

## **Injunction Suit Questions Constitutionality of Tax On Intangibles in Oregon**

tacked in a suit filed in the Ma- benefits. rion county circuit court here Thursday by Scott Redfield & action.

Plaintiffs allege that the intangibles tax law is unconstitutional and void because of being constitutional requirement of uniin conflict with section 32 of Article I of the constitution of the ed, in that individuals whose instate of Oregon which requires come from such interest and divithat all taxation shall be uniform dends amounts annually to more upon the same class of subjects within the territorial limitations dinner the business meeting was of the authority levying the tax. It also was pointed out in the complaint that Section I of Artary, in their places. Representa- ticle IX of the state constitution requires the legislative assembly munity clubs and granges were to provide by law uniform rules

of assessment and taxation. "The intangibles tax is imposed

Alf O. Nelson of the Boy Scout upon natural persons and fidumovement committee, began the clarie sonly, with respect to their evening's committee reports. Mr. gross income by way of interest Goetz also reported for this com- or dividends, and not upon cormittee saying there were two porations," read the complaint, troops functioning and that a "and therefore, whether based third would likely be organized upon a classification of persons before summer. He also report- or of property, the act constitutes ed that the Silverton Teachers' an arbitrary and unreasonable association had subscribed \$30 classification.

toward Silverton's quota of \$300 "The tax, being measured by for the scout work. The subscripgross income without regard to tion was brought up to \$181 at whether the taxpayer in fact realthe Wednesday night meeting of ized any net income or even sustained a loss for the taxable per-iod, is not a tax upon income as the chamber of commerce.

Mr. Goetz at the same time reported that the committee in such but upon gross receipts and for that reason affords no unicharge of the investigation was opposed to holding a chautauqua form rule of assessment and taxat Silverton this year.

The question of butter substitute was first brought into the evening's discussion by A. W. Simmons, reporting for the dairy committee. Mr. Simmons said this committee urged "the curtailment of butter substitutes," adding that "an actual canvass of our own city showed that a majority of Silverton farmers sell their dairy product and buy eleomargerine in its place. We must educate the farmer to use his own

Mr. Ames then called upon the agricultural club representatives present. Lawson Hadley spoke taxpayers. for the Silverton Hills community, and expressed its desire to see a cooperative creamery organized at Silverton. Oscar Johnson next spoke for the Evans Valley group, expressing appreciation for the spirit of cooperation shown by the local business men. Mr. Johnson suggested that the merchants should stop selling butter substitute, or at least stop advertising specials on it. Alvin Krug of Brush Creek, backed up Mr. Johnson's suggestions.

The constitutionality of the in- ty or other sub-division or any tangibles tax law enacted by the state or other territory, and other 1929 legislative assembly was at- thantaxes assessed against local

"No such credit is allowed natural persons domiciled in Ore-Wood, Roy A. Johnson, A. D. gon with respect to taxes or li-Wakeman and Hugh B. McGuire. censes of any sort, paid by such Members of the state tax com- natural persons with respect to mission, Governor Norblad and or an account of business done Attorney General Van Winkle or intangible property owned and were named as defendants in the kept in another state during the taxable year.

"Even as between natural persons domiciled in Oregon the formity within the class is violatthan \$200 are taxed on the basis of their gross receipts therefrom, while all other natural persons with respect to their income from all other sources are to be taxed, if at all, with respect to their net income only as defined in Chapter 448, Oregon laws of 1929.

"Said act is unconstitutional and void because it is in conflict with Section 1 of the 14th amendment to the constitution of the United States, in that it is unequal in its classification and effect." Attorneys for the plaintiffs request an injuction pending such time as the proceeding may be argued on its merits.



