

# Land Appraisal Committee Asks Corrective Legislation

(Editor's Note: Because of the general interest in the work of the land appraisal committee of the Morrow County Livestock Growers' association, the annual report of the committee at the recent annual meeting is printed below. Working on the committee were O. W. Cutsforth, chairman, Herb Hynd, Frank Anderson, Norman Nelson and Ed Hughes.)

In recent years there has been a big change in the reasons for and the methods in land transactions through all the United States. These changes carry a tremendous impact on the agricultural landholder here in the farming industry of Oregon. These changes of reasons have derived from economic changes, and have otherwise been brought

about by both natural causes and causes created by politically enhanced conditions.

1. Some of the natural causes are that our country is filling up with people.
2. New land available for new farms is rapidly diminishing.
3. Competition of people wishing to get into agriculture and people in agriculture wishing to remain in agriculture.

These are the historic things that have governed agriculture with other industry and are things that are normal and healthy for agriculture with other industry, and are things that are normal and healthy for agriculture.

The largest and most burdensome change has come about as an aftermath and an unforeseen unfavorable reaction from the necessity of Government regulations in agriculture. These have resulted in:

1. Changes of unit economy in farms—previous economical units due to (a) Better farming methods, (b) Better machinery, (c) Fertilizer, (d) Farm surpluses, (e) Acreage allotments, (f) Price stabilization have resulted in reducing previously economical units to non-economical units.

This situation then forces adjustments for economic survival of the farming neighbors none of which wishes to sell his farming business. However the sale has been the only devised means by which an existence can be maintained, and a purchase is determined by which party is in position to make the greatest sacrifices in order to remain in agriculture.

A sale price is determined by considering (1) Income tax due on sale of property, (2) How much income can be produced by joining the two units, (3) Pressure from other farmers in similar economic unit positions, (4) Ability to finance, or gamble as the case may be, note or mortgage, sales contract, etc. resulting in one less farm in order to make one presently economical unit out of two. Both parties know that the purchase price was far in excess of ability of the property to produce and that the purchaser has a tremendous capital risk far beyond that required in any other business and for a longer period of time. It still remains to be seen if the purchased property can be paid for. These transactions have now reached some interesting and burdensome side effects—those of taxation (State, Federal, County).

**County Taxes**  
The purpose of which is to furnish funds with which to conduct the various offices and business carried on by the county government and to raise funds for the various types or kinds of school districts in the county.

1. Property tax: Assessed on a percentage of true value, one part of which is based on recent sales which do not reflect the true value of the property in respect to its productive capacity.
2. Personal property tax.

**State Taxes**  
The purpose of these taxes are similar to those of the county. Types of taxes: (1) Property tax—at present not imposed but the possibility of imposition is ever present. (2) Income tax—based on net earnings. (3) Sales tax—at present on some items and designated for specific services. (4) Inheritance tax—based on property values arrived at by theory of a hypothetical sale of property, the value of which has been determined by a willing buyer and an informed seller. Recent sales on a percentage of cash worth, money in the bank, convertible paper of different types.

**Federal Taxes**  
Follow in general the same system as the state although the rate, or percentage application differs.

Reading the above outline one can see that Agricultural property carries a tremendous portion of the economic load of local, State and Federal Governments. To this one must add some penalties imposed, perhaps inadvertently, by changes in our business world including the State, National and County Governments. These changes in government business will and do re-

quire changes in channels of financing in order to prevent inequities in costs of governments carried by the different segments of county state and national business and by individuals.

When one considers the problem of financing schools in the county and the changes that have occurred in the last few years we find that the largest and most notable change has been the consolidation of districts. This change, while it presented some improvements had the peculiar side effect of shifting the burden of finance from the populated areas to the sparsely populated areas. The rural areas formerly had provided the grade school education and facilities for same and sent the high school children to school on a tuition basis. This system was workable and economical and it, in some cases, had its inequities. At the present time and under the present system of consolidation, county

units and other various systems—the rural area now is paying approximately 70% of the total cost of the education of all the children in both the grade and high schools of the county while furnishing only one-third of the school population.

