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TAXATION PROBLEMS

HB 131 would remove all the exemptions to the corporate excise tax. There are some 14 of them of which about half are concerned with churches and hospitals and similar associations which seldom, if ever, make money unless through a gift of property from some other source, such as the Campbell ranch in Montana now owned by a church, and some examples in Oregon.

A re-definition of "business income" can cure most of these abuses so that such exemptions can be left in the bill without danger. Actually, if such organizations never made any money they would not be so active to see that their exemption was retained. Legislators who have spent days in the hospitals are not inclined to define them as eleemosynary institutions, not at \$14 per day.

Others exempted in the present law are cooperatives, many of which really do not make any money, owners of sky scrapers and utilities. From these the estimate is that the state could raise some \$2,000,000 per year.

There are cooperatives in nearly every county and the utilities operate in every county, but the sky scrapers are centered in few towns and are thus more politically vulnerable.

The building owners base their claim for exemption on the fact that so large a part of their expense is in real property taxes and this is provable.

The utilities base their claim for continued exemption on the inefficiency of county assessors. They say that because utilities are assessed by the state tax commission they are assessed at a higher rate than other property and, in fact, pay as much taxes to county and city as if they paid a corporation tax on an equal basis. The state tax commission has an equalization ratio given to each county for the express purpose of equalizing assessments between local assessors and its own appraisers.

Really the defense of the utilities is an attack on the state's assessment methods.

What will be done about it cannot be known for the committee has started consideration of a mass of minor administrative bills after almost a month of

**CONGRATULATIONS! KIDS**

The Moro boys have won the district championship for the first time in a long history. Able boys and good coaching have accomplished the trick and both are to the credit of the school and communities involved.

The school has achieved distinction in football before and has appeared in football games of sectional competition. We didn't do badly either although not winning.

Now we are at the top of the district in basketball and with a team that will certainly be a credit in the "B" competition in Salem next week. A reading of the list of schools to compete in the "tourney" brings no fear to the local competitors. We might even win the entire battle and emerge victorious throughout the state.

We surely have the size and weight and the quality has been proven. If the team can remain calm and organized Moro will return home with the banner.

There is certainty that there will be a goodly group of followers to Salem to see the games; the boys may be certain of local support, Sherman county has always followed its athletic teams and support morally and financially has not been lacking.

Probably teams as good as will be at Salem have already been encountered and a steady performance will make the team show well here's hoping.

hearings about HB131. It is hard to overcome a strong defense in the legislature although it can be done if there is time to explain the case. In taxation it is doubly hard because the system of assessment in Oregon is not exactly simple and the tax system itself is hysterial. The defense needs only to arouse doubts, not explain.

It may be that it is better to make petty reforms rather than the badly needed sweeping ones but they are never satisfactory and often cause more unfairness than is cured. What Oregon needs is the removal of exemptions and offsets in taxation. But Oregon has gone on so long with these exemptions and has included so many of them that to attack them is to incite the whole business world.

Yet it is unfair to take away one exemption at a time and expose one group to excise taxation when it is no more guilty than the others.

**PORTABLE RADIOS.**

Perhaps the invention that has disturbed the peace as much as any other has been the portable radio. Some folks would as soon be without their purse and the younger set would much rather be without their hats. (actually a hat costs as much.)

They play them in busses, on the beach and in hotel rooms, being uneasy unless there is the continual chatter of words or the cachipony of modern music. (sic).

Is there to be no one in the coming generation who can be satisfied to merely sit and read or think? It seems that we may make all our decisions to the accompaniment of words instead of by solemn thought. Well, maybe thinking is too sad a pastime these days anyway.

**VISITING IN PORTLAND**

Mrs. Daisy Byers accompanied Clarence Sparling to Portland last Friday to visit her daughters, Mrs. Sparling and Mrs. Henry Norton. She went on to Corvallis to spend some time with her granddaughter Donna Sparling, who is a freshman at OSC. Mrs. Byers and Mr. Sparling returned home the middle of the week.

