

Eastern Oregon Wheat League Report and Recommendations of the Finance, Taxation, and State Legislation Committee

Heppner, Oregon, December 4-5, 1936

Old Age Pensions

The Committee feels that the present method of handling old-age assistance by the county and state relief committees is working satisfactorily and provides adequate and equitable assistance to those persons 70 years of age or over who need some help. The present system involves case study and a separate consideration of each individual's situation and avoids the emotional unsoundness inherent in many of the recently proposed old-age measures.

The announced WPA policy of establishing a 65-year old age limit for workers enrolled on WPA projects seems to the Committee to be unfair and unnecessary. There are many unemployed, able-bodied men over 65 who are anxious, willing and able to work. Old-age pensions cannot, under the present law, begin before the age of 70. There would, therefore, be a five-year gap which would probably work a hardship on a considerable number of people. Those over 65 who are physically unable to participate in WPA work are already provided for in existing relief set-ups.

We, therefore, strongly recommend that the 65-year age limit for WPA work, be removed and that a copy of this recommendation be sent to our representatives and senators at Washington.

Tax Collections and Delinquencies

During the last year the legislature has not been in session and there has been no opportunity for action to be taken upon the recommendation made by this Committee as the 1935 convention regarding tax collections and delinquencies. Our Committee, therefore, feels that this recommendation should be repeated: "The tax delinquency problem is more and more acute. The present plan of forgiving interest and penalties, providing current taxes are paid, may help some. Oregon's tax collecting history is a poor one. Practically every legislature since 1907 has changed the law, lightening penalties, removing discounts for payments, reducing interest, and abolishing interest and penalties. The situation is now that although on the whole we have lower levies than neighboring states, our delinquent tax list is far larger. In Washington, for example, for the past five years their tax delinquencies are 12 percent whereas ours are 20 percent—nearly double. Our tax delinquent list is now at an all-time high of \$46,000,000, which is \$5,000,000 more than the total 1934 tax.

"We therefore request the next legislature to appoint an interim committee to study the question of tax collections and tax delinquencies and report at the following session. As possible lines of effort, we recommend to such a committee for study the following:

"1. Our tax foreclosure procedure is expensive, clumsy, and out of date. The Idaho system should be studied where there is practically no expense.

"2. Frequent changes in rules governing penalties and interest keep people hoping for more changes. If we can find a workable system, we pledge this organization to lend its influence toward sticking to it.

"3. It might avoid buck passing if the same county office made the assessment and collected the taxes. This would centralize tax authority in one office, tend to make that office more expert in dealing with tax matters, and tend to put assessments more in line with actual values.

"4. Much of the delinquency is due to assessments which are now entirely out of line with property values.

"5. Some counties let taxes run uncollected for ten years or more before starting foreclosure. Such a procedure is of no help to a hard-pressed land-owner because before that time the delinquent taxes are invariably so high that payment becomes impossible. Moreover, this

tempts other people to let their taxes run.

"6. Perhaps the state could handle tax foreclosures better than the counties. The state could then insure and guarantee title when the properties are resold."

We should reaffirm the stand taken last year against the further issuance of municipal county and state bonds. The Committee feels that government business within the state should be handled on a pay-as-you-go basis.

A very considerable portion of the total county tax goes for the support of schools. The Committee feels that here is a fertile field for saving. We would do nothing to interfere with the adequacy of our school system nor to limit the opportunities of any child for securing an education. We feel, however, that with the development of roads and transportation facilities, that certain of our methods of handling school matters have become antiquated. Material savings could be realized and much duplication of function could be avoided through consolidation of school districts. We therefore favor consolidation of school districts where practicable. At the present time nearly all of the expense of operating our schools falls upon real property within the county. We feel that it is vital that this load be lightened. We, therefore, favor partial support of our public schools from state and federal funds.

Labor Controversies

During the past several years numerous instances have occurred where producers and the public, in general, have suffered material damage from controversies between various labor and employer groups. We realize that in the course of events it is inevitable that legitimate differences will arise between such groups. We further realize that each group must be conceded the right to defend its interests and to seek remedial measures. In our present complex civilization the dependence of the public on the smooth operation of all branches of industry and commerce is such that any one group cannot cease to function without causing damage to the other groups. We can see no reason why any group of men urging a legitimate cause should object to arbitration before an impartial tribunal. We commend Governor Martin and the State Police for their service to Oregon in labor disorders during the last two years.

We therefore strongly recommend that the 1937 session of the State Legislature and the next session of Congress pass such state and national legislation as will compel arbitration of disputes between labor groups and employer groups to the end that the flow of commerce will go on uninterrupted and that the public welfare will be protected.

