GOVERNOR'S JACKSON DAY SPEECH DELIVERED AT PORTLAND FRIDAY

He Reviewed His Administration for the Past Three Years, and Several of the Newspapers of the State Have Taken This to Mean an Outline of the Issues of the Campaign as They Will be Fought Out in the Next Contest for the Office of Governor, With Himself as a Candidate in November for Reelection.

the chief speaker at the Jackson its evy in the Union for state acday banquet of the Democratic livities. A determined effort has hosts at Portland on Friday evening. Several newspapers have plement the general property tax said Governor Pierce's speech was with different forms of indirect the initial outline of the issues to taxation. Several years ago Calibe fought out in the next campaign for governor of Oregon, with himself as the Democratic oil a has now joined the group. contestant. This makes of that and other states are approachspeech a matter which is of wide public interest. On this account, it is worth printing in full, which is done in the following:)

Permit me to express my appretor and as governor.

is both fitting and proper that on densome deficit. each recurring Eighth of Janu-

the hard, persistent work of you to repeal the income tax law. who are gathered around this ban- A continued effort must be

ple in every address the necessity 000. of the state of Oregon. There are ten is an ever growing obstacle to the electorate today is: Shall real tal to our further advance. While

Eleven years ago this January curities that would raysom a king James Withycombe succeeded Os- are tucked away a vaults and time the cost of state government sinced in incomes from profesthree years ago tonight, the annual state expense had reached home, the stockman's calf or the the astounding total of \$17,485 .- farmer's tractor. 037. This included \$2,000,000 for higher education, \$2.000,000 for owned by people of moderate primary education, \$1,000,000 for

for 1922, \$9.376.289.11 was derived from a direct tax upon property. Except one state, Oregon at

Gleamy, Thick, Wavy



Girls! Try this! When combing and brushing your hair, just mois- gible. The burdens of state gov- 000,000, not counting banks. ten your hair brush with a little ernment can be borne with rela-You can dress your hair immedi- state is made to pay its share. The

35-cent bottle of refreshing, frag- of revenue justly due her; tax- derful gift of the Creator. rant "Danderine" from any drug payers of Oregon suffer because or toilet counter will do wonders, of the heavier burden which is per thousand feet of all lumber and waving which burn the color, lustre and very life from any and development.

goes right to the roots, invigorates, nourishes and strengthens them, stopping falling hair and helping the hair to grow thick, healthy and luxuriant.—Adv.

(Governor Walter M. Pierce was | that time had the highest per capbeen made in many states to supto nia and Pennsylvania reached rtate tax on property. North Caring that happy situation.

When I was inaugurated governor there was a deficit in the state treasury of almost \$500,000. resulting from a legislative approciation to the members of the printion in 1919 of a larger sum Jackson Club for the courtesies than the state tax commission was nd kindnesses extended to me allowed to levy under the six per Through the almost quarter of a cent constitutional limitation. The century that I have attended these levy made in December, 1922, afmeetings. I will ever remember ter I was elected governor, but bethe high honors you have accord- fore I was inaugurated should ed me as private citizen, as sena- bave been for a sum sufficient to take up the deficit in the state The annual Jackson Day com- treasury, but the board as then ing together is the largest gath- constituted saw fit to ninke the ering in this state of those who be- levy more than \$400,000 less than lieve in the ideals of Jefferson and it should have been, thus saddling Jackson, Bryan and Wilson. It my administration with the bur-

Acting upon my urgent recomary we should meet in this our mendation, the legislature in 1923 metropolitan city, to celebrate in passed an income tax law. The song and story the achievements state tax commission, according of the great founders of the Demo- to law, estimated that this income cratic Party, the political organ- tax measure would provide \$1,ization to which we pledge alleg-, 250,000 annually. To the astonishment of everybody there has The people of this state have been collected under the income highly honored me. I have served tax law passed in 1923 the sum two terms in the State Senate, was of \$2,750,000, and there is pera candidate for the Democratic haps \$150,000 yet to be collected. nomination for United States Sen- Unfortunately, the voters of the ator in 1912, twice the nominee of state yielded to the false propaour party for the governorship and ganda that was spread broadcast was elected in 1922 by a large ma- by the use of unlimited money in jority, a victory made possible by the summer of 1924, an I voted

quet board, as well as thousands of made to redistribute the cost of thers throughout the state. Hav- government. The law collecting ing served as chief executive of \$2,000.600 by direct levy upon in many ways. To grow and exhe state of Oregon for three full property for primary education, years. I come now to report to should be repealed, and in its you of what has been done under place an income tax law enacted, pre to keep pace with our sister the state for assessment purposes. the present administration, which the cutire sum derived from this states. It is as impossible as it donable, to continue to allow large that a plan has been perfected at this obligation. When the present he term for which it was commis- education. This would reduce property tax to provide additional sioned by the people of the state. | materially the school taxes in money for our growth and expan- burden. In the 157 speeches delivered in many localities in the state and sion. In a very short time the the fall and summer of 1922. I would reduce the present state state must have new buildings to commission I have been largely during the following winter. In many miles of road demanding

capita wealth is high. The pres-

in.ount of that profit.

