special committee. This section has been the point of controversy, the bus operators contending first for certificates of public necessity and then for extended discretionary power by the public service commission.

HOW BILL READS

As it now stands the bill reads as follows: "No permit issued by the public service commission to operate any motor vehicle or other vehicle prescribed by this act, for compensation, over any of the highways of the state of Oregon shall be an exclusive right to operate over any route, road, highway or between any fixed termini, but the special conditions of service and protection or such other conditions as may be set out in such permit, together with the general regulation of the public service commission shall be the conditions with which any other transportation company or person must comply before being granted a permit to operate motor vehicles in similar service and transportation companies or persons complying with such conditions shall be permitted to a like permit."

W. B. Dennis of Carlton made a spirited appeal for the retention of the stricken out words, contending that any one who could meet the requirements of the public service commission as to continuity of service and equipment and protective bonds should be granted a right to operate in free and open competition beyond the discretion of the public service commission.

FAVORS COMPETITION

John F. Logan, representing the commercial bus lines, said that while the section as amended was not altogether what his clients wanted they had agreed to accept it in a spirit of compromise. He contended that it would not lead to the creation of special privilege and that in view of the extra license to be paid the operators now in business were entitled to some protection.

Representative Carter of the roads and highway committee interjected the ob-

servations that the public loses by undue competition.

By this time the committee indicated that it was well "fed up" on argument, but it permitted Arthur C. Spencer, general counsel of the O-W. R. & N. and Union Pacific lines, to present the railroad's point of view. He submitted that in view of the fact that the bus lines were not required to pay fee adequate to the damage done to the highways, there should be no exclusive permits granted or special privileges enjoyed. He wanted a fair field and no favors. His company, he said, had given to the state rights of way for highways making bus operation possible and creating a competitor against itself.

LAWYERS IN TILT

If they were to be permitted to use the highway and capitalize through exclusive or semi-exclusive permits granted by legislation it would be an accomplishment that is not for the public benefit, he said.

The company, he continued, paid out 50¢ of each dollar of revenue for taxes and maintenance. There was a warm exchange of comment between Spencer and Logan.

"You represent the Union Pacific," shouted Logan.

"Yes," replied Spencer, warmly, "opprobrious as it may be. We are losing thousands of dollars every day through the subsidizing of the highways."

"The railroads have sent you here," retorted Logan. "They want destruction instead of construction."

Further remarks were made by Spencer that the railroads had paid out millions of dollars in the acquisition of right of way, taxes and equipment and that it was not just to be placed in competition with motor vehicle traffic along its lines which had paid out nothing practically.

GO TO SENATE BODY

"Yes," countered Logan, "after you put up your watered stock in Wall street. Where did you get your money? Did it not come from the public, too? How about your grants of the public domain?"

By this time the committee thought it about time to shut off further thrusts and counter thrusts of the two attorneys and Spencer closed with the assertion: "It is not just to give exclusive franchises when adequate payment is not made for it."

Other amendments suggested by the house committee provide for liability as well as surety bonds and permit small buses a speed of 30 miles an hour, middle-sized 25 miles and larger-sized 20 miles.

Each passenger bus is to pay \$4 per year for each seat and \$10 per vehicle. The measures have not yet been considered by the senate committee on roads and highways, but will probably be taken up today.

SENATE BILLS INTRODUCED

S. B. 11, by Staples and Robertson—Relating to loans to officers, directors and employees of state banks.

S. B. 12, by Hays—To cure a defect of assessments of drainage districts.

S. B. 13, by Joseph—Creating a commission to regulate the speed of motor vehicles and to serve without pay.

TWO MEASURES ARE PASSED OVER GOVERNOR'S VETO

State House, Salem, Dec. 21.—Two enactments of the last regular session of the legislature relating to the irrigation code vetoed by Governor Olcott were passed today by the house over the governor's veto by practically an unanimous vote. One of these vetoed measures, H. B. 112, gives to irrigation districts authority to fix dates for elections and entitles the district to money collected on delinquencies and interest.

The other measure was senate bill 275 giving the irrigation district authority to proceed on private property after tender of compensation has been made subject to court award, the purpose being to prevent delay pending settlement.

VETOS SUSTAINED

The veto of the governor on the following house bills was sustained:

H. B. 294—Closing county offices at noon.

H. B. 490—Relating to district attorney of Polk county.

H. B. 294—Claims of Dr. W. M. Campbell.

House bill 6—Appropriating \$64,500 for the use of the hatchery fund of the Oregon state fish commission was passed by a vote of 46 to 12.

The detailed vote was as follows:

Yeas—Acheson, Allen, Beala, Belknap, Bennett, Carner, Carter, Cary, Chilins, Davey, Egbert, Fisher, Fletcher, Flint, Gallagher, Gordon of Multnomah, Gordon of Lane, Hindman, Hopkins, Howford, Hubbard, Hurd, Hurd, Johnston, Kinney, Kurell, Kuhl, Leonard, Looney, Lynn, Marshall, McDonald, McFarland, Miles, Overturf, Peirce, Richards, Roberts, Sheldon, Shinn, Sloan, Templeton, Wells, Woodson, Wright—46.