**NEW TAX**

They want to tax life insurance.

Not the life insurance companies but the widows and orphans who hope to live from the life insurance husbands and fathers have paid for.

It is possible that the companies could afford to pay for some of the additional cost of government brought on by inflation and careless handling of public funds on behalf of the shiftless and ne'er-dowells, but it is almost certain that the recipients of the insurance income should not have to pay.

Argument is made by the life insurance companies that life insurance is a sort of restitution made for the loss encountered because by a death of a bread winner who would have in many cases earned the sum resulting from life insurance had he lived.

An exemption is proposed that no tax would be imposed on premiums below \$50,000 which puts it in a class of those who take good care of their dependents.

It is the old policy of taxing those in the high brackets first and later dropping it to include everyone after the principle has been established. The divide and conquer school, if you remember. There is new deal policy to the effect that a man who is able to set aside \$50,000 for his widow and children is able to pay taxes on that sum, whether he lays it aside in insurance policy or other form of wealth.

Maybe we should eliminate the able classes of society.

Soon, of course, the limit proposed of \$50,000 would be reduced to \$25,000 and to \$10,000 until everyone would have to pay on their life insurance policies and the final refuge of those who would try to protect their loved ones would be removed and the trustworthiness of society would be eliminated through taxation for ever.

**DEGREES TO BE GIVEN AT RUFUS GRANGE HALL**

(By Mrs. George L. Fox)

Rufus Grange met Thursday evening with Master Andy Engberg presiding. Vern Lantz, state grange deputy, was a visitor at the meeting, which 18 members attended.

Mrs. Rolland Johnson announced the next Home Economics meeting will be March 8 at the home of Mrs. Walt Morris with Mrs. Will Huck as co-hostess. It was also announced the grange is sponsoring a dance and basket social at the grange hall March 17. The proceeds will be used for fixing the grange kitchen.

The master announced that the third and fourth degrees will be put on at the next regular meeting of the grange.

The lecturer had a program on income tax and other taxes. Bill Huck and Harland McDonald gave a skit on income tax. Mr. and Mrs. George Fox also put on a skit.

The women of the grange served supper at the close of the meeting.

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**DEGREES CONFERRED**

Harland View Grange put on the first and second degrees at their regular meeting Saturday night. Candidate from Rufus were Mr. and Mrs. Mike O'Brien, Mr. and Mrs. G. Galloway, Evelyn Bower and Mrs. Sarah Gianonatti.

# LEGISLATIVE COLUMN

By Giles L. French

The simplest and most concise and probably the most accurate to date of the several compilations about Oregon income and outgo was given to the house tax commission by John Hay, tax commission attorney.

It goes like this:

|                            |       |
|----------------------------|-------|
| Budget - 1951-53 biennium. | 180.4 |
| 1951-52 needs              | 86.9  |
| Income:                    |       |
| transfers, etc.            | 14.6  |
| income tax                 | 28.0  |
| excise tax                 | 18.0  |
| misc. recpts               | 6.2   |
| total                      | 66.8  |

Income and excise surplus, 31.8 million, which when the 1951-52 deficit is deducted, leaves 11.7 million in the kitty.

|                 |      |
|-----------------|------|
| 1952-53 needs   | 93.5 |
| Income:         |      |
| transfers, etc. | 10.0 |
| income tax      | 28.0 |
| excise          | 19.0 |
| misc. recpts.   | 6.3  |
| total           | 63.3 |

Deducting the 11.7 million left from the first year of the biennium leaves 18.5 million which will fall on property in 1952-53. That is about 11.6 mills.

The above can be changed if the ways and means committee cuts the budget, if it raises it, if other taxes are levied, if other funds are found. In fact some other funds can be used to cut the total but other appropriations may be made also.

