

VETO MESSAGE.

Of His Excellency, Governor Penneyer, of Senate Bill No. 17.

To the Honorable the Senate of the State Oregon.

I herewith return Senate Bill No. 17, with my dissent.

This is a bill amendatory of an Act approved November 25, 1885, which Act provided for the issuance by the water commissioners of the city of Portland of a certain amount of bonds for the purpose of providing water works for the city, and which Act further provided that "all bonds issued and disposed of under this Act shall be exempt from taxation either by the State or any county or municipal corporation therein."

Section 1, article 9, of the constitution of the State of Oregon provides as follows: "The legislative assembly shall provide by law for uniform and equal rate of assessment and taxation; and shall prescribe such regulations as shall secure a just valuation for taxation of all property, both real and personal, excepting such only for religious, educational, literary, scientific, religious and charitable purposes as may be specially exempted by law."

Under the provision of this section of our State constitution the legislative assembly can exempt municipal property from taxation, but there is no provision by which it can both exempt such property and the money or bonds with which it has been purchased.

That instrument provides for the exemption of municipal property from being taxed, but it does not anywhere provide that twice the amount of that property shall be exempted.

These bonds after they have been paid out by the committee for the purchase of municipal property will pass, of course, into private hands, and become private property; and the legislature of Oregon, under our State constitution, can no more exempt these certain bonds, which may be owned by bankers in the city of Portland, from taxation, than it can exempt certain farms that are owned by farmers in Polk county from taxation.

They are private property and no more than can any other private property. The section of the constitution before referred to provides "for uniform and equal rates of assessment and taxation." How can there be an equal rate of taxation when one person has \$10,000 in water bonds that pay no tax and his neighbor \$10,000 in real estate that is subject to full taxation, State, county, and municipal?

The fact these bonds, after they have passed into the hands of private parties, are in no sense of the word municipal property, but that they are private property, is so plain and self-evident as to need no argument whatever. And the further fact that, being private property, they cannot be exempt from taxation is as equally clear and conclusive.

The constitution of Oregon as above quoted enjoins upon the legislative assembly that "it shall prescribe such regulation as shall secure a just valuation for taxation of all property, both real and personal, excepting such only for municipal, educational, literary, scientific, religious and charitable purposes as may be specially exempted by law," and yet it is now proposed by the legislative assembly in this bill, in defiance of the above provision, that no valuation for taxation of a certain species of personal property shall be made, but that such property shall be exempt when it has passed into private hands and becomes private property to all intents and purposes.

The legislature could, as well provide that \$1,500,000 silver dollars, paid out by the water committee for municipal property, and which have passed into private hands, should be exempt from taxation, as it could provide that that amount of bonds so paid out after having become private property, could be exempt from taxation. One proposition is as reasonable as the other, and both are unconstitutional.

Some years ago the city of Portland was the possessor of a certain building and lot on Morrison street, which was used by the fire department. Subsequently the lot was sold at public outcry by the city and was purchased by a private citizen and became private property. While it was the property of the city it was exempted by law from taxation because it was municipal property and used for municipal purposes. Did this right of exemption from taxation adhere to that lot after it had ceased for municipal purposes, and had become private property? No one will assert it. And in the case of these water bonds, can this right of exemption from taxation adhere to them after they have ceased to be municipal property and have become private property, any more than it could in the case of the real property above mentioned? No one can assert it.

still further aggravate that crying abuse by creating, in defiance of the fundamental law of the land, by positive statutory enactment, a species of property, which in private ownership will be granted the undue privilege over any other species of property of total exemption from taxation? Shall the cry of the people of this State for justice in this regard be answered by the infliction of a still greater injustice?

No private property under our State constitution can be exempted from taxation, and this bill, which proposes such exemption, is plainly unconstitutional. I veto the bill.

SYLVESTER PENNEYER, Governor.

ACTIVE CAMPAIGN.

The Chairman of the State Central Committee Corrects the Oregonian.

PROPOSES TO CARRY THE WAR TO SUCCESS.

