

# STATE CAPITAL NEWS

- S. T. C. Dilemma
- Uncle Sam Grabs
- Per Capita Taxes

By A. L. LINDBECK

Salem—The state tax commission is in a dilemma.

The legislative act imposing a tax of two cents a package on cigarettes makes the commission responsible for collection of the tax. Before the commission can begin collecting the tax a lot of preliminary work remains to be done. A staff must be employed and trained. Stamps must be designed and printed—some 50,000,000 for a starter. All of this costs money. But the legislature which dumped this responsibility in the lap of the tax commission made no appropriation to pay any expense that might be incurred by the commission in connection with the tax act. This is to be taken out of revenues from the tax itself.

The tax act would ordinarily become effective on June 14. Therefore the commission should be in a position to begin collecting the tax on that date. But the retail merchants are circulating referendum petitions attacking the measure. If the petitions are completed, as seems probable, the act will go before the voters at the general election in November, 1942. At that time should the decision be against the act there will be no tax and consequently no revenues from which to pay any expenses the commission might incur in connection with its administration.

And there you have the problem that is confronting the commission. If the necessary arrangements are not made in advance the commission will not be prepared to collect the tax on June 14 in the event the referendum fails. If it does prepare and the referendum succeeds there will be no revenue from which to pay the cost of its preparations. Under the circumstances the commission is determined to sit tight and await developments before making any move to incur an expense it might not be able to meet.

There is no immediate prospect of the name "Oregon" being given to one of Uncle Sam's new battle-wagons so long as the old "Oregon" now at rest in Portland harbor is carried on the navy lists. Secretary of State Snell was informed this week in a letter from the navy department. Of the 17 new battleships authorized by Congressmen four are still unnamed.

Uncle Sam reached into Oregon's official family to grab off two more members this week. Wallace Wharton, member of the state tax commission and a lieutenant-commander in the naval reserve, has been ordered to duty with the navy department in the national capital. Sigfrid Unander, private secretary to Governor Sprague, was ordered to report for duty with the army at Fort Lewis, Washington. Unander is a lieutenant in the army reserves. This, incidentally, is the second secretary Governor Sprague has lost to the army since mobilization of the nation's fighting forces started last September. Cecil Edwards, the first secretary, was a captain in the Oregon national guard at the time of its mobilization and is now on duty with the Oregon troops at Camp Murray. The governor has said that no attempt will be made to fill the vacancy in his staff for the time being. The secretarial work will be carried on by David Eccles, his executive secretary and budget director, and Mrs. Helen Webster Beelar, his assistant secretary.

Hundreds of workers from other states are flocking to Oregon attracted by the prospect of jobs in defense industries, according to the Unemployment compensation commission. While the number of applications for benefit payments from these out-of-state workers has shown a substantial increase the number of Oregon claimants for jobless insurance during the first three months of 1941 was only 30,538 compared to 43,046 for the same period a year ago.

C. H. Gram, state labor commissioner, this week announced the can-

cellation of the licenses under which 125 insurance companies have been serving as deputies of the labor bureau in the inspection of boilers and elevators.

In explanation of his move Gram said that the arrangement was found to be very unsatisfactory. In many instances, Gram said, several insurance companies had issued policies against the same elevator. This resulted in duplicating inspections and conflicting reports which could only be reconciled by a separate inspection by an employee of the bureau of labor.

In taking over all of the inspection work into his own department Gram said that he was adding only three more inspectors to his staff of field men.

The interim appointment of Earl B. Day of Medford as a member of the state tax commission to succeed Wallace Wharton, called into military service as a naval reserve officer, is the first to be made under the terms of an act of the 1941 legislature which is designed to protect the jobs of public officials and employees who are called by Uncle Sam. Just how far this act will protect Wharton in his post as a tax commissioner is problematical but it is understood that the protection extends only to his present term which expires in December, 1942. Day who took over his new duties this week is a former county judge of Jackson county, served two terms in the state legislature as representative from Jackson county and has long been interested in tax problems.

Oregon's per capita tax contribution toward the support of state and local government is well below the national average as revealed in a report of the federal census bureau just released. According to this report the average annual cost of state and local government the nation over is approximately \$70 per capita. Here in Oregon tax contributions toward the cost of state and local government averages only \$64 per capita. This includes all types of taxes, ad valorem, income, gasoline, automobile, inheritance, gift and city license fees. The per capita state and local debt burden here in Oregon also shows up well in comparison with that of other states. While the average for the nation over is approximately \$154 per capita here in Oregon the net debt of state and local governments averages only \$105 per capita. While this debt burden increased by 3.4 per cent taking the nation as a whole, but not including the federal debt, in Oregon the state and local governments reduced this load by approximately 38 per cent in the period from 1932 to 1940.