Noes—Hammond, Hunter, Kay, La-follette, Lee, Martin, Miller, North, Perry, Powell, Shank, Stone, Westcott—12.

Absent—Burdick.

SENATE BILL REFERRED

Another measure passed was the bill providing for a full term for every person hereafter elected to any general election to any state, district or county office. This bill has particular reference to the situation in Multnomah county created by the appointment of District Attorney Myers and relieving him from the jurisdiction of the coming election, making his term continuous with that of his predecessor.

Senate bill 1, exempting money acquired under the soldier bonus law from debts contracted prior to payment of the same, was referred to the committee on judiciary to cure it of some minor defects.

BAZAAR RAISES \$44

Hastacada, Dec. 21.—The Christian ladies bazaar and dinner netted \$66.

FAIR PROGRAMS DOOMED IF QUICK ACTION DELAYED

By A. L. Lindbeck
Journal Staff Correspondent

State House, Salem, Dec. 21.—As the special legislative session swings into the third day of its uncertain course, two conclusions lift themselves out of the mass of rumors and speculations that have centered about the activities of the lawmakers thus far.

The first of these is that if any state participation in the 1925 exposition is to grow out of this session, it will not be financed by the proposed property tax, which is a dead issue.

The second conclusion is that if anything at all is done, it must be done quickly. The legislators are straining at the bit, trying to break away at the first opportunity.

BACK IN HOPPER

The first of these conclusions is based upon the attitude of the ways and means committee of the house and senate sitting as a legislative steering committee Tuesday night.

Following a session lasting well past the midnight hour, the three house bills providing for the financing of the fair and a fourth proposed bill drafted by the exposition committee and involving the gasoline sales tax were dumped back into the house hopper without recommendations, to be fought out on the floor of that body.

Senator Joseph's gasoline tax bill was similarly treated.

MEASURES DOOMED

This action, however, was not taken until several of the members had expressed their objections to "go to bar" on the various fair financing bills then and there, enough of them indicating an eagerness to wield the axe in execution of the Kuhl property tax bill and the Bean income tax bill.

The second conclusion is based upon a statement by Speaker Bean in concluding his arguments in behalf of his income tax bill before the committee in which he warned the legislators that "if they wanted to get action on any bills at this session they had better be presented at once, as the house is figuring on adjourning Thursday afternoon."

BEAN WARNS COMMITTEE

This warning together with Bean's threat that his income tax bill "offers an opportunity to secure state aid for the fair which you probably may not get in any other way," indicates that any fair financing measure, whatever its nature, is slated for a fight before it can hope to receive the favor of the legislature.

Franklin T. Griffith outlined to the committee the compromise suggestion embodying the increase of the gasoline tax to three cents, diverting \$1,000,000 a year for three years to the fair fund and then giving back the entire three-cent fund to the highway funds. This would be done through the medium of a constitutional amendment and a companion bill carrying the machinery for the management and conduct of the fair.

OFFERED AS SUGGESTION

From the revenue derived from this source \$500,000 per month would be diverted to the state highway fund for maintenance purposes, as the entire revenue now is, and the balance would be diverted to the exposition fund until the sum of \$3,000,000 has been accumulated. After that the entire tax would again be diverted to the highway fund.

"In proposing the property tax the exposition committee had no thought of attempting to forecast the judgment of the legislators as to how the fair should be financed," Griffith declared, in explaining that the gasoline tax bill also was merely offered as a suggestion for the consideration of the lawmakers, who, he believed, were agreeable to state participation in the fair if only some plan for this financing could be agreed upon.

PLEADS FOR ACTION

"I believe the people of the state want the fair. Advice by the exposition committee from every section of the state so indicate. But the matter of financing the fair is another thing," Griffith declared.

Under the proposed gasoline tax measure, as under the proposed property tax, Griffith explained Multnomah county would contribute one third of the total state contribution to the fair in addition to the \$2,000,000 voted by the city of Portland.

"Don't adjourn without doing something," he pleaded, in explaining that the exposition committee was not advocating any particular method of financing the fair and was not even wedded to the gasoline tax bill if a better method could be devised for meeting the problem.

KUBLI DEFENDS TAX

Defending his personal property tax before the committee, Representative Kuhl declared it to be the "most logical, most simple and most equitable way" of financing the fair that has yet been proposed.

However, he intimated that it might not pass this afternoon. Opposing largely upon whether the legislators had the nerve or courage to stand up for what is for the best interests of the state. Many of the lawmakers who were against his bill, he declared, really recognized its merits, but were afraid to antagonize their constituents by voting for another property tax.

