The Aurora Observer

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Geo. E. Knapp, Editor and Publisher

EDITORIAL
Opinions of the Observer.

America's 65 Per Cent First Mortgage

The annual taxes paid in the United States, national and local, on property and income, direct and indirect, are equal to the burden of a mortgage on all the property of of the United States to the amount of sixty-five per cent of its valuation bearing interest at 5%.

This tax mortgage is a prior lien to the other mortgages. It encumbers the property which is free from other debts and it is an additional burden to the property covered with other debts.

This statement is very easily proved. A fair, conservative valuation of the property in the United States is $260,000,000,000. The annual taxes, national, state and local, are approximately $8,500,000,000. A mortgage of 65 percent of the value of 260 billion dollars would be 170 billion dollars. Interest at 5 percent on the 170 billion dollars mortgage would be $8,500,000,000—exactly the same as the taxes paid annually.

Some people think they do not pay any of this tax because they do not pay it to a tax collector and get a receipt. In this they are mistaken. All consumers pay taxes in the form of higher rents or higher prices for food, clothing and luxuries.

Owners of tax-exempt bonds are the ones who escape taxation. The big 65% tax mortgage rests on the shoulders of all the rest of us. That mortgage is growing heavier every year.

The general burden of national, state and local taxation has increased 134 per cent—more than doubled—since 1912. Farm taxes have increased 126 percent since 1914. Tax exempt bonds have not paid one cent of this increased burden.

The amount of tax exempt bonds increases every year. The taxation mortgage grows bigger every year.

If future issues of bonds are made subject to income taxes, the debt can be reduced and the taxes made lighter.

It is up to American taxpayers and consumers to decide whether they will permit a bad condition to grow worse or insist that a change be made for the better by taxing bonds now exempt.

Analysis of Mayor Hylan's "Valuation" of the Railroads

The Committee on Public Relations of the Eastern Railroads authorizes the following statement:

Mayor John F. Hylan of New York City is circulating letters throughout the country written on the stationery of the Mayor's Office, City of New York, seeking to secure support for Senator La Follette's railroad valuation program.

In this latter Mayor Hylan says:

> The railroads are contending for a final valuation of 23 billion dollars, and disinterested railway engineers maintain that the valuation should be based upon the actual investment, and on this basis have reported that a valuation not exceeding 13 billion dollars will be adequate.

The disinterested engineers are not named, nor is it stated how they arrive at their figure of 13 billion dollars. But no engineer or any other individual, could arrive at such conclusion except by ignoring the following simple facts:

1. That since the 1907 amendments to the Interstate Commerce Act, every dollar added to the capital investment of the railroads has been under the supervision, and according to the requirements of the Interstate Commerce Commission.

2. That between the years of 1908 and 1921, the railroads have made an actual investment of 7 billion dollars in increased facilities.

3. Subtracting this added investment of more than 7 billion dollars made since 1908 from a total valuation of 13 billion dollars, would leave less than 6 billion dollars as the value of all the railway facilities of the United States in the year 1907.

4. But in 1907 the railroads of the United States had approximately 333,000 miles of track, nearly 58,000 locomotives, more than 2,100,000 freight cars, and over 45,000 passenger cars.

5. This would mean that in 1907 a mile of railroad track with its proportionate share of stations, terminals, yards, signals, repair shops, and the above cars and locomotives was worth only about $18,000—or just about one-half the cost of a mile of macadam highway, without any stations, any signals, or any means of transportation.

Continuing, Mayor Hylan is authority for the statement that the attempt on the part of the railroads to secure recognition of the reasonable value of their property constitutes 'one of the most outrageous holdups ever ottempted by the railroad monopoly of America.' All that the railroads are seeking is the recognition by the Interstate Commerce Commission of their just and reasonable property rights as defined by the Supreme Court of the United States.

On January 1, 1923, the lowest possible value which could be given to the railroads of the United States was $20,135,000,000 made up as rollows:

Interstate Commerce Commission minimum tentative up to December 31, 1919	$18,900,000,000
Actual new capital invested 1920	531,000,000
Actual new capital invested 1921	304,000,000
Actual new capital invested 1922	400,000,000
Total, January 1, 1923	$20,135,000,000

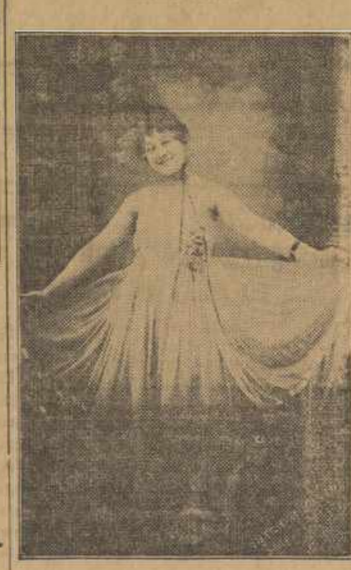
The valuation of the Interstate Ctmmerce Commission referred to above, was made after taking into consideration all the facts so far ascertained under the Valuation Act of 1913, the pafsage of which was secured by Senator La Follette. There is not a penny of war-time inflation in this valuation as under the terms of the Act any reproduction values were determined by prices which existed on or before June 30, 1914.

Oregon Dairy Stock Leads

Oregon is foremost in the milk production per cow of any western state, increasing 17.2 per cent from 1910 to 1920. During the same period Idaho increased 15.3, Washington 15.3 and California 9.1 per cent, says P. M. Brandt, chief of dairying at O. A. C.

Oregon led the western states in pure bred bulls in 1920 according to the 14th census, having 48.4 per cent, while Washington had 41, California 39, and Idaho 34 per cent. The same census shows that for every pure bred bull in Oregon there are 61 cows, while Washington has 70, California 99, and Idaho 103.

Aurora Gets Good Clean Show Each Week



The Circle Stock Company, a company of Seven Musical Comedy Favorites will appear in Aurora at the Band Hall each Thursday evening with a complete change of program every week. This company comes to Aurora highly recommended and will without a doubt be welcomed as they furnish the latest farce comedy successes with up to date songs and dances. The opening attraction will be the breezy farce comedy, "The Runaway Match."

General admission 35c.

Remember, every Thursday night.

RAILROAD TIME CARD

SOUTHERN PACIFIC

The local depot closes on week days at 4:20 p. m. Holidays and Sundays at 10:30 a. m.

NORTH BOUND

No. 22 (on Flag)	6:46 a. m.
No. 28 (Stop)	9:49 a. m.
No. 18 (Stop)	2;11 p. m,
No. 24 (Stop)	6:48 p. m.

SOUTH BOUND

No. 21 (on Flag)	9.09 p. m.
No. 23 (Stop)	2:11 p. m.
No. 17 (Stop)	9:49 a. m.
No. 27 (on flag)	6:06 p. m.

Let us print you some statements. People appreciate monthly statements of their account. Any business. Anyone selling anything should have statements. We print and furnish the right kind. They do the work, too.—Observer.