

Proposed Oregon Tax Law

(Continued from last week)

(Amendatory clause.)

Section 11. That section 1 of an act entitled "An act to fix the place of assessing national bank stock and private banks, loan and trust companies," approved February 24, 1903, being found upon page 286 of the General Laws of Oregon, 1903, be and the same hereby is amended to read as follows:

Shares of stock of national banks shall be assessed to the individual shareholders at the place where the bank is located. Shares of stock of other banks, and interest in banking capital, building and loan associations, and trust companies, shall be assessed to such banks, building and loan associations, or trust companies, or to their owners or stockholders, as by law provided, at the place where such banks, building and loan associations, or trust companies are located.

(Saving clause.)

Section 12. That this act shall not be construed to apply to the assessment of property made upon the basis of ownership on the first day of March, 1907, at the hour of 1 o'clock a. m.

A BILL

For an act to create a state board of tax commissioners, and to prescribe the membership thereof, and its powers and duties, meetings and procedure, and for appeals therefrom; providing for its expenses, and compensation of its members; conferring upon it general supervisory power over the levy of taxes and public revenues in this state; providing for the assessment for taxation by it of the property of railway, union station and depot, electric and street railway companies, owners and operators, and of such heat, light, power, water, gas and electric companies as may be doing business as one system, partly within this state and partly without, or so doing business in more than one county of the state, or persons, firms, joint stock companies, associations, syndicates, co-partnerships, or corporations engaged in any of such businesses; to require certain affidavits, statements, and reports under oath, certificates, books and papers to be furnished and produced by certain persons, officers and corporations, and imposing the penalty therefor; and imposing the penalty therefor on the same, or the furnishing of a false or fraudulent statement, a crime, and prescribing the penalty therefor; and requiring persons to appear and testify, and under oath or otherwise, before said board, or any member thereof, and making the failure so to do, or the failure to furnish the same, or the furnishing of a false or fraudulent statement, a crime, and prescribing the penalty therefor; and prescribing the duties of state county and other municipal officers in aiding said board in the discharge of its duties; and providing for appeals to the circuit court from the determination of said board in certain cases, and the manner of taking, hearing, and determining the same, and defining the jurisdiction of the circuit court of the several counties on such appeals; and prohibiting the members of said board from accepting any fee, gratuity or gift from any person or corporation liable to assessment under this act, and making the violation of such provision a crime and prescribing the penalty therefor; and repealing sections 3030, 3031, 3032, 3033, 3034 of the Codes and Statutes of Oregon, compiled and annotated by Hon. Charles B. Bellinger and William W. Cotton, and all acts and parts of acts in conflict herewith.

Be it enacted by the people of the state of Oregon:

(Board created: Of whom composed— Governor shall be chairman—See.)

Section 1. There is hereby created a state board of tax commissioners, to be composed of two persons appointed by the governor, secretary of state, and state treasurer, acting jointly as in this act provided, and their successors, who shall be skilled in matters of taxation, and shall not be members of the same political party, and who shall devote their entire time to the performance of the duties herein imposed, and the governor, secretary of state, and state treasurer, the last three of whom shall ex officio be members of said board. Said board shall perform and have the duties hereinafter specified, and the governor shall be chairman thereof. Said board shall adopt and use an official seal, which shall be provided by the secretary of state.

(Appointment, bond, and qualification of appointive members.)

Section 2. The governor, secretary of state and state treasurer, acting jointly, shall appoint and commission all persons appointed under the provisions of this act, and before entering upon the discharge of his official duties each such appointee shall execute a bond, payable to the state of Oregon, in the penal sum of \$10,000, with sureties to be approved by the governor, for the faithful discharge of his official duties; and each appointee shall take and subscribe an oath for the faithful discharge of his duties and office, which oath shall be indorsed upon his official bond, and said bond and oath when so executed and approved shall be filed in the office of the secretary of state.

(First two appointive members appointed on taking effect of act.)

Section 3. Immediately after the taking effect of this act the governor, secretary of state and state treasurer, acting jointly, shall appoint two persons, possessing the qualifications required by this act, to serve as the appointive members of the board hereby created, subject to the provisions in this act contained.

(Term of office of appointive members.)

Section 4. The members of the board first chosen by appointment shall be appointed to hold their offices, one for two years and one for four years, and the governor, secretary of state and state treasurer, acting jointly, shall commission one of the first appointive members of said board to hold his office for two years, and the other one for four years, and thereafter persons chosen by appointment as members of such board shall hold their office for

the term of four years.

(Duties of board.)

Section 5. It shall be the duty of the said board of state tax commissioners—

1. To have and exercise general supervision of the system of taxation and collection of public dues and revenues throughout the state.