I still believe it to be the vital and eral property tax, is ar just, inade-sufficient funds to carry on their ing on an assessment valuation of prove that the flax industry will highway commission which I apparamount issue before the people quate and antiquated. The sys- work. other important issues, but the the state's progress. The correct the bulwark of our democracy, of \$20,819,931.52. At the meet-At that strong boxes; fortunes are repre-The greatest portion of tangible property is means and of comparatively small incomes. Among these taxpayers the per capita wealth is very low and yet they bear a relatively fairness in assessment. The in- actual selling price of the stocks heavy share of the tax burden. The come tax offers a way to smooth and bonds of the company is ap-

smallest amount of tax is paid by out these inequalities and justly proximately \$61.000,000. the people among whom the per apportion the tax burden. The income tax is no respector of per- | on ent system of taxation descrimin- son or class. It exempts none but condition is true of other utilities ates against the property owner, those under its rigid exemption The Oregonian who buys a bun- rules.

or benefit received from the state. One cannot escape the help support the source from The other likely will, which it is derived. Good year or joining his interests more insep- same amount on his tax list. Pros- economy, with efficurey, be pracarably with the interests of the perity or panic, the storekeeper ticed and that each department state and increasing its value, while the other may be sending pay a fixed tax on his buildings propriated for that department. I elsewhere the wealth produced in and stock. Employed or out of report to you tonight that this work, the home owner watches program was carried out. the tax rate pile up on his bungazen, while the other's only inter- low. The income tax is the great- state treasurer, answered the final est in the state is the money he est leveler in taxation methods, summons, I appointed Jefferson can take out of it. Citizens should It is the true index of the taxpay- Myers. He inaugurated reforms in able to bear taxes. The wheat every one an equal degree of sac- cially in the collection of inherifarmer played a losing game for rifice. ber of citizens to a realization of into the treasury about a million thrued to receive the annual call their responsibilities and duties dollars during the last two years. rom the assessor, often finding it toward their state and country. It accessary to go to the bank and makes them as interested in the forrow money to pay his taxes, affairs of state as the home owner while his city brother, owning no is interested. It's the home owntangible property, paid nothing, er who volunteers to defend his Therein lies the fairness of the home and country. He has someincome tax. He who makes no thing to defend. profit pays nothing. He who does do not contribute to the support ed in the collection of twice as take a profit from his daily busi- of government, they are little con- much money as formerly. That deness pays in proportion to the cerned about how the revenue is spent. | When the 25,000 of Ore-Our pride should demand a gon's well-to-do citizens, now unmodern tax system. Future state taxed, have to pay their share for expansion demands that the tax the privileges they now enjoy. system provide adequate revenue. they will become true citizens, acstate justice demands that the tively interested in the affairs of burden of taxation be fairly dis- government. Income tax returns sary by reason of caring for a tributed upon all the people, and for 1925 show that there was a larger number of inmates. Not-

Standing timber is taxed at less "Danderine" and brush it through tive ease if so distributed that the in proportion to its actual value reduce the tax levy for 1926 to your hair. The effect is startling! present untouched wealth of the than any other kind of property. I do not believe that we should duction from the last year of the ately and it will appear twice as general property tax is fallacious sit idly by and see the magnifi- Oicott administration to the third thick and heavy, an abundance of in theory, faulty in administra- cent forests of Oregon turned into year of my administration of \$2. gleamy, wavy hair, sparkling with tion, and clumstly adjusted to the blackened stumps and the lumber life, incomparably soft, fresh, financial conditions in Oregon. It shipped to foreign ports while the by the state for schools, roads and is discrimnatory and deficient, citizens of Oregon derive practi- other activities. Besides beautifying the hair, a Oregon suffers because of the loss cally no revenue from this won-

I favor the collection of \$1.00 carticularly if the hair is dry, shifted to their shoulders; tax- cut in this state, one-fourth to go brittle, faded or streaked evaders themselves eventually suf- to the state to reduce state taxes, gray from constant curling fer through the handicap which one fourth to go to the irreducible they place upon Oregon's progress school fund, one-fourth to go to the county where the timber is cut A state should weigh carefully in order to reduce county taxes, "Danderine" acts on the hair its tax code. It is an important and one-fourth to be used for the "Danderine" acts on the half factor in the development of its reforestation of cut-over lands sunshine act on vegetation. It prosperity. Just as state bank which are not suitable for agriculand smoking tobacco. Cigars were