Production Credit Associations

We feel that the Production Credit Associations are furnishing a type of credit which is of tremendous value and could be of still greater value to the wheat farmers of the Pacific Northwest. We strongly urge on the part of the Production Credit Associations and farm organizations a campaign of education to thoroughly acquaint farmers with this type of credit. We feel that farmers should anticipate their credit needs just as they anticipate other seasonal requirements. There has been but little criticism of the Production Credit Associations in the speed with which second and later loans have become available. We feel that a low rate of interest can only be consistent with sound loans and that adequate friendly investigation of the borrower's financial condition is necessary if the Production Credit Associations are to be continued on a sound basis. We urge that such preliminary investigations be made with such speed as possible, but we also suggest that applications be sub-

mitted as far as possible in advance of the actual need.

Dredging

We reaffirm the stand taken by this committee last year on the subject of dredging. In line with the recommendations of the 1935 convention, we strongly oppose the dredging and consequent permanent ruin of fertile mountain valleys such as those in Grant and Baker counties. Invariably this land goes back to the county through tax delinquency as soon as the dredging is completed. Already the tax levy in these counties reflects the removal of this dredged land from the tax roll. If such dredging must be done we favor a law by which the dredging companies would be required to deposit with the county sums large enough so that if invested in Government bonds the trust funds would earn enough interest to compensate for the loss in taxes.

Gasoline Tax

We feel that the state revenue from gasoline and license fees should be expended only for road purposes and should not be diverted to any other use. We feel, however, that since a large sum of the state gasoline tax is collected from logging and heavy commodity trucks operating practically 75% of their mileage on county roads, and since only about 10% of our public roads in the State of Oregon are designated as primary highways, we are justified in asking that a considerable portion of the gasoline and license revenue should be distributed to the various counties for road building and maintenance purposes.

We therefore recommend and urge that 15% of the total state income from gasoline and license fees should be returned to the counties on the same basis as the present division, provided that at least two million dollars be so divided.

Improved Accounting Systems in Counties

Feeling that an improved accounting system would make possible more accurate budgeting, we urge our county courts to study possible improvements which could be made in our respective counties to the end that savings in total county expense could be realized.

Agricultural Legislation

We feel that the production control feature of the old wheat program was one of the most forward steps in farm legislation that has been made in many years, and that some form of production control should be an integral and basic part of any future agricultural legislation. We urge the legislature of the State of Oregon in this coming session to work out a state act incorporating the provisions of adjustments in crop production and harmonizing with the Agricultural Conservation Act so that Oregon may be in a position to cooperate one hundred per cent in future agricultural adjustment and conservation programs.

We regret the tendencies shown during the past few years to make agricultural legislation a political issue. Our committee recommends that the administration of such an act within the state be placed in the Land Grant Colleges through the Extension Service. The Extension Service, being divorced from political influence, is better qualified to handle this Act than any other state agency. Further than this, the objectives to be attained by the act itself make it fit logically into the program of the Extension Service with the least possible additional expense, as has been evidenced by the carrying out of the production control and soil conservation programs. We feel that the allotment committee feature of the production control and soil conservation programs has been a good one and that the administration of these programs would have been even more successful had the county committees been given more authority. We favor as great a measure of authority as possible in the hands of the farmers through such committees.

Weed and Seed Legislation

We recommend revision of the Oregon seed law to provide for standardization and labelling of all agricultural seed and to prevent the sale of lots of seed containing noxious weeds. We further recommend continuance of the seed testing work

at the Experiment Station and that the State Department of Agriculture be charged with adequate enforcement of the law.

We recommend modification of the Oregon weed law to place enforcement with the State Department of Agriculture and that additional provisions be made to control movement of weed infested products along highways and from farm to farm.

Erosion Control Districts

The Eastern Oregon Wheat League strongly recommends early passage in the 1937 session of the State Legislature of a law enabling the setting up of erosion control districts, upon the favorable vote of two-thirds of the farmers within a given area, for the establishment of such a district.

We recommend that such a law follow very closely the provisions and procedure set forth in the draft of a bill, a copy of which is appended to this report, which already has been prepared by members of the Lexington Erosion Control District.

The Lexington Erosion Control District, organized in 1931 for the voluntary control of wind erosion, has found this proposed legislation to be necessary for the effective control of blows within their district. This bill has the endorsement of the farmers within that district, the Lexington Grange, and the Morrow County Pomona Grange.

Property Taxes

Our Committee feels that taxes on real property have reached the point where further increases would aggravate the present serious tax delinquency situation.