More than a score of architects have applied to the Board of Control for the privilege of preparing the plans for the new treatment hospital to be constructed at the state hospital. The board has indicated that actual construction work on the new building will probably be delayed for several months in the hope that lumber and labor costs may decline from their present high level.

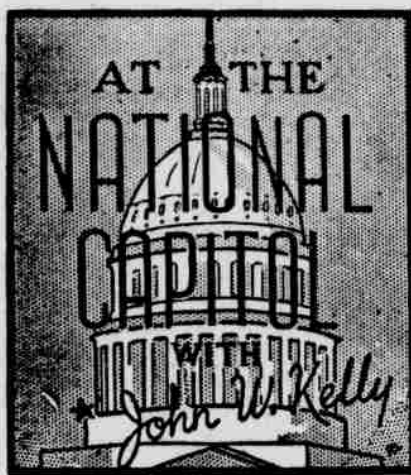
Plans for the administration of the new hospital fund created by the last legislature were discussed at a conference here this week attended by representatives of a number of hospitals and members of the Industrial Accident commission. This fund will be created out of an additional 50 cent charge to be added to the cost of motor vehicle operator's licenses and is to be used in reimbursing hospitals for the care of indigent victims of motor vehicle accidents. It is estimated that the additional charge will produce approximately \$125,000 a year.

## NOTICE TO CREDITORS

Notice is hereby given that the undersigned was duly appointed by the County Court of the State of Oregon for Morrow County, administrator of the estate of William T. Craig, deceased, and all persons having claims against the estate of said deceased are hereby required to present the same to the undersigned administrator at his office in Heppner, Oregon, with proper vouchers duly verified, within six months from the date hereof.

Dated and first published this 3rd day of April, 1941.

JOS. J. NYS, Administrator.



Washington, D. C., April 24.—Two plans for financing the war (national defense, if you prefer) are under way. One is taxes, the other sale of defense stamps and defense bonds. Regarding taxes, the treasury wishes to raise an additional 3.5 billion dollars next year on this year's income and tax everything that will bring in a dollar to the treasury. The sale of defense stamps and bonds starts next Thursday, May 1, and will also help pay the heavy burden. The defense financing will come voluntarily; the income and other new taxes will be obligatory. The American people are in for a long hard road, which will zip a large part of their pocketbook.

Postoffices, banks and all sorts of stores and establishments will place on sale May 1 the defense stamps and bonds. The stamps are in denominations of 10, 25 and 50 cents, \$1 and \$5. They bear no interest. For 75 defense stamps at 25 cents each a bond can be had valued at \$18.75 and after 10 years this bond will be worth \$25. For those who wish to accumulate a large amount of bonds the treasury is providing series F and G. These have a 12-year maturity and pay 2.5 percent interest. Also the revenue from these bonds is taxable.

For higher denominations of the stamps a book will be given to hold them. The 10-cent denomination receives no cash consideration, for world war No. 1 taught the treasury a lesson—the small stamps are lost and thereafter become a clear profit.

Two weeks ago the ways and means committee decided 1.5 billion of additional taxes would not meet requirements, but the treasury has since submitted a program to raise 3.5 billion. Under present plans there is scarcely a wage-earner, man or woman, who will not have to pay an income tax in 1942 on 1941 income. For years thousands of residents of Oregon and Washington have not had to pay a cent to the internal revenue department because with exemption for married people, exemptions for children and dependents, these deductible items were so large that there was no net income on which to pay. The new income tax bill will remedy that. The income base will be broadened by lower exemptions and most of those who escaped paying taxes in the past must now come forward. If the bill adopted is as drastic as contemplated farm hands, in many instances, will pay a tax, and craftsmen must pay because their annual income will bring them into the contributing class, thanks to steady employment and high wages.

Most Americans receive an annual income of less than \$3,000 and it is from this class that the treasury expects its chief support. The theory that the rich can pay all taxes has been exploded. There are not enough rich people; and the government hits them heavily. Corporations with defense orders, from the big fellows to the little ones will be soaked with excess taxes until there will be no profiteering. This is a principal reason why the steel companies, threatened with strikes, upped wages, knowing they may as well give more to the workers because, otherwise, Uncle Sam would take it away in taxes next year.

A plan is under consideration to have all employers deduct and put aside for the employees a percentage of their wages. It would be a payroll tax in addition to other payroll taxes. Purpose of this is to enable workers to build up a reserve for the time when industry takes a tail spin when the excitement and shooting are over; give them something to live on instead of looking to the federal government for re-

lief. The government knows that the average wage-earner, regardless of his paycheck, spends his money as fast as he gets it, with the result that he is stone-broke when his employment ends. Realizing that the habits of a people cannot be changed, the government is trying to devise a method of saving part of the worker's income for him, and this may be accomplished by a tax or hold-back on the payroll. Anyway, taxes will be so heavy from now on that practically everyone must have a few dollars to settle with the internal revenue department. This necessitates saving.