Facts for the Public to Consider.

The following letter appeared in the Oregonian last Tuesday which explains itself:

The Oregonian of to-day contains a short editorial devoted to the democracy of this state. The article is composed of only sixteen lines, and as every line is a statement of fact, I feel it my duty to reply to it. Some of the tremendous and gorgeous words used in the article frightened me when I first read them, but upon consulting Webster, I find they only sound big, but that there is really nothing in them. In the article you say: "In Oregon this year there is no democratic campaign. Everything else has been abandoned, and Penneyerism is the sole stock in trade." Allow me to inform you, the democratic campaign in Oregon is now in progress; that it will be actively and vigorously conducted and that it will be conducted differently from the mode and manner in which the republican primaries of Portland were conducted, for particulars of which please read the Oregonian of the day subsequent to said primaries; and let me tell you not only will the democratic campaign in Oregon be vigorous, but it will be my opinion that after the democratic campaign closes the people will give such a verdict that will send some of your friends to that secluded locality where the breezes are laden with pungent odors exhaled from the river Saline, their worldly possessions diminished, but their experience enlarged, sadder if not wiser men.

"Penneyerism is the whole stock in trade." Well Penneyerism is not a bad stock in trade. With us Penneyerism means an honest, efficient and economical administration of the affairs of the state. It means protection of the people's rights and the people's interest against the aggressions of the political bosses, hoodlums, schemers, and wealthy crookedness. This is a good enough stock in trade for the democrats and for a good many republicans.

How will our stock in trade compare with that of our opponents? I pause for reply. I beg to attach hereby a small sample of our stock in trade, showing the condition of the common school fund after three years management by a democratic board, in comparison with the management of it by a republican board:

Table with 3 columns: Year, Per Capita, Total Distributed. Rows for 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895 (estimated).

In July and August of each year, the revenue derived from this fund has been distributed to the several counties of state in aid of the public schools. The amount received by each county, in proportion to the number of children of school age in the county. The following is a statement of the distribution for five years past:

Table with 3 columns: Year, Per Capita, Total Distributed. Rows for 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895 (estimated).

Pretty good sample of stock in trade. We can furnish you with many more such samples. Our stock in trade is clean, free from blemishes and defects, can that much be said of the stock in trade of others? You are pleased to say, "There is no effort to do anything else but to elect Penneyer, everything else has been abandoned for Penneyer and on election day every other candidate on the democratic ticket will be traded for Penneyer. The democratic party of Oregon has ceased to exist, etc., etc." To me it is simply astonishing to see what errors great men will fall into, for the result will show you that the democratic party has not ceased to exist, but that it is very much alive and numerous as ever, too. You will find that the democratic candidate will not be traded off for Penneyer; there is no inclination to do so, and there is no necessity for it, as Penneyer is so overwhelmingly the choice of the people that he will have votes to spare, and plenty of them, at that. Our stock in trade, as you call it, and our capital stock, which you say consists in Governor Penneyer's peculiar personality, both of them suit us. I honestly believe it would not hurt your side any if they had some of it. Respectfully yours, B. GOLDSMITH, Chairman Democratic State Central Committee.

Hon. D. P. Thompson and Hon. Phil. Metchan, the candidates for governor and state treasurer, will open the campaign in Baker City May 13.—Republican Paper.

Those who are familiar with the oratory abilities of these two republican gentlemen will doubt this announcement. Of course, neither Dave nor Phil. will attempt to speak. The above simply signifies that they will open the sack at Baker City and other places from and after that date.

WAR ON THE FARMER.

Shall His Surplus Products Be Taxed 45 Per Cent.?

The Question Put to the Plain Folk For Every One.