The names of approximately 40 ation even within the class of nat- prominent Oregon business men ural persons receiving income have been submitted to Goverfrom intangibles. The basis of nor Norblad, in connection with classification has no relation to the appointment of a so-called the taxpayer's ability to pay and Oregon economic advisory board. the tax is therefore not uniform which was authorized at a conupon the same class of subjects. ference of industrial leaders held "The tax imposed by the act is in Portland three weeks ago.

not in lieu of the ad valorem tax Governor Norblad announced upon intangible personal proper- that the committee would be apty, despite the provision of Chap- pointed later in the week. The ter 317, Oregon laws of 1927, and board will include 20 members. therefore is an unequal and bur-The purpose of the board is to densome tax, indeed double taxaconduct a survey of the economtion, with respect to their intan- ic conditions of the state with a gible property upon persons doview of stimulating building actmiciled in Oregon as distinguish- ivity and providing employment ed from corporations and other during all times of the year. Special attention will be given to

"As between natural persons or public improvements and utility fudiciaries subject to the intan- expansion which can be undertakgibles tax act and corporations en during the dull seasons of the subject to the excise tax law, the year.

subject to the excise tax law, the tax upon intangibles is measured by the gross income without off-by the gross income without off-Hoover's suggestion for a speed-

ing up of building and industrial

activity. Governor Norblad indi-

cated that the board would be

representative of the entire state.

Is Not Costly

If one is dissatisfied with the

high cost of auto licenses the rem-

edy is the purchase of an airplane.

Only ten dollars will provide a

license for an entire year, accord-

ing to Hal E. Hoss, secretary of

And cooperation not only in the

ense itself has been extended by

the airplane license tags are of

Secretary Hoss has tag No. 75

Running at Its

Full Capacity

Says Hal Hoss

of ample quantities of water at reasonable rates; it must be Kaiser and Daniel Matheny. same time a sallor named Cook able to assure householders of ample quantities of pure water at reasonable rates. There is such a thing as competition among cities as well as among businesses; and the city which does not control its water system is at a disadvantage compared with other cities that do. Our canneries for instance, ing matters up to the time of his large users of water, must compete with canneries in Port- death, on his land in the Looney land, Yakima and Eugene where the cities have taken de- neighborhood in the southern end cisive steps to solve their water problems.

So far as finance is concerned the problem is simple. member of the house of repre-Through our water rates we are paying the interest on the sentatives from Champoeg (afterbonds of the private company and dividends on the stock. wards Marion) county in the leg-The same rates would pay the interest on the city's bonds to ment in 1846; an important sesacquire the plant. We are paying for the plant now, but the sion in the affairs of the strugaddition of values that comes through the increase of popu- gling colony. lation accrues to the company, not to the public. That is precisely why the private owners wish to retain control. It is not for present but prospective profits. This is entirely legitimate so far as the company is concerned but stupid busi- ideas of human freedom and deness so far as Salem is concerned. The history of municipal cided to leave the land of his water plants shows that they are uniformly successful. A birth and its archaic traditions city never turns its water plant over to a private company, and seek a home where he could but stendily aiting and the influences but steadily cities are taking over the privately owned water to his liking. He brought his wife plants.

So far as mountain water is concerned-forget it for an indefinite time. Years hence the city may want to go to the mountains for water. But the first step is to take over the plant we now have and when we get it paid for and when the city has grown considerably then it may be time to talk wagons loaded with supplies; one mountain water. For the present the Willamette water under of the wagons built like a boat, proper filtration is entirely safe. We repeat, forget mountain their goods over the streams water for a number of years. The first task is to acquire the where their exen had to swim. plant. Then the city has command of the situation and can So well supplied were they that go to the mountains when it gets ready.

There is no need for delay. It will be November before enough to spare for their more a vote can be taken any way. The company will proceed with needy neighbors. Mrs. Looney was its filter and the city will simply have to reimburse them for heard to remark often in after the outlay. But the filter plant is essential under either form years that she was so well proof ownership. The city should confer with the public service she had an easy time crossing the commission to see that its rights are protected in the matter plains. That was an unusual boast of filter costs and capitalization for the improvement.

The council committee has the responsibility of drafting the necessary ordinance for submission to the people. Much will depend on the phraseology of the propositions submitted. If the council is disposed to play horse with the proposition they can kill it; but if they do the public will hold where Walla Walla now stands, it responsible. If Mayor Livesley, whose administration has having arrived late in the fall, been marked by many constructive enterprises, wishes to he spring, taking their do- in protanity that seemed the hancomplete that program of forward-looking, constructive nation claim about 12 miles south diest word to say. The author building for Salem, he should take the lead in accomplishing of where Salem is now. The over- does not know, but hopes the conmunicipal ownership of our water system.