Movies, liquor, tobacco, beauty aids—the long list of items of food, fun and clothing—will carry a tax. It is the theory of the administration that with high wages the imposition of substantial taxes will prevent the cost of living getting out of hand. The tax collector steps in before the nation goes on a buying splurge.

The administration dislikes a sales tax; doesn't like the name, but intends attaining the same objective—tax money—by calling it a manufacturers excise tax. But regardless of the name or how it is collected, the American citizen will pay. Much of the tax load could be passed on to the next and the next generation, but the best opinion in congress is that the people now should carry as much of the load as possible—pay as you go and borrow the balance. The entire economics of the United States is due for a severe jolt, and life isn't going to be what it was in the "good old days."

## NOTICE OF SALE OF COUNTY PROPERTY

By virtue of an ORDER OF THE COUNTY COURT, dated April 23, 1941, I am authorized and directed to advertise and sell at public auction at not less than the minimum price herein set forth:

Lot 5 in Block 1 of Cluff's Addition to the City of Ione, Oregon, for the minimum price of \$10.00 cash.

The N $\frac{1}{2}$  of SW $\frac{1}{4}$ , SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 31, Township 2 North, Range 24 East of Willamette Meridian for the minimum price of \$1.00 per acre, 20 percent down and balance on contract.

THEREFORE, I will on the 24th day of May, 1941, at the hour of 2:00 P. M., at the front door of the Court House in Heppner, Oregon, sell said property to the highest and best bidder.

C. J. D. BAUMAN, Sheriff,  
Morrow County, Oregon.

## Professional Directory

### Maternity Home

Mrs. Lillie Aiken  
Phone 664 P. O. Box 142  
Heppner, Oregon

### Phelps Funeral Home

Ambulance Service  
Trained Lady Assistant  
Phone 1332 Heppner, Ore.

### NEW AUTO POLICY

Bodily Injury & Property Damage  
Class A \$13.60 Class B \$17.00  
See us before financing your next automobile.  
F. W. TURNER & CO.

### Heppner City Council

Meets First Monday Each Month  
Citizens having matters for discussion, please bring before the Council.  
J. O. TURNER, Mayor

### GLENN Y. WELLS

ATTORNEY AT LAW  
ATwater 4884  
585 MEAD BUILDING  
5th at Washington  
PORTLAND, OREGON

### J. O. Turner

ATTORNEY AT LAW  
Phone 173  
Hotel Heppner Building  
HEPPNER, ORE.

### A. D. McMurdo, M. D.

PHYSICIAN & SURGEON  
Trained Nurse Assistant  
Office in Masonic Building  
Heppner, Oregon

### Heppner Abstract Co.

J. LOGIE RICHARDSON, Mgr.  
RATES REASONABLE  
Roberts Building Heppner, Ore.

### P. W. Mahoney

ATTORNEY AT LAW  
GENERAL INSURANCE  
Heppner Hotel Building  
Willow St. Entrance

### J. O. Peterson

Latest Jewelry and Gift Goods  
Watches - Clocks - Diamonds  
Expert Watch and Jewelry  
Repairing  
Heppner, Oregon

### Vawter Parker

ATTORNEY-AT-LAW  
First National Bank Building

### Dr. Richard C. Lawrence

DENTIST  
X-Ray and Extraction by Gas  
First National Bank Bldg.  
Phone 562 Heppner, Oregon

### Dr. L. D. Tibbles

OSTEOPATHIC  
Physician & Surgeon  
FIRST NATIONAL BANK BLDG.  
Rec. Phone 1182 Office Phone 492  
HEPPNER, OREGON

### Jos. J. Nys

ATTORNEY AT LAW  
Peters Building, Willow Street  
Heppner, Oregon

### V. R. Runion

AUCTIONEER  
Farm Sales and Livestock a Specialty  
405 Jones Street, Heppner, Ore.  
Phone 453  
MAKE DATES AT MY EXPENSE

### Morrow County Abstract & Title Co.

INC.  
ABSTRACTS OF TITLE  
TITLE INSURANCE  
Office in New Peters Building

### Peterson & Peterson

ATTORNEYS AT LAW  
U. S. National Bank Building  
PENDLETON, OREGON  
Practice in State and Federal Courts

### Real Estate

General Line of Insurance and Bonds  
W. M. EUBANKS  
Notary Public  
Phone 62 Ione, Ore.

### M. L. CASE G. E. NIKANDER

Directors of  
Funerals  
862—Phones—262