The imminence of a state tax on property after ten years should stir farmers and other property owners to insist that the constitutional amendment which has passed the house be similarly treated in the senate. The people would then have a chance to vote on it in November 1952.

Thinking of the senate about taxes is not known so far. It is known that senate leadership seldom accepts other thinking than its own.

Economy didn't stand up so well in the eighth round and perhaps the most telling blow was the passage of the highway bond program in the senate. The theory that the highway commission should issue bonds which are to be paid for out of income from the federal government sounds very sensible if someone will assure the taxpayers that the people will let highway construction stop for a four to six year period while the bonds are being paid off. If this is not done the commission will have few funds for a period in the future and that may mean additional gas taxes or other taxes of some kind. Permitting big trucks to tear up the highways while paying small fees has brought on some serious wear and tear but it is doubtful if the people are yet willing to build heavy roads for truck use.

This is undoubtedly the hardest working bunch of legislators gathered in Salem for many years. Almost all important committees hold some night meetings which means that there is five hours per day spent on the subject, not every day, of course, but once or twice a week. Because apartments may be obtained most legislators live about town instead of in hotels and few have telephones. There is more work to do. Lobbyists are divided because of the big truck and logging truck bills, the utility tax bills. The farm lobby is ineffective and even the school lobby has been reading Dale Carnegie's book because of the flood of criticism caused by the method of passing the \$30 basic school increase.

Committee hearings have occasionally been exciting with flare of heated tempers and there was one arm swinging which the papers called a fight. There may be more of it because tempers do grow shorter as a session progresses. Also there is lots of illness, many have a sort of flu that often requires hospitalization, home treatment, drugs or similar action before the victim is normal again. Probably a week of eastern Oregon sunshine would clear up a lot of sniffling heads, but instead there is rain, and drizzles and a cold damp snow.

Homer Belshee and a friend of Portland were dinner guests of Mr. and Mrs. Roy Belshee Sunday.

# THEY WIN TOP 4-H HONORS



A week of citizenship training in the nation's capital is in store for these 4-H club members, from left: Francis Reynolds, 18, Prineville; Deloris Sell, 20, Riverton; Kathleen Johnston, 19, Klamath Falls; and Ronald Baker, 16, Ione. State 4-H Leader L. J. Allen led off National 4-H Club Week by announcing that they will attend the 21st National 4-H Club Camp in Washington, D. C., next summer. As representatives of Oregon's 28,000 4-H club members, they were chosen for leadership, scholarship, and general 4-H achievement.

# PAST MATRONS CLUB HAVE PLEASANT EVENING

Mrs. Roy Belshee was a gracious hostess to about 15 past matrons of the O.E.S. at a desert luncheon meeting of the club last Thursday night.

For the dessert and coffee, the guests were seated at a large table decorated with a pretty flower trellised centerpiece flanked by tall tapers.

Mrs. Eugene Amidon presided at a short business meeting, after which bridge and canasta were played. Mrs. Truman Strong won the prize for high score at bridge and Mrs. Darwin Van Gilder at canasta. Mrs. Harry Pinkerton was awarded the door prize.

**Eureka Lodge No. 121 A.F. & A.M.**  
Meets on the 1st and 3rd Thursday evenings each month. Visiting members cordially invited to meet with us. Donald Martin, W.M. H. B. Pinkerton, Secretary

**Moro Lodge No. 113 I.O.O.F.**  
Meets 1st and 3rd Tuesdays in I.O.O.F. hall. Transient and visiting brothers are cordially invited to meet with us.

Marvin Howell, N.G. Leo Watkins, Secretary

**Lupine Rebekah Lodge No. 116**  
Meets 2nd and 4th Tuesdays of each month. Visiting members welcome. Gladys Morrison, N.G. Helen Martin, Sec.

**Bethlehem Chapter No. 78 O.E.S.**  
Meets every second and fourth Thursday in each month; visiting members invited. Moro, Oregon. Gwen Ross, W. M. Naomi Van Gilder, Secretary

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