## A Hoover Breakfast

"A 'Hoover breakfast,' according to Representative Hawley, consists of grapefruit, omelet and batter cakes, followed by cigars."

Such is the news report of the breakfast given by President Hoover on his return from Florida to a group of representatives and senators who are supposed to have something to do with legislation on the tariff. Representative There were Indian scares in the Hawley, who is chairman of the ways and means commit- |early days, and one time the natee of the house, was among those present. While it is cus- tives ran off some of the Looney tom not to reveal what was discussed at the breakfast, the representative from Oregon was willing to reveal the menu of the breakfast. Perhaps that was what he was most interested in.

Senator Watson, famous old stalwart, later admitted on the floor of the senate that the high tariff house bill "no longer exists" as in truth it does not. The senate coalition has to do. torn the bill to shreds, but the bill was widely condemned before the senate got hold of it. The Hawley measure marked the high tide of protective tariff rates. The schedules could not be justified in the light of the changed conditions of our economic position, and if they had been enacted bit-ter political reprisals might have followed on the party.

It is refreshing to know that in spite of the stress and strain of tariff making and occupancy of the most import-ant chairmanship in the house, the congressman from this district was able to enjoy the Hoover grape-fruit and hot-

- **-**• Upon his arrival in the Oregon gambler, in a dispute about a game of ten-pins. Keene was also country Mr. Looney became intertried before Judge Strong, conested in community afafirs and victed of manslaughter and sentenced to six years in the penitentiary. As the jury had decided that he ought not to be hung and he could not be confined in an of Marion county, March 25, 1869, at the age of \$8 years. He was a

ance to the state and the Pacific slope. We want to locate here many new industries and enlarge those already here. the United States. He was one of the United States. He was one of

We want to build hundreds of new homes in the next decade. For the security of the city we now have and for the speed-ing of the city that will be, Salem should own and control and operate its water system. It must be able to assure industries of ample quantities of water at reasonable rates; it must he

imaginary penitentiary, he was pardoned by the governor." 5 5 S

Kendair was arrested at the ooney home, where he had sought shelter.

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Mrs. Looney was Ruby Bond before her marriage. Her grand-Jesse Looney had inherited father. John Crain, fought in the broad acres and numerous slaves. Revolution. He was a direct debut early in life he espoused the scendant of George Walton, one health. This of the signers of the Declaration of Independence, and also of the articles of federation on behalf of Georgia. He became the first governor of Georgia.

**~ ~** Mrs. Looney used to tell of the

first wedding ceremony she at-

"The Waldos were of their party

families were always good friends.

the peace and a man given to

with profanity. One day, when

home and busy in the kitchen

with Mrs. Waldo, a couple rode

Waldo to tie the marriage knot.

He ushered them into his living

room and began the ceremony. He

tried to think of some fitting re-

marks to make, but being a plain

man he was just saying 'I pro-

nounce you man and wife' when

· •

Mrs. Looney was blessed with

. . .

nor Gaines of Oregon. Jesse W.

Benjamin F., who married, first,

Martha Terhune; second, Jose-

up on horseback and asked Mr.

Mrs.

ent.

Looney was at the Waldo

in crossing the plains and the two

Daniel Waldo was the justice of

and six children on his long westward journey across the trackless plains, roadless mountains and tended after arriving in Marion bridgeless streams. county, according to the book of **% %** Mrs. Steeves. This is her record:

They prepared well, with three much strong talk, interspersed they had provisions left upon the

arrival in the Oregon country; vided with supplies and help that for those days when many suf-

fered much on the trip, and so many lost their lives.

the door opened and in came the • • wimmen folk' and he ended the The Looneys spent the winter 'ritual' by saying, 'By G-.' The at the Whitman mission near appearance of the women just at this time sort of flustered Mr. Waldo and since he was proficient and came to the Willamette valland stage station was on this ple 'lived happy ever afterward."

land, called Looney's Station and the Looney family provided the buildings and feed for the station up to the time when the railroad was built.

