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RECOMMENDATIONS BY THE GOVERNOR

Governor Chamberlain's message to the legislature is one of the most voluminous documents ever prepared by an Oregon governor, and consists of about 40,000 words.

Every subject of interest to the state is discussed in full. Following are some of the chief subjects which receive attention from the executive:

Taxation of Corporations.
Taxation for state purposes ought to be divorced as far as possible from that for county and municipal purposes. To that end, in many states, methods have been successfully resorted to for relieving real as well as personal property from taxation to meet the expenses of the administration of the affairs of the state.

At the last regular session of the legislature, progress was made in the right direction by the passage of the inheritance tax law and the corporation license law. There may be inequalities in these that will need adjustment, but the general purposes of both are most excellent.

During the 16 months the inheritance tax law has been in force, \$5,626.93 has been paid into the state treasury thereunder, while under the latter law \$191,615.87 has been collected. These amounts are likely to increase each year as the state grows in population.

In addition to the amounts thus realized, insurance companies during the year 1903 paid \$7,363.21 license fees and \$28,036.19 taxes on net premiums collected, and for 1904 \$7,310.51 license fees. The tax for the latter year will not be due until March 1st next.

Of the license fees collected 40 per cent is paid to the secretary of state as fees under section 3724 Bellinger and Cotton's code, while only 60 per cent thereof is paid into the treasury.

THE TAXES REALIZED FROM THESE THREE SOURCES SHOW WHAT IS POSSIBLE TO BE DONE FOR PURPOSES OF STATE OTHER THAN BY LEVYING A TAX UPON THE ASSESSED VALUATION OF THE PROPERTY OF THE STATE. BUT A STEP FURTHER SHOULD BE TAKEN TO REACH A CLASS OF PROPERTY THAT PRACTICALLY ESCAPES TAXATION. I REFER TO THE TAXATION OF THE FRANCHISES OF EXPRESS, TELEPHONE, TELEGRAPH, PULLMAN CAR, AND OTHER SIMILAR PUBLIC SERVICE COMPANIES.

Different methods of taxation for these corporations have been resorted to in the several states, but from an examination of a number of statutes, it is impossible to deduce any general principle for adoption.

The secretary of state, who has given the subject much thought, suggests in his biennial report that a tax upon the gross earnings of these corporations might be the simplest form of taxation. I heartily join with him

in the recommendation that an act be passed at this session to compel these companies, owning valuable privileges and operating at a large profit, to pay a fair proportion of the expenses of government. A tax upon the gross earnings, as in the case of insurance companies, would, as suggested by the secretary of state, in all probability be the simplest and best method of taxation.

Public Schools.
The public schools are in most excellent condition, and their standard should be maintained at all hazards. To them the great majority of our people must look for the education of their children, and statistics show that far the largest number of the school population of the state attend these schools. Taxes for their support are ungrudgingly paid by our citizens of all classes and creeds, and every effort should be made to maintain them throughout the whole school year. In many of the rural districts, especially in those which are thinly settled, schools cannot be maintained for more than three months in the year, and greater efforts should be made to lengthen these terms.

Advocates Less Books.
A HEAVY TAX IS IMPOSED ON THE PATRONS OF THE SCHOOL BY THE LARGE NUMBER OF BOOKS USED, AND SOME OF THOSE OUGHT TO BE ELIMINATED. IT WERE BETTER THAT A FEW BOOKS ON A LESS NUMBER OF SUBJECTS BE MASTERED BY THE PUPILS, THAN THAT THEY HAVE CONFUSED IDEAS UPON A VARIETY OF SUBJECTS FROM A GREAT VARIETY OF BOOKS.

I THINK IT SAFE TO SAY THAT THOSE WHO GRADUATE FROM THE HIGHEST GRADES OF THE PUBLIC SCHOOLS AT THIS TIME ARE NOT AS THOROUGH IN FIRST PRINCIPLES AS WERE THOSE WHO GRADUATED FROM THESE SAME SCHOOLS WHEN THERE WERE FEWER AND A MORE THOROUGH TRAINING IN THOSE BOOKS WHICH WERE USED.

Normal Schools.
In my first message to the legislature I recommended the abolishment of at least two of the normal schools of the state. Instead of heeding this recommendation a bill was passed but vetoed by me creating an additional one. If those already established are to remain as fixed and permanent institutions, it is the duty of the state to improve the service which these schools now render to the people by confining appropriations for their support to their legitimate work of training teachers. There is increasing demand for thoroughly trained teachers.

The work of normal schools could be made far more effective for this

purpose by eliminating all preparatory work, and concentrating the labors of their faculties upon a purely professional course of study. There is no economy in taking the time of a state normal school faculty for teaching pupils in grades that are already provided for in the common schools.

An important educational reform could be accomplished by the adoption of a uniform course of study for all the normal schools of the state, so that persons fitting themselves for teaching could receive the same credit and recognition for work done in any one of them and have better standing at home or abroad.

By placing all the normal schools under a single board of regents with a uniform course of study for all, and basing appropriations upon a number of qualified students satisfactorily completing a full year's work in the prescribed course, the state would obviate the manifest injustice and inequalities in the present system.

Portage Railway and Canal.
An act was passed at the last session appointing a board of portage commissioners, consisting of the governor, secretary of state and state treasurer, and appropriating \$165,000, or so much thereof as might be necessary for acquiring the rights of way, building and equipping a portage railway between the highest and lowest points of the navigable waters of the Columbia river between The Dalles and Celilo in Oregon. The act in question expressly provided that "no expenditure should be incurred thereunder in excess of the sum appropriated."

Immediately upon the taking effect of the act, the board employed A. E. Hammond as its engineer, with instructions to survey a route for a portage road between the points named, prepare plans, maps and specifications, and as expeditiously as possible to report to the board, with estimates as to cost of construction, keeping in view the above limitation as to expense to be incurred.

Maps of definite location were presented by the engineer September 23, 1903. In the meantime the board, in conjunction with the attorney general kept up its negotiations for rights of way, and practically arranged terms with all the owners except I. H. Taffe and the O. R. & N. Co. Between these and the board no agreement seemed possible along the line mapped out by the engineer.

The matter of procuring these rights of way was finally placed in the hands of the attorney general, and actions to condemn commenced by him against both the O. R. & N. Co. and Taffe.

Estimates of cost of construction, exclusive of cost of rights of way, were filed by the engineer November 5, 1903, showing conclusively that a large expense in excess of the appropriation would have to be incurred in order to carry out the terms of the act.

When matters had progressed

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- large-sized fleeced bed blankets in whites, tans and greys; our regular price is \$1.25 and for the two days only, at 85c pair
- bedroom comforts; our regular price is \$1.75, for the two days only, at \$1.35 each

- 10 pieces of metallic velvets for ladies' waists and dresses; our regular price is \$1.00; go for the two days only, at 50c yard
- One case of hemmed bedspreads; our regular price is \$1.00 each; for the two days only at 70c each
- 14 dozen hemmed Huck towels; our regular price is 15c each, for the two days only, at 10c each
- 6 dozen fancy pillow tops and stamped centerpieces; our regular prices were 35c and 50c each; for the two days only, at 20c each
- 6 dozen fringed lunch cloths, slightly soiled, our regular price is \$1.00 each; for the two days only, at 45c each
- 10 pieces of mercerized black sateen; our regular price is 25c; for the two days only, at 17-1-2c yd

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