A bill introduced into Congress to relieve from tariff duties all exchanges of surplus products of American labor for foreign products the American makers want to use—shall 14,500 mill-owners be protected from the competition of 8,000,000 American farmers? T. E. Wilson in New York World.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

That any citizen of the United States, who shall, within the territory thereof, manufacture or produce any article or articles of commerce, and shall send the same for use in any place outside the territory of the United States, shall be entitled to receive from the collector of any port of entry where such articles may be shipped a certificate setting forth the value or values therefrom, all such values to be verified and determined in a manner similar to that by which the values of imports subject to duty are now determined; and upon the production of such certificate at any port of entry such citizen shall be entitled to the admission, free of duty, of any article or articles of commerce which he may desire to use in the conduct of his business, personally or otherwise, to the extent or value set forth in such certificate. The benefits of this act shall extend and apply to the heirs, executors, administrators and assigns of such citizen. It shall be the duty of the collectors and other customs officers of the United States to appraise articles and furnish certificates in pursuance of the provisions of this act.

[House Rept., 8258. Introduced by Mr. Breckinridge, March 22, 1890. Read twice and referred to Com. on Ways and Means.]

We exported last year for sale abroad products of our farms, which could not be sold here valued at \$532,141,490. In payment our farmers received through agents dutiable goods valued at \$488,644,574, on which they were compelled to pay unnecessary taxes at the custom houses amounting to \$218,701,735—a pretty heavy load to the farmers to carry. This was an average tax of 45 per cent. on all that they exchanged for anything which appeared with the "protected" class—numbering less than 14,500.

It is perfectly true that there is a free list, and that the farm surplus might have been exchanged for things that would not be taxed when they enter our ports. The free list is a very long one. The farmers might have exchanged all their corn and all their cotton, all their wheat and all their provisions, which their countrymen could not eat, for agates, amber beads, art work, asbestos, stuffed birds, bismuth, dried blood, crude bones, rough pebbles, crude camphor, tonca beans, coffee, curing stones and five hundred other things not taxed. They did exchange some of their surplus farm products for some of these things—because the people wanted a few dollars' worth of them; but what the people wanted most, what the people were willing to pay most for, was clothing, manufactures of iron and steel, raw material for the employment of American labor; in short, all the things which enter into direct competition with 14,500 mill-owners who are "protected" by law in charging 45 per cent. more than they charge foreigners for the same identical goods.

The 14,500 mill-owners do not always charge their countrymen the full 45 per cent. the law gives them the right to. They are sometimes satisfied with 40 or 35. But they always sell to the foreigner at the foreign price, or below it. They must. Their protection ends at the water's edge, at the Canada and Mexican line. Beyond that they have no "protection," for it is only beyond the competition of the people of the United States that the American Congress can protect them, and in the United States the only persons whose competition can hurt them are the farmers who make this enormous surplus, for exchange abroad.

The Illinois farmer who raises 1,000 bushels of corn must sell it or burn it for fuel. All the farmers raise more corn than we can eat. There is no market here for the surplus, so the Illinois farmer ships his surplus to France and receives a slip of paper crediting him the value. The price of silk is 70 cents a yard here, but only 50 cents in France so the farmer, through his agent, takes up his credit in 1,000 yards of silk, on which he can make a good profit here, for his neighbors want his silk, if he can supply it, although they do not want his corn.

His silk is stopped at the custom house, if he may not enter the country until he has paid a fine of \$250. What for? Because he is competing with a man in Paterson, N. J., who charges his American countrymen 70 cents for silk worth only 50, and the republican party says that the American farmer shall not work and make silk to sell in competition with a mill owner.

If the farmer should be permitted to exchange a bushel of corn for a yard of silk, for 65 cents, he would undersell the Paterson mill owner; and he would be getting 65 cents for his bushel of corn instead of 50 cents. The protection will not permit. If the farmer raises more corn than he sells here, he shall not be permitted to exchange it for something he can sell here at a profit.