Speaker Bean, differing with Kuhl, insisted that his income tax proposal was the most equitable way yet offered for financing the fair. By his plan, he insisted, only those would be asked to pay who are able to pay and in proportion to their ability to pay.

BILL IS EXPLAINED

Whether the income tax was adopted as a means for financing the fair or not it would be adopted ultimately as a solution to Oregon's tax problem, Bean predicted. The bill, he explained, was drafted by Jack Latelle of Portland and was modeled after the federal income tax bill and a model form for state income tax purposes prepared by the National Tax association. It would raise approximately \$2,775,000 a year in Oregon, he declared.

HOUSE BILLS INTRODUCED

H. B. 15, by Belknap—An act validating certain divorces and subsequent marriages.

H. B. 16, by Carter—Amending section No. 1191, Oregon laws, increasing exemption of property on inheritance.

The following bills were passed:

H. B. 112, by Overturf (vetoed by the governor)—Amending certain sections of the irrigation law.

H. B. 6, by Hurd—Appropriating \$64,500 for the fish hatchery funds of Oregon.

H. B. 8, by Hindman—Relating to the

terms of elective officers of state, district or counties in Oregon.

S. B. 275, by Senator Upton (vetoed by governor)—Permitting irrigation districts to proceed with development of districts pending adjustment of rights of way and providing for the providing of an adequate surety or cash bond.

Oregon Senate Pays Tribute to Wilson T. Hume

State House, Salem, Dec. 21.—Tribute was paid to the memory of the late Wilson T. Hume, member of the senate at the last session, by his former colleagues in the senate Tuesday, when a resolution presented by Senators Ryan, Joseph and Dennis was adopted by a standing vote.

The resolution refers to the departed senator as one "who served his state in an able, fearless and conscientious manner, being always at his post of duty, ever contending for what he considered right, without hope of reward or return other than that of his own conscience, ever ready to voice his protest against any measure he deemed wrong and a fearless fighter, respected by all."

SENATE SUSTAINS OLCOTT IN VETOS

State House, Salem, Dec. 21.—One bill and one resolution introduced into the senatorial hopper on Monday, the opening day of the special session, have been sent to the house after having passed the upper house.

The bill was Senator Upton's measure exempting money acquired under the soldier's bonus law from debts contracted prior to enactment of the bonus law. The favored resolution was that introduced by the Lane county delegation providing a means for the payment of warrants outstanding on December 31, 1921, through the creation of a special levy of 2 mills for that purpose.

Six vetoed senate bills of the 12 returned to the senate this morning from the last regular session fell by the wayside this afternoon when the senators, acting upon the recommendations of the several committee to which they had been referred, voted to sustain the governor's veto.

The six vetoed measures were:

S. B. 197, by Upton and Representative Burdick and Overturf—Relating to salaries of Klamath county officials.

S. B. 220, by Upton—Providing for the appointment of a commissioner for the cooperative marketing of meats.

S. B. 258, by Ellis—Relating to salaries of Harney county officials.

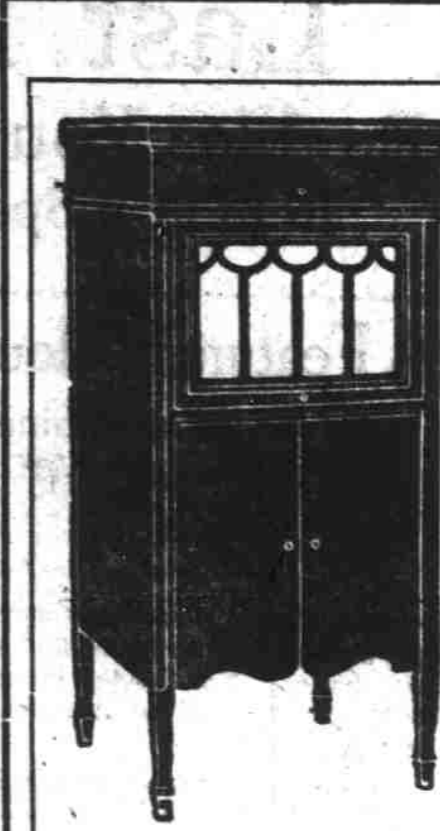
S. B. 326, by committee on revision of laws—Amending statutes relating to law conveyance of land shall be made.

S. B. 327, by committee on revision of laws—Amending statutes relating to reports and license fees of corporations and stock companies.

S. B. 374, by judiciary committee—Establishing liability of abstractors, etc.

Kiwanis Pledge Aid To Needy Veterans

Kiwanis club members Tuesday pledged aid to needy married World war veterans who are out of employment. Dr. David H. Rand was appointed chairman of a committee which will seek jobs and procure food and clothing. William F. Woodward addressed the club on "Changing Your Business to Meet New Conditions" and John T. Hotchkiss on "The Human Element in Business."



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