

State Taxation Discussed By Tax Commissioner, Other Officials Here

Increased Expenses Indicate Change In Tax Base Desired

A slight decrease, required by law, in the assessed valuation of public utilities may have caused a slight rise in local taxes, Samuel B. Stewart, state tax commissioner, said here yesterday.

Stewart took part in a discussion of state tax problems at a Chamber of Commerce round-table luncheon at the Jackson hotel. The luncheon meeting was attended by 38 people including Stewart, State Sen. Philip Lowry, a member of the senate tax committee; and State Rep. Al Littrell.

Expenses Triple

It was pointed out at the meeting that state expenses have almost tripled in the past ten years and that there is a need for a new tax basis in order to meet the rising cost of state government and to equalize tax payments.

Public utilities, which are appraised by the state tax commission, have in the past been assessed on a higher tax ratio than other property, Stewart said.

The commission has been required by law to equalize the tax ratio and is complying. The unequal tax ratio, plus the fact that utilities are now subject to the state corporate excise tax, placed an unfair burden on the public utilities, Stewart said.

It was brought out at the meeting that the state general fund budget needed to meet expenses has almost tripled in the last ten years.

Reasons For Rise

Reasons given for the rise were state support of education and welfare, payment of interest on bonds issued to provide a veterans' bonus, and large increases in the cost of maintaining state institutions, police, and the cost of developing and controlling natural resources.

Lowry pointed out that more than 50 per cent of the 1955-57 budget will be used to meet the state's share of school expenses. Under the basic school support plan the state now pays \$80 per school child. The total cost of education in the state varies from \$238 to \$700 per child.

The amount paid under the basic school support plan will probably be increased further, Stewart and Senator Lowry agreed.

Now Basis Needed

Lowry stated that there is a need for a new tax basis which will provide required revenue and at the same time not place too great a burden on any particular group of tax payers.

It was brought out at the luncheon that income tax and property tax revenues, as well as state liquor profits become self-defeating when they place too great a burden on a group of tax payers.

The big question for the tax legislature is, "Who pays the taxes?" Stewart said, indicating that it is difficult to find a tax which is fair to everyone.

Stewart remarked that he had noticed a great deal of interest in a sales tax for Oregon. A sales tax has the disadvantage of placing a burden on low income groups, he said, unless it is modified in some way.

Combination Suggested

It was suggested that a sales tax, combined with a revision of the income tax laws, such as the plan in effect in California might be used. This plan is a three per cent sales tax combined with a state income tax which exempts incomes of less than \$5,000 per year.

A three per cent sales tax in Oregon would raise about \$50,000,000 in a two year period, Lowry said.

21 Cases of Disease Reported Last Week

Twenty-one cases of communicable disease were reported to the Jackson county public health department last week.

One case of viral hepatitis was reported from Prospect. Most numerous disease cases were chicken pox, with eight, six of them in Prospect and one each in Medford and Ashland. Others included two cases of measles, three of influenza, one of trench mouth, four of strep throat and two of pneumonia.

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Jackson County Residents Will Pay 16.8 Per Cent More Taxes During 1955-56 Fiscal Year

Jackson county residents, during fiscal year 1955-56, will pay \$5,413,239.45 in taxes and liens, according to the tax roll summary prepared by Robert G. Fowler, county assessor.

The figure is some \$781,741.06 more than the \$4,631,498.39 paid by taxpayers during fiscal year 1954-55, ending last June 30, an increase of 16.8 per cent. In 1953-54, the total tax collection was \$4,094,727.12.

Of the more than \$5,000,000 which will be paid this year, \$3,651,234.25 is for schools including the rural school levy of 50.2 mills, special school levies, and school bonds. Levies in

school districts range from Medford's 39.8 mills, the lowest, to Griffin Creek's 56.6 mills, the highest.

Last year, school levy collections totaled \$3,223,915.84, and in 1953-54, collections were \$2,760,406.52.

County Taxes Double

During the three-year period, county taxes have increased from 5.7 mills to 8.7 mills this year.

Ten Jackson county cities will receive \$653,522.30, an increase of \$22,565.02 over the \$630,957.28 received last fiscal year. In 1953-54, cities received \$569,796.24.

Medford's levy is 18.9 mills this year. Other city levies include Ashland, 13.2; Butte Falls, 8.7; Central Point, 17.6; Eagle Point, 25.2; Gold Hill, 19.6; Jacksonville, 17.5; Phoenix, 24.8; Rogue River, 15; and Talent 20.6 mills.

