## CheOregoull

No Favor Sways U8; No Fear Shall A THE STATESMAN PUBLISHING CO
 Managing Editor

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 overwhelming that we suspect some of the politici
seheming on trading the state back to the Indians. This malaria of surrender is deadly. Senators and rep-
reseming on tratives slink about as though expecting commitment to
a hospital. Even those who came with some hope and faith a hospital. Even those who came with some hope and fait
seem to have caught the contagion.
Hearings become wailing walls for representatives Hearings become wailing wails por representatives of
group interests. Each group seeks to outdo the other in
moanings as to its own bankruptcy. Legislating develops into
a race for shifting burdens of government to some other class or group. "land of the empire builders" thus appears
Oregon,
be inhabited by pygmies. Where is the heroism with whic be inhabited by pygmies. Where is the heroism with whic
this state presumably was founded? Our wagon train is
the deseit of difficulty, and the well-nigh unanimous cry
just to sink down and perish in the sands The blood of the faunders has been diluted to an anemic fluid that pales the
faces of those presumed to be leaders.
This same spirit of defeatism is observable in the glo
ification of mediocrity. The ways and means committee ac iication of madiocrity. The .
like a bunch of levelers. If any person is rising about th
crowd, presto, knock his head off; put him down to the le
el of the average. If any leaders have come to Oregon or ari
en in Oregon who for compensation deserve and have bee en in Oregon who for compensation deserve and have been
getting something more than a subsistence income, quick, be-
head them. Reduce executives to the grade of clerks; put dis-
tinguished jurists on whom the security of life and property
depend to the income level of nimble bail-brokers and police court lawyers.
Legislators go about their task as though government
was a nuisance and taxation a crime. We heard one lobbyist say that working people did not object to a sales tax on
gasoline because they could see that the gas tax was expendand everybody else see that schools are for their children,
fire and police departments for their protection, and courts
for the defense of their civil rights? And how can these unctions be maintained without taxation? And how should The Statesman denounces the atmosphere of defeatism
that has gripped the legislature and is fast spreading out
over the state. We deny that Oregon is licked We refus to let the Oregon legislature run up the white flag and adver-
tise to the world that we are going to welch on our debts going to
ime undoubtedly for faith and action not for surtment and strategic retreat b age to the

Representative McALEAR of Washingten county R spoke out at a hearing Monday night in which he plead mittee on assessment and taxation had been hearing from
nany quarters over what it should NOT do; but no help was vouchsafed over how its troubles could be solved. We do not
know what response Rep. McAlear will get, but his appeal is timely; and the assembly of lobbyists ought to go into
huddle to make some constructive suggestions instead of do ing target practice all the while so they can shoot full of At the risk of getting many wil
way we will venture some definite proposals for the consid eratio
1st. Let the state levy of three-mill property tax made
in December, 1932 stand for this year. What is the root of our financial trouble? Simply this, shortage which is gaving the state treastrer the willies. The
remedy then is simple, legal and practical, apply the propremedy then is simple, legal and practical, apply the prop-
erty levy just as the state tax commission has done.
Objections are how will this tax be paid? Two factors are ignored, first that the dolinquencies will be made up; and this year will undoubtedly see a large payment on the back taxes. In other
words the delinquency will not be cumulative: the collections on back taxes will about offset the new delinquency on cur-
rent taxes. And as soon as there is any revival in prices the tax revenues will roll in fast. The second factor is that al
subordinate taxing units have drastically reduced their bud gets this year, so that the addition of the three mill tax wil not be burdensome. property tax in toto; and this for two reasons, first, it reach otherwise would pay very little to the support of our state
government. Why should ings, the railroads and power companies escape paying a
tax to the state? These corporations pay slight because of the offset feature. Another reason for retaining taxes you invite extrava paincul tax. When you get painless taxpayer can figure out on his tax receipt just where the
money goes he will squawk when the tax becomes den on real property, and so supporited the reducing the bur
ble, and excise levies. But a reasonable general property levy for state purposintinu erwise the lesser taxing units will merely take up the slack
and these other indirect taxes will have to be increased so the This yinally it is is advisable to continue the property levy constitationality and positive impracticality. No law coul

Yesterdays


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Daily Health Talks

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paying date for the first half of 1932 taxes. Postponing the
tax date two months would derange that gram of the counties and cittes and school districtal The simplest, safest, and fairest way is to let the three
mill property levy stand for this year. There should be
law meet the levy wherever such vaindate a transfer of funds to ty proposes to pay its state tax out of an accumulated road
fund. Other counties might divert part of their motor license fund. Other counties might divert part of their motor license
receipts for this purpose unless it is needed for bond pur-
2nd. Avoid NEW taxes. Our trouble is a case of acute
colic, not a chronie disease. Why then revamp our revenve structure to meet a sudden emergency? The cause of the im
medist mear ago. This is cured by the lovy made a prop this year.
Sales taxes whether general or selective balance. In good times they pile up exeessive revenues, and
being "painless" it is difficult to hold being "painless" it is difficult to hold down government ex
pense. From a practical standpoint the legislature should et depend on any form of sales tax to provide this year's revenues because such a tax is sure to be referred to the people with considerable probability of defeat at the polls.
3 rd. For a longer term program, it would be advisable to try to hold the state property tax to one or two mills
and to make reasonable increases in indirect taxes. An in come tax such as was submittod at the last election save with
out the type of tax credit therein provided wonld out the type of tax credit therein provided would provide
more revenue. Consideration should be given to the elimint tion of taxing of capital gains and de allowing deduection for
capital losses. This would stabilize the revenues greatly While the inheritance tax might be increased, too sharp an increase would induce people to do their dying elsewhere
Additional revenues may be obtained from domestic insurance companies, as is proposed.
4th. Arrange to divert balan
side of highway commission, accident commission, higher ducation) to the general fund, making these contribute to ine support of general government. Divert a portion of the to the general fund in lieu of losses due to abandonment of
branch line railroads. give some objiective study to to out of its blind staggers and the solution is not as difficult as it has imagined. There Is We submit this outline as at least-one contribution towards We summit halancing of the state budget.
the sensible balane

