

STATE CAPITAL NEWS

- Cigarette Tax
- Screwiest Bill
- Session's End

By A. L. LINDBECK

Salem.—As finally enacted the cigarette tax bill allocates one-sixth of the revenue anticipated from this source to the support of vocational education. Originally the bill provided for a tithe to the general fund but this was amended in the senate and it was this amendment or rather failure to amend the title of the bill to conform to the body of the measure, that nearly resulted in its defeat.

Based upon the experience of Washington which has had a cigarette tax in force for several years, the Oregon tax is expected to yield approximately \$1,900,000 a year at the rate of two cents on each package. Of this amount one-sixth or slightly more than \$300,000 will go toward the support of vocational education and the remaining \$1,600,000 toward increasing pension payments to Oregon's needy aged.

If, as is threatened, the measure is referred to the people, collection of the tax will be deferred until after the general election in November, 1942. When the lawmakers passed this bill sponsors of another measure providing for a property tax for the support of vocational education withdrew their bill. A measure passed earlier in the session provides for the creation of a system of regional vocational schools.

The only other major school measure, House Bill 420, which provided for the equalization of school costs through a state levy on property was left peacefully slumbering on the senate calendar when the session adjourned. The measure had passed the House and had received the "okeh" of the senate committee on education when it was suddenly thrown into the senate committee on assessment and taxation on Friday. It came out of that committee without recommendations on Saturday, the committee dividing four to three. It then took its place on the calendar for consideration the following day. Since there was to be no "following day" supporters of the bill tried to suspend the rules in order to advance the measure for immediate consideration but failed to muster the required votes.

This measure was strenuously opposed by most of the eastern Oregon counties whose taxpayers would have been hard hit in order to subsidize schools in the Willamette valley and western Oregon. The Multnomah county delegation divided on the bill. It would have cost that county approximately \$400,000 a year in added taxes.

Distinction as the "screwiest" development of the session goes to an innocent appearing bit of legislation known as the "parsonage bill." As introduced and passed in the House this measure would have exempted parsonages from assessment and taxation. As it came out of the senate committee on assessment and taxation all reference to parsonages had been eliminated and in place thereof the bill had been amended to provide for an ad valorem tax on municipal and public power districts. When this development was discovered the senators sent the bill back to the committee with instructions to restore it to its original form. This the committee did but its proponents were not able to bring it up for third reading before adjournment and it remains on the calendar.

Oregon motorists will begin feeling the effects of new legislation almost at once. Secretary of State Earl Snell has warned that some 490,000 operators' licenses will be expiring within the next few months. When these are renewed motorists will find that the cost has been increased 50 percent—to create a fund to reimburse hospitals for the care of indigent victims of traffic accidents.

Oregon's forty-first legislative assembly stands adjourned after 62

days devoted to the business of law making, the second longest session in the history of the state, being exceeded only by the 66-day session of 1939.

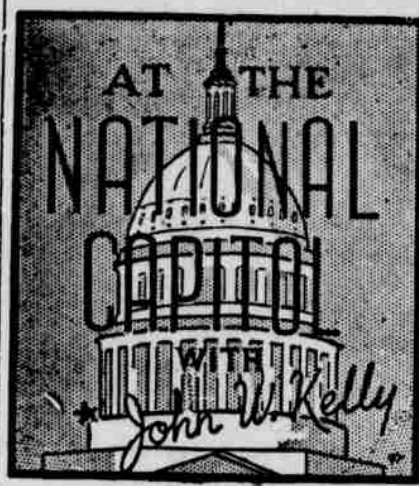
While the clocks in the House and Senate were stopped at midnight and the official records will show that the adjournment came at 11:59 p. m., Saturday, as a matter of fact the gavels of the presiding officers sounded the death knell at 3:00 a. m., Sunday.

Since die adjournment came after one of the most hectic night sessions within the memory of veteran observers of the proceedings of Oregon's law making organization. The House was a scene of continual turmoil with members demanding a "call of the House" on practically every action, bills being reconsidered, laid on the table and taken off again, and the Speaker resorting to repeated poundings of his gavel in an attempt to preserve some semblance of order. The closing hours in the senate were very orderly but the night session was marked by one development that had the parliamentarians going around in circles. That development led to the defeat of the cigarette tax when the senators voted 15 to 41 in support of a motion to indefinitely postpone the measure put by Senator Dickson. Temporarily stunned by this sudden turn of events—the measure having been passed by a 17 to 13 vote earlier in the day—the parliamentary experts among the supporters of this measure upon recovery from their surprise found that the motion had been put at a time when the measure was not before the assembly for consideration and was therefore not in order. Persuading President Walker of the error of his ruling the cigarette tax advocates then succeeded in having the action resulting in the defeat of the gill "expunged" from the record and the bill restored to life. The House then came to the rescue of the bill, recalled it from the senate, took from it an amendment in which the senate had refused to concur and repassed the measure as it had previously passed the senate and the state now has a cigarette tax law with a defective title, the validity of which is questioned by many and which representatives of two cigarette makers declare will be referred to the people.

When the Oregon lawmakers went into the night session shortly after dinner Saturday they still had before them for final consideration many of the major measures of the session. In addition to the cigarette tax, these included the school fund equalization bill which was left sleeping on the senate calendar, the Burke wine bill which was killed by the House as one of its last acts, the "ports of entry" bill, also killed in the confusion of last hours in the House and three of the major bills in the unemployment compensation program which were eventually passed with amendments agreed to by the conference committees named after the House had refused to concur in the senate amendments.