GOVERNOR WALTER M. PIERCE

Oregon must grow. We have advanced in industry, in agriculture, in horticulture, in education, take care of her ever increasing commission I have been larger as surance in the sum of \$120,000 is construction and an ever increasneeds. Many of the institutions sessment of public utilities. When now being carried on the flax ing cost of upkeen. At my special for tax reduction and redistribu- Cregon's present system of tax- are over-crowded. Many are lacktion of the burdens of government. stien, based as it is on the gen- ing in equipment. They must have Electric Power Company was pay- cated mathematical calculation to added to the gasoline tax. The

plain that our ever increasing school population demands ever growing and expanding education- its just share. al institutions. The enormous wealth represented in intangible property must help bear the bur-

has to find sufficient money to should live within the amount ap-When citizens upon all property, real and intan- net income in Oregon of \$160, withstanding the severe

it is a well recognized fact that if per cent of the lumber manufac taxes absorb the income from pro- tured in Oregon finds a market perty, the value of that property outside the boundaries of our disappears. "The power to tax state. A tax of this character is the power to destroy." Our tax would be added to the cost of the code can be made a state asset. product, and therefore very little It is now a liability. Under its of the tax would be contributed operation money flows inevitably by the residents of Oregon. This same kind of tax is collected on coal in Pennsylvania and on oil in almost every state in the union.

The assessment laws of this pand in the future new sources of there will be an equitable, honest as it is harvested so late in the bonds and contracts which com- Land under the Jordan Valley income must be provided if we valuation of all property within summer that it cannot be retted | pelled the issuance of further and baluable properties to escape the penitentiary whereby the administration came into office their just and proper share of the straw can be retted in the winter it was compelled to face this

Oregon's educational system, company will pay upon a valuation penitentiary self-sustaining. utilities are especially favored to-

It brings a greater num- tance taxes, which has brought

lish the same rate on insurance companies that are in effect in failed to do so. However, the mepartment now vields more than \$600,000 annually.

175 458 32 in the amount levied

Definite progress has been made in reducing and redistributing the legislature in session a year ago consent to further increase of the which they could, by law, secure sources. Acting on that recommendation, they imposed a tax of

pleted my first term as governor. dollars. This in face of the fact that we ation by over two millions.

has run true to form under mine. In a small enclosure there are and of all state officials. nearly 500 men incarcerated, as a punishment to them and as a passed creating the Industrial Acprotection to society. Three years cident commission, which allows ago today few of the inmates were employers to insure with the state

legislature for penitentiary main- large number of delinquent assesstained for the years 1923 and saving of \$100,000, and approxi- you that practically all of the delstate treasury unused. The first collected. struction of a hydro-electric plant. using the small stream which had for years flowed through the nenhad been used only in a minor way. This plant developes 240 electric horsepower. It furnishes our light and power, a saving to This hydro-electric plant alone is entire \$100,000 entrusted to me three years ago. We had just started in a fair

disastrous fire occurred on Sepentire plant. With prison labor it was at once reconstructed, including extensive machine shops, large sheds and one of the largest We have on hand at the present ime a large amount of flax straw, flax seed, spinning tow, long line fibre and upholstering tow. It has

way in the flax industry when the

in the state treasury one year saving in Oregon? It would save ment have perfected a system of the taxpayers of Oregon. from today when I will have com- the taxpayers many thousands of oiling the macadam which bids

assumed and wiped out a deficit for the manufacture of waste pro- in America today are the oiled from the preceding administration ducts from the flax industry into macadams of Oregon. of nearly half a million, and have paper pulp for making linen pareduced the annual burden of tax- per. The state penitentiary can be The state penitentiary, a trouble quire some time and the unselfish under all previous administrations devotion and cooperation on the part of the state hoard of control

working. Today all able-bodied against accidents to their emmen are working at some useful ployees. For several years, this commission cost the taxpayers Acting upon my suggestion, the \$100,000 annually. When I belegislature appropriated the same came governor I asked the legissum of money, \$420,000, as had lature to withdraw this contribubeen appropriated by the previous tion. At that time there was a tenance, giving me the right to ments due from employers, and use \$100,000 of that sum to es- many employers of labor were retablish industries. I report to you jecting the commission and inand to the electorate of the state suring in private liability companthat the penitentiary was main- ies. I appointed two new commis-1924 for the \$320,000, a clear key of the commission. I report to mately \$1800 was returned to the inquent assessments have been money used from the \$100,000 tion of the commission is better than ever before, and many of the employers who rejected the commission in the past are now acare restored to useful occupations. Last year the commission cared for 30,000 accidents, and the dethe state of \$12,000 annually, pendents in 151 fatal cases. At the present time we are contribworth more to the state than the uting to the support of 250 widows, and more than 1,000 children. The law should be made com-This would insure compensation to those who suffer from the acts