We commend Governor Martin for his announced opposition to any increases in tax rates of whatever nature. We feel very strongly the desirability of a county and state policy of living within our income.

We favor the present arrangement whereby intangible and income taxes which tend to broaden the tax base must be used as an offset to reduce property taxes.

The Eastern Oregon Wheat League puts itself on record as unalterably opposed to further increases in taxes on real property.

We feel that some of the resolutions passed by this and other committees of the Eastern Oregon Wheat League could have been more effective if we had been in a position to promote them more energetically. Those resolutions bearing on legislative matters should be followed through and favorable resulting action should be insisted upon by some representative of the Eastern Oregon Wheat League. To this end we urge that the Eastern Oregon Wheat League energetically promote at Salem legislative measures fostered or favored by it.

In line with this, we recommend that we again accept the offer of the Oregon Shippers & Producers Association to serve as our legislative contact agency as was done at the 1935 legislative session, it being understood that this organization will keep us in close touch with all legislation affecting agriculture and particularly wheat growers, without cost to the League.

I.

Erosion Control Districts

Recognizing that unchecked erosion may seriously threaten the value of property, not only of the individual immediately affected, but of adjacent lands, just as unchecked fire may threaten adjacent buildings, and recognizing that to protect property within any erosion control district, effective preventative measures must frequently be taken before damage has progressed to the point where actual harm is being suffered by such other property, it is hereby declared that the control of erosion, as herein provided, is a proper exercise of the police power of the State of Oregon, and that it is for the best interests of the state and all persons concerned that soil erosion be reduced to a minimum. It is further declared that the protection of the land and property values in the community shall be a primary consideration in guiding the policies and actions of the Advisory Board of any erosion control district hereinafter set up. It is recognized that improper cultivation practices may be destructive of neighboring farm land and that the purpose of this Act is to protect the tax-

payers and permanent residents within such districts. It is further recognized that the establishment of such an erosion control district is admission, on the part of the freeholders resident within the district that few constant rules of farm practice are applicable to all conditions, or to the same land under different seasonal and physical conditions, and said freeholders, by establishment of said erosion control districts do set up an Advisory Board in the manner specified in the Act for the purpose of exercising the best judgment of its several members in determining the most effective procedure to the best of their abilities.

II.

County Erosion Control Board—Establishment of Erosion Control District—Petition.

In any county in which this Act shall become effective the County Court and the Board of County Commissioners, if this Board is a separate body, shall constitute the Board for the laying off in their county of a convenient erosion control district, or districts, such Board to be known as the "County Erosion Control Board." The said County Erosion Control Board shall establish, alter and abolish the boundaries of Erosion Control Districts when petitioned so to do in the manner hereinafter specified. The County shall make a record showing the boundaries and numbers of the erosion control districts in the county so established and organized. The County Judge shall act as ex-officio Chairman of said Board and shall appoint an ex-officio Secretary of said County Board. The Secretary and two members of the County Erosion Control Board shall constitute a quorum for the transaction of business. The County Erosion Control Board may establish an erosion control district on petition of twenty (20) per cent of the electors residing in the territory included in the proposed erosion control district, and may, at its discretion, upon the petition of twenty (20) per cent or more of the electors in the district affected, change, divide or abolish any erosion control district within the county. Before any new district shall be established or any change shall be made in the boundaries of any existing district, the County Judge shall cause to be posted in three (3) public and conspicuous places in such proposed district, or in each of the existing districts, at least ten (10) days before action is taken as herein provided, written or printed notice of the boundaries of the proposed new district, or the changes to be made in the boundaries of any existing district, and of the date of the meeting of the Erosion Control Board when the same will be done.

III.

Election — Notice — Ballots — Establishment of District.

When the petition of twenty (20) per cent of the electors of any erosion control district established as herein provided shall be filed with the County Clerk, the County Clerk shall forthwith give notice of an election to be held in said district, at which election a vote will be taken for and against the establishment, organization and operation of said erosion control district. Such notice shall describe the boundaries of said erosion control district and shall be published once each week for at least four (4) consecutive weeks prior to such election in a newspaper of general circulation within said County. Such notice shall require all electors, as defined by the Statutes of the State of Oregon, in said proposed district, to cast ballots which shall contain the words: "For the establishment, organization and operation of an Erosion Control District—(Yes); For the establishment, organization and operation of an Erosion Control District—(No)." Such election shall be conducted as nearly as practicable in accordance with the general election laws of the State; provided that the provisions of the election laws as to the form of ballot shall not apply. The County Court shall, at its regular or special meeting next succeeding such election, proceed to canvass the votes thereat and enter an order declaring the votes of said election. Such court shall cause a copy of such or-

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