2. To require that all assessments of property in this state be made according to law.

3. To see that all taxes due the state, counties and municipalities are collected.

4. To prescribe all forms of books and blanks used in the assessment and collection of taxes not otherwise prescribed by law, and to change to forms of blanks and books prescribed by law in case change shall be necessary.

5. To construe the tax and revenue laws of the state whenever requested by any officer acting under such laws, or by any interested person, and to instruct such officers with reference to assessment and taxation, and collection of public dues and revenues.

6. To issue instructions and directions to the county assessors, county boards of equalization, county clerks, and tax collectors as to the rules best calculated to secure uniformity in the system of assessment and collection of taxes, and a full cash valuation for assessment and taxation of all property, real and personal, tangible and intangible, including franchises and special franchises, and to prescribe all blank forms of reports for that purpose.

7. For the purpose of enabling the board, any county assessor, county board of equalization, county clerk, or tax collector to acquire and obtain all information that could in any manner aid it or him in arriving at the valuation of any franchise or special franchise, to examine all books and papers of account, and to require any person to appear before said board, or any member thereof, and to interrogate such person under oath or otherwise.

8. To see that penalties are enforced when prescribed by any revenue law of the state for disobedience to its provisions, and to see that complaint is made against persons or corporations violating the provisions of any tax or revenue law of this state; and in the execution of these powers and duties the said board, and any member thereof, may call upon the prosecuting attorney or the attorney general, who shall institute and conduct prosecutions for penalties and forfeitures, liabilities and punishments for violation of the laws of the state in respect to the assessment and taxation of property, or the collection of public dues and revenues.

9. To take charge of and superintend the enforcement of the inheritance tax laws, and to see that the taxes provided therein are collected.

10. To make such rules and regulations as the board shall deem proper to effectually carry out the purposes for which the board is constituted, and to make all necessary rules and regulations not inconsistent with law as the board may deem necessary with respect to its own meetings and procedure.

11. To report to the legislature at each regular session the total amount of revenue collected in the state for all purposes, classifying as to purposes with the sources thereof, the proceedings of the board, and such other matters of information concerning the public revenues as may be deemed of general interest.

12. To make diligent investigation and inquiry concerning the revenue laws of other states and countries, so far as the same are made known by published reports or statistics, or can be ascertained by correspondence with the officers thereof; and with the aid of information thus obtained, together with experience with and the observation of our own laws, to recommend to the legislature at each regular session thereof such amendments, changes, or modifications of our constitution or revenue laws as seem proper or necessary to remedy injustice or irregularity in taxation, or to facilitate the assessment and collection of public revenues.

13. To see that each county in the state be visited by at least one member of the board as often as once each year, to the end that any proper assistance and advice be given to the officers engaged in the assessment and collection of taxes, that complaint concerning the law may be heard, and that information concerning its workings may be collected, that all revenue officers comply with the law, and all violations thereof be punished, and that all proper suggestions as to amendments may be made.

14. To require from any state, county or municipal officer, whose duties pertain to the assessment, apportionment, levy, or collection of taxes and public dues or revenues, or the disbursement of public revenues, reports, and statements, as to any matter deemed material and relevant, in such form as may be prescribed.

15. To make an annual assessment, upon an assessment roll to be prepared by said board, of the property having a situs in this state, as hereinafter defined, of all railroad companies, union

station, and depot companies, electric and street railway companies, and of such heat, light, power, water, gas, and electric companies as may be doing business as one system, partly within this state, and partly without, or so doing business in more than one county of the state.

(Term "Property" defined—Property not assessable by board.)

Section 6. The term property, as used in this act, shall be deemed to include all property, real and personal, subject to assessment for taxation under this act belonging to the corporation, or held by it as occupant, lessee, or otherwise, and shall include the rights of way, roadbed, cars, rolling stock, tracks, wagons, horses, office furniture, telegraph, telephone, and transmission poles, wires, conduits, switchboards, machinery, appliances, appurtenances, and all other property of a like or different kind, used in the carrying on of the business of said corporation, and owned, leased, or operated by them respectively and all other real and personal property, and all franchises and special franchises; Provided, however, that this definition shall not include, apply to, or subject to assessment for taxation by said board such real estate as is owned and can be conveyed by such corporation under the laws of this state, and which is not actually occupied in the exercise of its franchise, or in use in the operation of their corporate business, nor to the car and machine shops, grain elevators, grain warehouses, docks, bridges across the boundary rivers of the state or to the Willamette river, the water craft of any corporation, nor to the real and personal property of such corporation devoted to navigation; but such car and machine shops, grain elevators and grain warehouses, docks and bridges, water craft, and property devoted to navigation so excepted, shall be liable to assessment for taxation in the same manner as other property in the state, by the several county assessors.