Opinions as to the worthwhileness of the legislative session vary according to viewpoints. In the opinion of many observers little if anything of outstanding importance was accomplished that will justify the expense of the session Governor Sprague on the other hand regards the forestry program enacted by the session as worth the entire cost. Labor leaders are also pretty well satisfied with gains recorded by their ranks both in increased awards for injured workmen and their dependents and increased benefits for temporarily jobless workers.

While the legislators authorized an appropriation of \$170,000 to defray the expenses of the session this represents only a small part of the cost of the session to the taxpayers. Thousands of dollars in increased salaries for state and county officials were voted by the lawmakers. Salaries of district attorneys and their deputies alone were increased by more than \$9,000 a year. Increases in fees for one thing and another voted by the session will tap the pocketbooks of the taxpayers for additional thousands. Several new state activities were created by the lawmakers. These will represent not only continual cost of maintenance but, if experience can be relied upon, constantly increasing cost as



Washington, D. C., March 20.—No one in the national capital knows nor will even guess how long the war will be or what the world will be like when peace eventually comes. But they do know that the United States is getting into debt head over heels for aid to the British and national defense, and that notwithstanding taxes will be heavily increased revenues cannot meet more than part of the outgo. To aid the British the president asked for seven billion dollars, a colossal sum, and yet this is only the beginning of the aid and is not to be confused with what the national defense program will cost. Since June 1 up to last month the United States had made contracts for national defense, of \$12,575,860,000 and production will not be in full swing before the end of this year, and probably not before 1942.

Great Britain still owes the United States five billion dollars from the first world war. This time there are no illusions about helping the British. The American taxpayer—*you and you, and you*—knows that he is to pay as a gift to the British more money than he loaned them in the first world war. There is no expectation of receiving a red nickel back; there is no prospect of ever receiving a single dollar or piece of land from the British for that unpaid five billions. How and why we are in the war is in dispute, will be for years, but that the United States is committed and will go through to the finish is not in controversy.

Wars are costly and wasteful. Consider just two items. Every night the German flyers drop bombs on England, Scotland and Wales. They unleash thousands of bombs. A single bomb costs as much as the entire yearly income of an American family. One-third of America is ill-fed, ill-clothed and ill-housed, and in this under-privileged class are many thousands of families whose income for a year is only \$350 (government figures) and this is the price of one of those German bombs. The Garand semi-automatic rifle is the new arm of American troops. To fire a Garand for one hour would cost \$5,000. Of course these rifles will never have one hour of continuous firing, but that is what it would cost. Just one Garand could destroy ammunition costing more money than a majority of the 131,000,000 American people earn in 12 months. That is war, and the United States is preparing to produce bombs, Garand rifles, torpedoes, smokeless powder and similar instrumentalities in unheard of quantities for no one knows how long. These items are to be not alone for national defense but for the British, Greeks, Chinese, and any other country the president decides to help.

All this means employment for American men and women. Jobs have been so scarce for the past 12 years that unions have refused to train apprentices; the unions did not want competition for the available jobs. Now, with a great demand for skilled mechanics, there is a national shortage. To partly meet this situation the federal government is opening schools to teach the youth of the land the fundamentals of trades. Already the government is predicting a labor shortage in August and is circularizing employers with government contracts to draw their helpers from the rolls of the employment service.

Government is attempting to find some way of preventing wages from going sky high. There is to be a uniform scale for the shipyards of Oregon, Washington and California; these new activities take root and grow under the encouragement of ambitious public officials.

another scale for the Gulf, and another for the Atlantic coast yards. This action is taken to forestall strikes; to prevent one yard from stealing skilled workers from another and to convince a worker that he will not better himself financially by leaving one locality and going to another. Migratory labor is now taking the place of dust-bowl migrants on the highways. With only three or four exceptions in the Pacific northwest, contractors with government orders have a cost-plus fixed-fee contract and these are around three or four percent of the total cost of the job. There can be no profiteering by contractors.

With millions of men and women working at good wages there will be a vast purchasing power. Workers will buy things they have been unable to afford or have been deprived of in the depression. This will, naturally, create competition for consumer goods. This means inflation. To nip inflation before it gets under way (it has started now) the federal government is applying priorities. Little by little priorities are being extended to various metals and commodities; manufacturers of consumer goods will be limited in their supplies. The first article on the priority list is aluminum and manufacturers of aluminum goods will be out of business when their present stock is exhausted unless they can buy scrap aluminum from airplane factories at 11 cents a pound, the price fixed by the government. Priorities is one way of dealing with the condition. Another is a plan, not yet approved, to pay workers a certain percentage of their wage in government securities having a distant maturity.

NOTICE OF FINAL ACCOUNT

Notice is hereby given that the undersigned, administrator of the estate of R. H. Lane, deceased, has filed with the County Court of the State of Oregon for Morrow County, his final account of his administration of said estate, and that said Court has fixed Monday, the 7th day of April, 1941, at the hour of 10:00 o'clock in the forenoon of said day in the County Court room at the Court House at Heppner, Oregon, as the time and place for hearing objections to said final account and the settlement of said estate and all persons having objections thereto are hereby required to file the same in said court on or before the time set for said hearing. Dated and first published this 6th day of March, 1941.

R. F. PHILLIPS,
Administrator.

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