These changes in methods or places of education without resultant changes in methods of financing same, coupled with distorted facts caused by economic reactions perpetrated by various forms of government have helped cause former economical units of rural or agricultural property to become non-economical units which results in a pressure of unit expansion among neighbors in similar circumstances. This causes the sale by one, and the purchase by another of property which is for sale because of threat of economic failure, at a price derived by what I choose to call inflationary duress. This then, of course, fictitiously increases val-

ues and places an added burden on heirs by imposing inheritance taxes based on these unrealistic values. This tax is, in a sense, a tax after a tax and is in many cases larger than the loan value of the property. A situation of taxation which in itself tends to discourage the incentive of people engaged in agriculture.

This now brings us to the conflicting stands taken by both the state and federal governments, between the departments of their monetary agencies. Both governments have taxing agencies and both have lending agencies. The basis of values of both departments in both the governments are so different from each other that they are almost exact opposites. The taxation department bases their values on to a very large extent—recent sales, while their lending agencies base their values in the main on the productivity of the land and its ability to pay. This is directly connected to

the economic health of the industry.

The following figures will serve as a guide of supplemental information showing the further shifting of tax to the rural property:

Utility taxes for 1951-52, \$2,977,869; 1961-62, \$1,424,951, or a reduction of \$1,552,918 for utilities in this county.

Real estate taxes, 1951-52, \$5,811,170; 1952-53, \$8,342,520 or an increase of \$2,531,410 for real estate in this county.

Examining the enclosed statement of taxes leads us to believe that the increase of taxes on rural and city property in this county are directly connected with the reduction of taxes on public utilities. To further explain our thought, it is our opinion that the utilities are collectors of taxes rather than taxpayers, such being the case a reduction of utility taxes results in further tax burdens for property owners in the country.

Concerning taxation of homes on rural property it is our belief that above average farm homes do not have as good resale value as comparable city homes and therefore should not carry the same assessed value. In fact as a sale property the value of an above average farm often is a direct detriment to the sale of the total property.

Our request as solution to the complex and aggravating problem, is for corrective legislation in all agencies of the government to cause the taxing agencies to adopt the basis of valuation used by the lending agencies—based on the production ability of the property and the economic health of the industry. We further recommend changes made in basis of taxation used in county governments to alleviate the burden of educational costs and to adjust it to the more densely populated areas where the demand is greater.

## Monument News

(Held over from last week)

**By MARTHA MATTESON**  
MONUMENT—Twin daughters were born to Mr. and Mrs. George Morrell, Jr., Saturday morning, February 3, at the John Day hospital. They join a 3-year-old brother.

Mr. and Mrs. Carlyle Stewart of New Pine are parents of a daughter born early Sunday morning. Her mother, Mrs. Stanley Musgrove, is helping in the home.

Ruben Patzer and Maynard Hamilton made a business trip to Heppner on Monday.

Bible study was held last Thursday evening at the home of Mrs. Helen Brown.

A delegation of the American Legion auxiliary drove to Long Creek Friday to hold a meeting. A past president's pin was presented to Isabelle Neal.

Jack Cavender spent a few days in Portland, returning Saturday with a truckload of pipe for the Power Co-op.

Mrs. Donna Santos and two sons of John Day spent the past week at the home of her parents, Mr. and Mrs. Fred Shanks.

Mr. and Mrs. Jim Durbin and three children left Friday for Prineville where they will make their home. He is employed at the dairy there.

Mr. and Mrs. Owen Leathers of Heppner visited in Monument Sunday and attended the funeral services of Gerald Newton Harrison.

Richard Martin and family spent the week-end with his parents, Mr. and Mrs. Henry Martin. Mrs. Bernice Woese, sister of Mr. Martin, was also here for the week-end.

Mrs. Grace Stritt spent the past week in John Day with her granddaughter, Miss Laura Lee Shank.