(Term "Property Having Situs in This State" defined.)

Section 7. The term property having a situs in this state shall include all property, real and personal, of the corporations included in this act, owned, leased, used, operated, or occupied by them, and also such proportion of the rolling stock, cars, and other personal property of a like or different kind, as is used partly within and partly without the state, as herein provided to be determined.

(Reports required of corporations—Contents.)

Section 8. The several corporations enumerated in this act, doing business in this state, are hereby required annually, between the first day of April and the fifteenth day of May, to make and file with the said board of state tax commissioners, in such form as said board may provide, upon blanks to be furnished by said board, a statement, under oath of their president, secretary, treasurer, superintendent, or chief officer of such company, covering a period of at least one year, and not exceeding five years, as may be required by such board, containing the following facts:

1. The name of the company; the nature of the company, and under the laws of what state or country it is organized; the location of its principal office; the name and postoffice address of its president, secretary, auditor, treasurer, superintendent, and general manager; the name and postoffice address of the chief officer or managing agent or attorney in fact in Oregon.

2. The number of shares of capital stock.

3. The par value and market value, or if there be no market value, the actual value of the shares of stock on the first day of March at the hour of 1 o'clock a. m. for the year in which the report is made.

4. The bonds and other corporate obligations of the company.

5. The par value and market value, or actual value if there be no market value, of the bonds or other obligations of the company on the first day of March at the hour of 1 o'clock a. m. of the year in which the report is made.

6. A detailed statement of the real property owned by the corporation in Oregon, where situated, and the value thereof, if required by the board.

7. If required by the said board, a detailed statement of the personal property, including moneys and credits owned by the company in Oregon on the first day of March at the hour of 1 o'clock a. m. of the year in which the report is made, where situated, and the value thereof.

8. If required by the board, the total value of the real estate owned by the company situated outside the state.

9. If required by the board, a full and complete statement of the cost and actual present value of all buildings of every description owned by said company within the state not otherwise assessed.

10. If required by the board, the total value of the personal property of the company situated outside of Oregon.

11. The total length of the company's lines, and the length of so much of its lines as is within or is without Oregon, which lines shall include that which said company controls or uses as owner, lessee, or otherwise.

(To be continued next week)

SHORTAGE A PUZZLE

Prosperity One of Main Causes of Lack of Cars.

MANY SMALL SHIPPERS FACE RUIN

Railways Are Also Losing Revenue Because They Cannot Handle Shipments Offered.

Chicago, Dec. 22.—The ruin which the small shipper faces; the injury which the big shipper is suffering on account of car shortage, and the efforts the railroads are making to meet phenomenal traffic conditions and profit by the wealth of revenue that is being offered them were brought out in sharp contrast today before the Interstate Commerce commission meeting in Chicago. The hearing relative to car shortage and its causes and possible remedies is being conducted by Commissioners Lane and Harlan.

Witness after witness testified to conditions which are now pretty generally known, and railway men who have attained more than national reputations as railroad operating men frankly admitted they were unable to suggest an adequate remedy. On the one hand, the shipper, who is suffering injury, if not being ruined, and the industries which are being crippled were shown, while in contrast with this picture was revealed the great railway systems of the country, which had been rebuilt in the last five years at unheard-of cost, and which had ordered equipment and power with a lavishness almost passing belief.

So puzzling has become the situation to shippers, to railroad men and to the commission alike that Commissioner Harlan declared it almost seemed that the country is souring from indigestion caused by too great prosperity.

It developed during the day from telegrams received by the commission that the car famine in the Northwest was at last being broken, and that relief was in sight for the suffering of that section.

The railroad men who testified today admitted they were at fault for the car shortage, but insisted that only half the blame was on their shoulders. The shippers were made to carry their share of responsibility, without any apparent effort.

VAST IMPORTATION OF RUBBER

United States Consumes Over Half World's Production.

Washington, Dec. 22.—The United States will have imported an aggregate of nearly \$50,000,000 worth of crude rubber at the close of the present year, according to a statement made public today by the bureau of statistics of the department of Commerce and Labor. If to this is added the value of old and scrap rubber intended for re-manufacture, the total will considerably exceed that amount.

The value of rubber importations has increased more than 200 per cent in a decade. The United States consumes more than one-half the world's production, and the enormous growth in the importation is attributed to the popularity of the bicycle and automobile, coupled with the increased use of electricity.

The statement says the indications seem to justify the belief that the Philippine and Hawaiian islands are capable of producing large quantities of this article as a result of this government's estimate of nurseries in those possessions for the distribution of rubber plants for use of rubber plantations.

Hicks Saved At Last.