In total levy in cities, Medford residents are taxed 67.4 mills, the second lowest levy among the county's 10 cities. The 67.4 mills include city, county and school district taxes, and will raise \$471,481.92, but does not include various levies for water districts, sanitary districts or other special tax levying districts within the city.

Cities' Total Millages

Total levies, not including taxable bodies other than city, county and school districts, in other cities are Ashland, 68.7; Butte Falls, 67.6; Central Point, 66.7; Eagle Point, 84.1; Gold Hill, 68.7; Jacksonville, 76.4; Phoenix, 83.7; Rogue River, 74.7; and Talent, 80.6.

The total assessed valuation of property, including public service corporation properties, in cities is \$36,672,240.42, slightly less than half the total of \$80,658,894.05 of the taxable value in Jackson county.

In addition to county, school and city levies, some \$106,487.71 will be paid in water, sanitary, hospital and fire districts, with another \$301,720.39 going to the state fire patrol, irrigation districts, liens and penalties, and \$638.59 to reforestation fees.

Other levies include Charlotte Ann Water, 3.4; Grand View water, 9.4; Kenwood water, 9.1; Kings Highway water 13.4; Maple Park water, 6.7; Midway water, 1.6; South Bear creek sanitary, 4.3; Central Point rural fire, 4.3; Medford rural fire, 4.0; and Rogue River rural fire, 4.3.

American Cities Said Facing Bankruptcy Unless Slums Cleaned

Miami, Fla. —(U.P.)— Federal housing chief Albert M. Cole warned today that American cities face bankruptcy in 1965 unless they move quickly to wipe out slums and rundown areas.

Cole said the rapid increase in population and new families expected after 1960 will create greater demands on municipal tax resources.

These additional demands "will become insupportable if the present heavy costs of slums blight and obsolescence are allowed to go on," he said.

Cole pointed out that the population probably will jump to more than 190,000,000 by 1965, almost all the increase being registered in urban areas.

Cole said the problem of "urban renewal can be successfully accomplished only on an area-wide basis."

Face Bankruptcy

"The people of any city without a comprehensive plan of action underway within the next five years at the latest will face municipal bankruptcy in 1965," he said. Cole issued his warning today in a speech prepared for the American Municipal Association.

He said that a substantial number of cities already are attacking the problem and have achieved "conspicuous results."

Under the housing act of 1954, he noted, community-wide programs have been approved for more than 70 cities and towns. About 90 others have programs in the planning stage. This brings the total to some 320 development programs underway in more than 200 communities.

The housing act provides for federal loans, mortgage insurance and direct grants to aid cities in such programs.

Adlai Stevenson, candidate for the Democratic presidential nomination, will address the association tomorrow.

New York Mayor Robert Wagner told a panel group late yesterday he could offer no solution to the complex problems of his metropolitan area but suggested that New Jersey, New York and Connecticut could form a tri-state commission to study them.

Areas Limp Along

Chicago Mayor Richard J. Daley said the metropolitan problem "can no longer be effectively handled with the antiquated machinery of government adapted to a horse and buggy era." He added that most of the 168 metropolitan areas in the nation have been granted only enough authority to allow them to "limp along."

"I believe that metropolitan area governments should be given the widest possible range of discretionary powers so they can move to solve their revenue problems," the Chicago mayor added. "The local electorate will see that local taxes do not get out of hand."

Mayor Noel E. Porter of the suburban city of Palo Alto, Calif., gave a qualified endorsement of the metropolitan plan.

"I would be hesitant to suggest the relinquishment of certain service functions which the small cities are capable of performing and which help insure that citizens participation in government is continued," he said.

Mercy Flights Take Two To Vets Hospital

Two Jackson county men were flown to the Veterans Administration hospital in Portland by Mercy Flights, Inc., yesterday afternoon. Both were scheduled for surgery there.

The patients were Warren Locke, Central Point, and Jack Wright, Ross lane. The flight was made in the Mercy Flights Cessna plane, as the two new Beechcraft planes are still grounded until registration procedures are completed.

Lock and Wright were the 424th and 425th patients carried by planes operated by the non-profit air ambulance corporation since it started service in January, 1950.