The first Looney dwelling was, f course, of logs. It stood where

the home of N. H. ("Nod") Looney now is, on the Pacific highway. the pioneer days were: Marion and Fauntleroy, two sons who died soon after arriving in Oregon. Susan, who married Fred horses, giving rise to the skirm-Steiwer; John B., who married, ish at Battle creek, where one of first, Jane Cox; second, Frances the Indians was killed, supposed-Mallory. Mary Ellen, who marly by David Daley, who had to be ried Abner Gaines, son of Govercept in hiding at the Looney home

for a time thereafter, to prevent who married Mary H. Gunsaulus. the enraged tribesmen from killing him, which they threatened

phine Deardorff. Pauline, unmar-Mr. Looney helped to build ried. William, died in young manchurches and schools and assisted first, Katie Thompson; second materially in establishing the Jefferson Institute at the then village of Jefferson a few miles ried Hattie Clarke, daughter of north of his farm. He developed Samuel Clarke. Frances, who mar-

was shot by William Keene, a Thousands of Children Are Still Being Exploited and Rebbed of Their Birthright, Says Authority

> By R. S. COPELAND, M. D. U. S. Senator from New York. Former Commissioner of Health New York City.

Right to

Heal

VERY child has the right te good health, education and happiness. More and more we are coming to recognize this. In the past twenty-five years

much has been done to promote child welfare and might be called "the children's age." Never were so many forces at work for the better-ment of the child. Unprecedented forts are made to study his intricate

tems, to better BR. COPELAND his environment, to improve his education and physical health.

Public health officials, together with various welfare institutions, have labored for better living conditions for the child. Public-spirited citizens have given unstintedly of time and money in his behalf. And yet we have child labor with us.

In America today 2,000,000 children are gainfully employed. Strange to say, there are just that many adults, too, who are out of employment. In short, so many children work that adults are on the street. The American public must awaken to a realization that thousands, no millions, of little children, and children of adolescent age, are being exploited for money, and society new and hereafter

must suffer in consequence. Now, we know-all the medi-cal men will tell you-that child labor brings with it a vast deal of misery, poor health, and death. In the last analysis it is unstanomic. The National Child Labor Com-

mittee recently made a report of some of the health hasards among children in industry things which great native wit and a remarkable memory and at 91, when her make us pause and think. I quete birthday was celebrated, she was from this report: declared the youngest one pres-"In a study of the causes of death among children, we find that if we compare the mortality be-tween those from 10 to 15 years The children of the Loonevs of with those of from 15 to 20 years,

there is a sudden jump of tubercu-losis from fourth place to first. This is particularly frue in the case of girls, in which, in the age period of 15 to 20, tuberculasis accounts for nearly one-third of the deaths. "But our figures reveal still more. In the age period between 10 and 15 years, discass of the heart and the circulatory system head the causes of death and even in the next five-year period, from 15 to 20, they rank second only to

tuberculosis. These figures reflect the infections in early life, and hood. David H., who married they indicate the great importance of supervising the health of chil-dren and adolescents leaving school Lona George, Norris H., who marto enter gainful employment." Doctors all agree that a child

needs a certain amount of out-of-doors recreation and rest every day. At least five hours are do-voted to east five hours are do-man then gave the clerk a \$5

Frank Bowers represented the Waldo Hills community club and expressed his opinion of butter substitute with the remark that "I wouldn't grease my wagon with it." Anton Dahl of Bethany was then called upon, but said that he would confine his remarks "to check and double check" what had already been said. Mr. Dahl did urge the expansion of the canning industry. Mr. Ames at this time appointad the following visitation committees: Bethany, Dr. A. J. Mc-Cannell, M. C. Storruste; Brush Creek, H. B. Latham, T. Lukens; Silverton Hills, Elmer Olsen, E. Banks; Evans Valley, Martin Peel, E. R. Adams; Waldo Hills, James Campbell, E. R. Ekman. Mr. Goets for the publicity committee made a motion that the chamber of commerce appoint a special committee to issue cards to worthwhile solicitors, and further recommend merchants not to respond to solicitors

without these cards. Oscar Loe reporting on the nut industry remarked that this was n a very thrifty condition about Silverton, but that there was room for further development along this line because of the ercellent soil and climatic conditions for nut culture here.