Chicago, Dec. 22.—A dispatch to the Tribune from Bakersfield, Cal., says: Hicks, the miner who has been entombed in the Edison tunnel for 13 days, was reached by his rescuers at 1 o'clock this morning. At that hour it was announced he would speedily be released. His rescuers were talking to him and had passed to him a basin of water with which to bathe his face. An improvised hospital has been set up in the tunnel, warm water to bathe the face of Hicks, blankets to protect him from the chill air.

Prarie Land Sinking.

El Paso, Tex., Dec. 22.—Mining men who arrived here yesterday from the Sierra Madre mountains report that a large tract of prairie land at the foot of one of the spurs of the range is gradually sinking, and that a large lake of pure water has formed. The lake is nearly a mile in circumference and the water three feet deep, the depth gradually increasing within the last few years. Two other large lakes have been formed in the foothills of the Sierra Madres in the same manner.

Coal Train on Passenger Time.

Superior, Wis., Dec. 22.—The Great Northern road today is making up a train of 80 cars loaded with coal to supply immediate wants in Grand Forks, N. D. The train will be run on passenger time.

HANSBROUGH OFFERS REMEDY.

Discusses a Car Shortage Bill With President and Knapp.

Washington, Dec. 21.—Senator Hansbrough, of North Dakota, who has taken an active interest in steps to remedy the situation caused by the car shortage, particularly in the Northwest, has prepared the outlines of legislation which he believes, if enacted into law, will tend to prevent a recurrence of the present congestion. These have been shown to the president, at whose suggestion the senator's ideas were put into shape, and to Chairman Knapp, of the Interstate Commerce commission. They contemplate legislation along the following lines:

Giving the Interstate Commerce commission power to inquire into the equipment capacity under stress of extraordinary conditions; giving the commission authority to require shippers holding cars in demurrage to unload and reload such cars within 24 hours after the cars have been placed in the position to be unloaded; making it a misdemeanor for common carriers to compel trainmen to attempt to move trains containing tonnage in excess of the registered tonnage capacity of the engines hauling such trains; authorizing the commission to require the temporary use of idle equipment of one road to supplement the overtaxed equipment of another.

Many suggestions on the question of legislation affecting the car shortage situation are being received by the commission. Meanwhile much testimony is being taken in the West on this subject by commissioners Harlan and Lane and their conclusions will be awaited before any further communication on the subject is made to the president.

Senator Kittredge, of South Dakota, today expressed the opinion that the coal famine in the Northwest was the result of the requirement of the amended interstate commerce law, under which the railroads have to give 30 days' notice before changing a rate, and also to the action of the retailers in putting off shipments of coal until they could have the advantage of the new rate. The senator made this statement as the result of many letters he had received. He added:

"The railroads gave notice of a rate on coal 20 per cent less than the rate then in force. The retail dealers, to have all the advantage of this rate, allowed the entire month of October to pass by before ordering coal. The result was that the railroads were not able to ship it fast enough."

AMERICA MUST WAKE UP.

Hamilton Mabie Says Germany and Japan Are Forging Ahead.

Chicago, Dec. 21.—America must soon bow to Germany and Japan as world powers if a revolution is not effected in the methods of its commerce. Hamilton W. Mabie prophesied in an address on "Works and Days" at the 61st convocation of the University of Chicago held yesterday in Mandel hall:

"Remember that the trained man commands the situation today, and that the trained race will take the situation in the future." Mr. Mabie told the graduates.

"The race which combines science with inventiveness and ability to work will rule the world's future. Unless we awake to the fact that the business man of the future must take science as a partner we lose in the struggle."

"Germany is sending out to the ends of the world young men thoroughly trained and prepared. The man who has four languages with which to aid him will drive out the man with only one language."

"The Japanese for centuries have been learning that every man is but a part of a larger organization, and the value of obedience and discipline."

"Fifty years from now it will make all the difference in the world what attitude we take, and whether we train ourselves to meet the Japanese and Germans."

Aid Must Come Soon.

Los Angeles, Dec. 21.—W. J. Washburn, president of the Los Angeles chamber of commerce, has sent the following telegram to President Roosevelt: "Please have aid rendered immediately to corral waters now pouring into Imperial valley, which will soon render work along the Colorado river useless, leave Yuma high and dry, besides undermining the great Jagans dam. This territory can support a population of 1,000,000. Unless river is stopped entirely within 60 days it will be practically useless to attempt it."

Ask \$1,225,000 for Seattler Fair.

Washington, Dec. 21.—Senator Piles and Representative Humphrey will tomorrow introduce a bill appropriating \$1,225,000 for the Alaska-Yukon-Pacific exposition at Seattle in 1909. The bill carries \$550,000 for the Alaska exhibit, \$75,000 for the Hawaiian exhibit, \$100,000 for the Philippine exhibit and \$500,000 for buildings to accommodate these exhibits.