Nine years ago Oregon commenced work on an extremely ambitious highway program, When I under the old plan until the fol- bonds, totaled \$38,700,000. It and dried artificially, so that the enormous debt, together with I became governor the Portland products. It requires no compli- request an additional cent was \$14,479,324.91. For 1926 that be a large factor in making the pointed has met promptly the interest on the bonds and will have

first market road bill in this state. the various Irrigation districts. made self-sustaining. It will re- Under the operation of the law, \$12,000,000 has been expended on obligations upon the general taxthe construction of rural roads. We have at the present time hundreds of miles of good roads in real farmer, but were promoted this state as the result of the operation of this law.

The new boys' training school at Woodburn is now practically completed, and 125 boys will be month, I recommended to the legback to the right paths of living. and they should not be confined with the older criminals at the should also be sent the older incorrigible boys now at the boys' training school. Young men in such an institution, if provided earnest effort has been made to ed. They should also learn some useful trade that will assist them they are discharged.

The irrigation districts organupon irrigation bonds, a total of throughout this state is the est on many of these bonds had been guaranteed by the state. The legally, bound, by reason of commitments made, to finish the Jordan Valley and Tumalo projects which had been organized under the Carey act with partially combeen completed and water is now available to irrigate all irrigable leaders. Woodrow Wilson project will cost the settler about \$34 an acre, including water, the cheapest project in the west.

The state now has outstanding \$2,073,760 in bonds which it issued to pay interest for irrigation

he voted on next November. I be- about 13 cents per pair. Ohio in the same period there has been districts. Most of this will prove lieve these measures will be sus- makes her plates in the state pen- expended for upkeep and better- a total loss to the state. As these tained by the people at the polls, itentiary at a cost of 6 cents per ments more than \$6,000,000. The bonds are a general state obligaand if so there will be no deficit pair. Why not make a similar engineers of the highway depart- tion they must be paid in full by

A carefully organized campaign fair to revolutionize road construc- is being planned at the present Plans are now being perfected tion. Some of the finest highways time with some of our most brilliant men in the background, to compel this state to take up and Seven years ago I wrote the, pay the irrigation bonds issued by

> I am opposed to saddling these payer. Many of these irrigation districts were never desired by the by schemers who were seeking their own personal gain in inducing the farmer to become a part are many hundreds of shonest, moved to the new building this hard-working farmers who have spent many years upon their irislature a year ago that at the rigated farms who now find that present site of the hoys' training their homes are being taken to school there should be construct- meet the obligations of the dised a reformatory, an institution triet. It was a crime unpardonintermediate between the boys' able to force the farmers of this training school and the peniten- state into these irrigation distiary, for the purpose of caring, tricts against their own will and sent to the penitentiary, it will be hard-earned homes, it would be possible to bring many of these still a greater crime to unload upon the general taxpayer, these irrigation protects, many of which have issued three times as much state prison. To this reformatory in bonds as the project would cost under honest construction.

> in the prohibition law. An honest the proper facilities and enforce all laws, including the proper management, should earn Eighteenth Amendment, and certheir own living while incarcerat- tainly there is existing in Oregon today a better condition of law enforcement than three years ago. in securing employment when Worldwide travelers assert that Oregon today is the driest state in the Union. The state prohibiized under state laws have pre- tion department is being handled sented a very difficult problem. honestly, efficiently and fearless-Under the operation of our stat. ly. Oregon is anything but a safe utes giving the state authority to place for the illicit distiller or guarantee interest for five years the bootlegger. Law enforcement various irrigation districts, Inter- Its success is and must be measused by the degree of cooperation between citizen and official. On this 111th anniversary of

Personally, I am a firm believer

who believe in the integrity and character of Andrew Jackson, he who follows so closely in the footsteps of that master builder, pleted plants. Both projects have Thomas Jefferson, are facing perilous situation. land within these two districts. Willam Jennings Bryan, sensed the oncoming conflict between the privilized few and the almost unorganized valient believer in equal rights for all and special priviliges for none. America stands today

(Continued on page 8)

THE PRESBYTERIAN CHURCH

Norman K. Tully, D. D., Pastor

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SCHUBERT PIANO	\$175
ADAM SCHAAF PIANO	\$225
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