Mrs. Earl Lewis and children, Mrs. Verne McCarty, and Mr. and Mrs. Henry Martin were among those in John Day on business the past week.

Sixteen members of the M. M. M. club were present last Thursday for its meeting at the home of Mrs. Eldon Deerdorf. Next meeting is set for February 15 at the home of Mrs. Goldie Rounds.

Stella McCarty, Martha Matteson and Little Robert Scott drove to Heppner on business last Tuesday. They also visited at the Bill Farra home and the Clayton Sweek home.

Mr. and Mrs. L. J. Matteson and daughter, Martha of Alturas, Calif., were here to attend funeral services of her grandmother, Mrs. S. F. Wilhelm Rulien at Spray on Friday.

Others attending from here were Mrs. Stella McCarty, Mrs. Ray Davis, Mrs. Hazel Jackson, Mr. and Mrs. Frank Howell, Mr. and Mrs. Clifford Howell, Mr. and Mrs. Jim Stirwalt and Mr. and Mrs. Dave Stirwalt.

## Ione Club Sets Goals

Ione Livestock 4-H club adopted goals for the year, including tours, demonstrations and exhibits at the January meeting at the home of the club's leader, Alfred Nelson, Jr. Nine members and five visitors were present. Plans were made for the February meeting at the home of John Proudfoot.

Stephen Lindstrom, reporter



You are inside Shell's new all-weather laboratory at Wood River, Illinois. Here, Shell scientists test Super Shell for top performance in bitter cold.

## Tests in Shell's new "40 below" lab prove that Super Shell 9-ingredient blend can give top performance all winter

**SUPER SHELL's** winter blend includes Butane for quick starts. Pentane mix for fast warm-ups. And an anti-icer to help fight stalling. Here's how they work—and how Shell engineers test them for top performance.

### 1. How Super Shell helps you get fast starts

Butane is the quick-firing ingredient in today's Super Shell. It can boil and turn to vapor even on ice. Butane's ability to vaporize when cold helps Super Shell start your car promptly all winter.

**The starting test:** A car, filled with Super Shell, soaks up zero-degree cold for 12 hours. It must then start promptly. Shell engineers run cold-starting tests on a variety of cars. They insist that Super Shell help them all start promptly.

### 2. How Super Shell speeds warm-ups

Pentane mix is Super Shell's fast warm-up ingredient. It ignites easily, helps

speed the warm-up process.

**The warm-up test:** A car, filled with Super Shell, stays in the lab overnight. Temperature: zero. Next morning, the car is started and eased up to cruising speed. Suddenly, the accelerator is pushed halfway to the floor.

The car must respond smoothly, without sputtering.

### 3. How Super Shell fights carburetor icing

The anti-icer in Super Shell coats vital carburetor parts with a protective film. This film helps guard the parts against critical ice buildup, helps prevent icing stalls when they are most likely to occur.

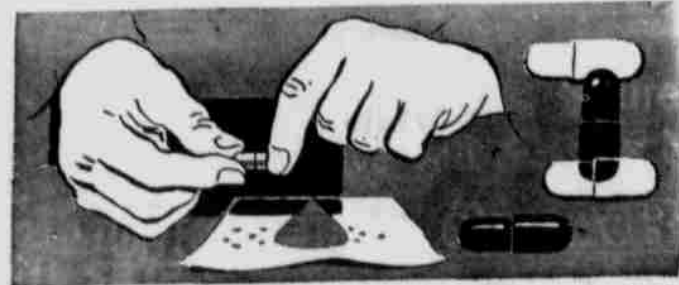
**The icing test:** Lab temperature is raised to 40 degrees and air moisture increased. These conditions encourage carburetor icing.

**REASON:** Fuel evaporation lowers the temperature inside your carburetor, freezing the airborne moisture. That's how ice can

build up and stall your engine—and when Super Shell's anti-icer must do its job.

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You now know how three of Super Shell's nine ingredients work. The other six are for power, extra mileage, a quiet engine, top performance.



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