From the beginning to the end of all foreign exchange, of all foreign trade, the only competition that there can be in this country must be between the citizens of this country. That a foreigner can compete in any way, shape or form, is a lie. That any product of foreign labor was ever in possession of any American is a lie. There never was one cent's worth of anything ever eaten, used, worn or enjoyed by any American that was not the product of American labor solely, and the mind of man cannot conceive of any process by which the product of any foreign labor could enter into the possession of any American citizen except by gift or theft. That the silk the Illinois farmer receives in exchange for his corn is the final product of his labor on the Illinois farm there is not even a republican member of congress sufficiently lost to

shame and decency to deny directly. He will not meet the question. He will dodge it and run away from it. But he will not put himself in the pillory of public opinion by denying it. There is not one republican member of congress who dare meet this issue, fairly or unfairly, or who dare even attempt a reply to it.

Whether the Illinois farmer weaves the silk for corn tassels or obtains it in exchange for corn, it is the product of his labor and his labor alone. It is upon the product of his labor alone that the 50 per cent. tax is laid. Whether the American farmer dug from the ground or obtained in exchange for corn and cotton the \$488,644,574 of dutiable goods received last year, the goods were the final product of their labor on the farms. The only labor the goods represented was the American farm labor. It was upon the product of this American farm labor, and of the tax of 45 per cent. and of \$218,701,735 was last year imposed.

And it was imposed solely to "protect" 14,500 mill-owners from the competition of 8,000,000 American farmers. If there were no farm surplus, there could be no "competition," and no protection would be asked for. Do you know of any republican farmer who will deny this, or who can deny it? Let every democrat who reads the World try to find one, and when found, let him send that republican farmer's name to The World.

The bill which begins this article puts the question to the proof. If the mill-owner is not to be protected from the farmer, and the farmer alone, why may not the farmer exchange the surplus products of his labor which he cannot sell here for other things which he can sell here, without payment of a tax of 45 per cent. upon the final product of his labor?

Democrats and tariff reformers here is your opportunity to teach the republican farmers of the United States the truth. This bill will not get one republican vote in the house of representatives, though every farmer in the United States should ask for it. No republican speaker, writer or editor will favor it. They dare not. They must oppose everything which permits any competition by American farmers with their masters, the 14,500 mill lords.

Get up petitions in favor of this bill. Ask every republican farmer you know to sign it. Flood congress with petitions for it. Let one go to Washington from every post office in the Union, from every range from every alliance, from every union. Begin now. There is not a subscriber to The World who cannot do great work in the next thirty days—work which will affect generations to come and for which his neighbors will rise up and call him blessed when the scales fall from their eyes.

LET US INVESTIGATE.

Extravagance on the Increase! Appropriation of Three Legislatures.

Table comparing appropriations of 1885 and 1887 for general expenses, agricultural college, Portland refuge home, state reform school, expenses session of 1889, and elevated wagon roads.

Compare this with the appropriations made by the legislature of 1885 and 1887, and it will be seen that the appropriations for 1889, exceed those of 1885 by \$118,973 13; and those of 1887, by \$230,417 55.

THE STATE'S FINANCES!

A Commandable Showing—How the State Indebtedness was Paid.

When the present administration entered on active official duty on January 10th, 1887, it found a state indebtedness, amounting in round numbers to \$100,000, the principal part of which, was against the Swamp Land Fund, and some other funds of a similar character. After carefully examining the books of his department, the treasurer found that the sum of \$41,628 68 was due the state from the United States. That about \$23,000 00 of this had been due for two years, and not having been demanded, had lapsed back into the United States treasury, and a re-appropriation was necessary before it could be had. The remainder had been due nearly a year. This money was at once demanded, and having been collected, was applied on the above indebtedness, on which the state had been paying 10 per cent. interest. But properly applying on this indebtedness, the receipts from the sales of Swamp Land, and thereby cutting down the interest charge, the entire indebtedness of the state was liquidated inside of three years. And more than this, in addition to the above, nearly \$25,000 00 has been refunded to purchasers of Swamp Land, where the state failed to get title.

THE Oregonian wanted free wool, free coal and free lumber, in 1886, but now it wants a prohibitory tariff. The Oregonian is edited by the same H. W. Scott now as then.

THE Oregonian four years ago shook the dirty shirt at T. R. Cornelius. This year it is trying to wash D. P. Thompson's linen.