M. C. Storruste of the small fruit and vegetable committee urged the increase of strawberry acreage at Silverton, and also encouraged that of Iganberries because he was of the opinion that the latter gives promise of a very good market. Mr. Storruste recommended a bigger and more up to date cannery to care for the fruit that "passes through Silverton to other markets."

gon.

required to pay annually to the Frank Riches of the livestock state for the privilege of exerciscommittee suggested that much ing its corporate franchise, a tax according to, or measured by its of the logged off land above Silverton would be very suitable for net income, at the rate of four beef cattle. He was of the opinper cent per annum. ion that his locality was very good for the breeding and feeding of livestock. Mr. Riches called attention to the many fine flocks of beef cattle and sheep in the Silverton farming community. He also urged that the meat purchasers be educated to know the difference between baby beef and other beef, and that the buying public ask for baby beef and thus /encourage the ivestock industry.

Following the report of the committees the meeting was thrown open to general discussion. The Rev. J. Scherbring, who was present, spoke briefly, ling vegetables. expressing himself in favor of a cooperative creamery. Rev. Mr. spring opening and a dollar day

A Problem

For You For Today

A PROBLEM A DAY

A man bought a 5c cigar and handed the cherk a \$1 bill. The

without deductions for expenses, other taxes, losses, interest or other carrying charges borne by such natural person or fiduciary. whereas the income from identically the same intangibles, it Plane License owned by a corporation, when used as a basis for imposing an

excise tax upon a corporation, is reduced by allowing an offset up to 90 per centum of the total excise tax on account of personal property taxes paid to the state, as well as by deductions for in-

terest, other taxes, losses and ordinary and usual business expenses. "Such intangibles tax law is state.

therefore discriminatory 88 against natural persons and fiduprice but in the making of the liclaries. "Said act is not uniform eiththe state! Witness the fact that

er in terms or in operation upon the same class of subjects within aluminum and so painted that they the territorial limitations of the harmonize with the majority of authority levying the tax, in that airplane finishes. in the case of individuals domiciled in the state of Oregon and en- in his office and expects it to gaged in the business of buying, issued soon. selling and dealing in and with notes, bonds and shares of the capital stock of private corpor- Paper Mill Is

ations, they are taxable with respect to the aggregate gross income received by way of interest or dividends thereon, while individuals engaged in the identical business within the state of Oregon, but not domiciled there-

doing business within the state, is

were in the offing at Silverton

C. Schlador suggested the consid-

ering of placing new welcome

signs at the city limits of Silver-

ton. The president appointed Ros-

coe Jenkins and Cal Schlador in

charge of the entertainment for

the March meeting.

Despite a rather low market price and demand that is interin, are not subject to the provimittent at the present season of sions or said statute nor are they the year, production is going on in fact otherwise taxed with re- at full capacity at the Salem paspect to such intangible property, per mill, according to K. W. Hein-

even though such intangible lein, manager, property, even though such in-Three full shifts are working tangible property be used and daily, employing approximately boosted within the state of Ore- 375 men. With nearly 25 people employed in the office of the "Under Section 4 of the bank plant, the total number of emand corporation franchise tax act ployed locally is virtually 400.

of the state of California, every says Heinlein. financial, mercantile, manufacturing and business corporation

## Extradition of Forger Ordered

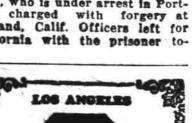
Governor Norblad Thursday authorized the extradition of Worthington LaBelle, alias H. La-Belle, who is under arrest in Portland, charged with forgery at Oakland, Calif. Officers left for

LOS ANGELES able for the production of pick-Mr. Ames reported that a

st, financial institution

All Outside Reserve

"By sub-paragraph (c) of Sec tion 8 of the California statute, any corporation subject to the tax California with the prisoner tois allowed, in computing its net day. income, to deduct taxes or licenses paid or accrued during the taxable year, other than taxes paid the state of California under the act and other than taxes on income or profits paid or accrued within the taxable year, imposed by the authority of any foreign country, any state territory, coun-Scherbring also asked if the soil around Silverton were not suit-







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