Columbia Bridge Bids To Be Called Jan. 13

Salem —(U.P.)— Bids for construction of a new interstate bridge across the Columbia river between Portland and Vancouver, Wash., will be called next Jan. 13, Oregon State Highway Engineer R. H. Baldock said today.

Timetables for bid calls and bond issues were agreed on at Vancouver last Friday, Baldock said, when the highway departments of both states conferred on the \$14,000,000 project.

The program also calls for immediate reconstruction of the present interstate bridge. Both old and new spans will be operated as toll bridges for an estimated seven years after they are opened to finance a revenue bond issue.

Baldock said the new bridge should be open for traffic by June 30, 1958. Reconstruction of the existing bridge would not be completed until the end of 1959.

Hearing on Burlesque Theater Closing Set

Portland —(U.P.)— Friday has been set as the time for the city of Portland to show cause why it should not be enjoined from closing the Star burlesque theater.

Presiding Circuit Judge James R. Bain refused a petition of the Star's management for a temporary injunction and set the date for hearing instead.

The city council last Friday passed an ordinance revoking the license of Aaron Corporation to operate the Star. Councilmen claimed they had evidence that an indecent performance had been presented at the Star, one of two burlesque houses in Portland.

Theater operators contended that the city acted capriciously and arbitrarily.

About 55 per cent of American families own their homes, a higher ratio than ever before in U.S. history.

Sen. Neuberger Raps Indian Bureau for Timber Sale Policy

Aberdeen —(U.P.)—The Bureau of Indian Affairs came in for sharp criticism yesterday from Richard L. Neuberger (D-Ore.) and Rep. Carl Chudoff during a joint Congressional subcommittee hearing.

The hearing was held on federal timber sales policies in connection with the sale of Quinalt Indian Reservation timber to Rayonier Incorporated, operator of three pulp mills at Hoquiam, Shelton and Port Angeles.

Bureau Scorned

Neuberger, while criticizing Rayonier's advertisements advocating utilization of excess commercial timber "now tied up uselessly in certain areas of the Olympic National Park," placed no blame on Rayonier for taking advantage of Indian sales but scorned the bureau for not getting enough in the sale of Crane Creek timber in 1952.

Chudoff (D-Pa.) concurred that the Indians didn't get enough for the allotment timber.

The criticism was made while L. J. Forrest, land manager for Rayonier, appeared before the committee to justify the contract on which Rayonier to date has paid \$2,448,000 in advance payments and will pay about \$600,000 more by the fall of 1958. Additional amounts are paid as timber is cut, Forrest said.

\$163,000 Forfeited

Currently, under the market adjustment formula, Rayonier is paying 30 per cent more for hemlock than it did at the time the contract was signed, Forrest said.

Rayonier forfeited \$163,000 on the first sale because the company did not agree to the form of the Indian Bureau's contract. Forrest said the firm on the second sale paid high stumpage. The

Fire Extinguished By Copco Line Crew

Firemen were sent at 10:24 a.m. Monday to the Richard Reum residence, route 2, box 298, Central Point, by the Central Point rural fire department, to extinguish a small blaze in a furnace room.

The fire, which might have become serious according to fire chief Dick Krupp, was put out by members of a California Oregon Power company line crew by the time firemen arrived.

Origin of the fire was not known.

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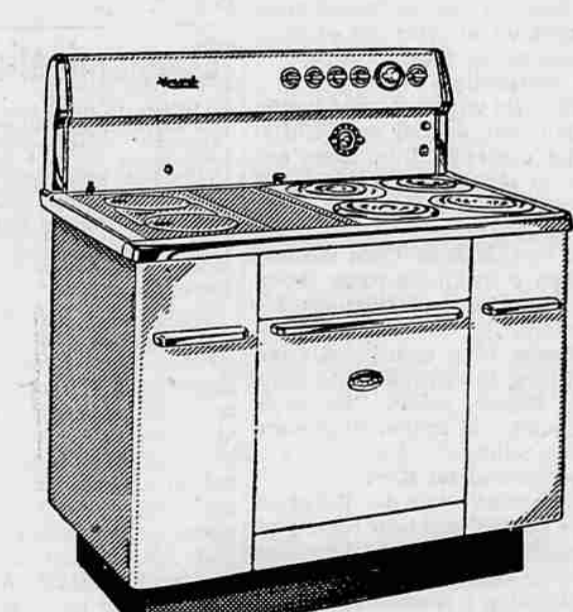
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