Democratic State Ticket.

For Congress, ROBERT A. MILLER, of Jackson County.

For Governor, SYLVESTER PENNEYER, of Multnomah County.

For Secretary of State, WILLIAM M. TOWNSEND, of Lake County.

For State Treasurer, G. W. WEBB, of Umatilla County.

For Supreme Judge, B. F. BONHAM, of Marion county.

For Supt. of Public Instruction, A. LEROY, of Linn County.

For State Printer, CAPT. JOHN O'BRIEN, of Lane County.

Democratic County Ticket.

Prosecuting Attorney, 4th District, D. R. MURPHY.

For State Senator, HON. JOHN CATLIN.

For Representatives, J. C. FLANDERS, ZERA SNOW, WILLIAM T. MUIR, JACOB JOHNSON, F. O'BYRNE, J. W. HOLMES, J. J. KELLY, W. B. WELCH, E. J. HAIGHT.

County Judge, JOHN KIERNAN.

County Commissioner, ELLJAH CORBETT.

County Treasurer, CHARLES A. FREEMAN.

Assessor, W. L. BROOKE.

Circuit Court Clerk, J. A. NEWELL.

Recorder, HENRY GRAY.

County Clerk, CHARES E. OLIVER.

School Superintendent, W. K. SMITH, Jr.

For Coroner, DR. HENRY HICKS.

County Surveyor, CHAS. E. ROBSON.

PRECINCT OFFICERS.

NORTH PORTLAND. Justice of the Peace... A. Bushwiler. Constable... Thomas Cullinan.

EAST PORTLAND. Justice of the Peace... James Hembree. Constable... S. M. Marks.

ALBINA. Justice of the Peace... W. W. Moreland. Constable... George Lewis.

STATE CENTRAL COMMITTEE. Baker—R. C. George. Benton—John Burnett. Clatsop—J. W. Howard.

JOINT SENATORS. Baker and Malheur—George Chandler, et al. Clatsop and Marion—Henry Warren, et al.

JOINT REPRESENTATIVES. Grant and Harney—C. S. Dustin, et al. Klamath and Lake—G. W. Smith.

JUDICIAL OFFICERS. First District—District Attorney, W. M. Celvig. Second District—Prosecuting Attorney, T. G. Owens.

DEMOCRATIC TICKETS. CLATSOP COUNTY. Senator—John Kopp. Representatives—John H. Smith and R. J. Morrison.

CLATSOP COUNTY. Senator—W. F. Matlock. Representatives—J. L. Kollan, E. B. Gambee, J. S. Richie.

UMATILLA COUNTY. Senator—W. F. Matlock. Representatives—J. L. Kollan, E. B. Gambee, J. S. Richie.

KLAMATH COUNTY. Representative—G. W. Smith. County Judge—H. W. Keese. Clerk—James F. Ketchum.

MALHEUR COUNTY. Representative—H. C. Elms. Sheriff—J. N. Fell. Clerk—E. H. Test.

JACKSON COUNTY. State Senator—Charles Nickell. Representatives—C. Mingus, Sam Farr, and J. H. Stewart.

JOINT REPRESENTATIVE—J. M. Sligha. Representative—J. D. Garfield. Judge—John F. Hall.

CLACKAMAS. State Senator—W. H. Vaughn. Representative—Charles S. Toole, H. McGugin, W. W. Jassac.

TILLAMOOK COUNTY. Joint Representative—W. S. Cone. Judge—H. F. Holden.

CLATSOP COUNTY. Representative—Left with committee to confer with Klamath county. Clerk—W. N. Sutton.

BAKER COUNTY. Representative—E. Hardy. Judge—P. Campbell. Sheriff—P. M. Conde.

COLUMBIA COUNTY. Representative—Walter Furrow. Commissioner—Eric L. Jenson.

WASCO COUNTY. Representative—W. H. Flanagan. Judge—Charles Hughes.

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AND Tacoma, too, has gone democratic.