

Searchlight On Taxation

The Klamath News invites any communication or extract from any periodical bearing on the present serious tax situation. This department will appear from time to time as worthwhile material is offered for the taxpayers' perusal and consideration.

By JOHN W. KELLY (Portland Oregonian)

About 49 school districts in eastern Oregon counties are likely to find themselves involved in litigation, brought by taxpayers because they have failed to take into account cash on hand in preparing their budgets. Many of these are third class districts, which have almost no supervision.

There are districts which have accumulated so much cash on hand that the sum is greater than the amount of their budget. But if these districts proceed to use the cash on hand, next year they would be up against the 6 per cent limitation and for years to come they would be at zero and the voters of the district would have to get together annually and vote a sum to carry on the school.

Big Reduction Possible
In a list of 49 school districts from Baker to Wasco, investigation discloses that they have in cash on hand 39 per cent of the money they ask for in their budgets. By deducting the cash on hand from the budget requirements, a smaller sum would have to be raised by taxation. There would be, in these 49 districts, a reduction of \$140,000 in the amount of taxes which must be raised.

These conditions in school districts form part of the investigation which is being conducted to see what can be done about the reduction of taxes by the property tax relief commission. The school districts are within the scope of the committee on local taxation.

Some of the districts feel that they should be congratulated for accumulating a surplus of cash on hand, but they do not appear to have very clear ideas as to what is to be done with the cash. This has reference to districts which do not have outstanding bonds or whose sinking fund requirements are provided for and still leave cash on hand.

Irregular Example Cited
Consider the school district No. 19 in Morrow county. It is Irregular. The budget is for \$15,072.38 and the district has cash on hand amounting to \$8,628.11. For several years the district has budgeted five teachers but has employed only four, so the salary of the fifth teacher has been saved and has accumulated in the cash on hand. The school at Irregular has eight rooms, of which three are said to be used. The district wants to take part of the cash on hand and build a community center, with a dance hall on the second floor.

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It is called a gymnasium, but is designed to be a community center. Why school funds should be diverted to build a community center is something the courts may be asked to determine.

Gilliam county, district No. 3, in Arlington district. An inter-district check of the budget. For three years the district has been raising on the budget \$1,550 for the payment of interest on outstanding bonds. This amount over the last three year period has been remitted by the clerk of the district to the agent in New York for payment of interest, the coupons to be redeemed by the bond agents and transmitted to the clerk. At the same time the county treasurer of Gilliam county, also remitted \$1,550 over the three-year period making a total of \$4,650 to the bond agents in New York and receiving the coupons.

Double Payment Provided
Recently the school clerk received a communication from the bond company asking what disposition the clerk wanted made of the \$4,650 he had wanted in the three years. It developed that sufficient money had been remitted out of the school district funds for the payment of the interest twice. The sum was returned to the school clerk and is included in the cash on hand shown for that district. Here was a case where \$1,550 was raised in taxes unnecessarily.

The Dallas school district has \$26,292.78 cash on hand not accounted for in its budget, and La Grande has \$7,706.44. District No. 23, Baker county, has a budget for \$800, yet has in cash on hand \$2,131.13. In district No. 15, Hood River county, the budget is for \$2,215 while there is cash on hand amounting to \$2,878.50. District No. 5, Sherman county, has twice as much cash on hand as the total budget. District No. 13 Sherman county, is in the same boat, while district No. 66, Umatilla county, has nearly four times as much cash on hand as the budget requirements. There are samples. Others could be cited.

Fire List Cash on Hand.

In none of these instances would there be impairment of the school system of the district if the taxes were reduced to the amount of the cash on hand. Out of the 49 districts investigated, in only five was any account taken of cash on hand. In district No. 9, Sherman county, the cash on hand is \$5,189.96, while the budget gives credit for \$250. In district No. 52, Wasco county, the cash on hand is \$4,359.04, while the budget credits \$205.92 in district No. 16, Baker county, the cash on hand is \$4,947.20, and the budget credits \$359.16. Accumulation of a reserve not required to meet bonds or outstanding warrants is not reducing taxes. Expenses of a district are supposed to be estimated and placed in a budget in June, each year, and the budget is supposed to tell how much cash there is on hand. These are matters which have been neglected in many districts, particularly those of the third class, where no one appears to be especially interested in checking the budget revenues and expenditures.

HURT IN CRASH

PORTLAND, Ore., Dec. 23. (A. P.)—B. F. Bennett, said to be of Springfield, Ore., lies in the Oregon City hospital with a fractured skull and possible internal injuries, the result of an accident last night on the Pacific highway near New Era. Bennett, as far as could be learned, was driving alone, and collided with a stage. A driver picked him up and brought him to Oregon City.

WORDS CONTRADICTED

LOS ANGELES, Dec. 23. (A. P.)—William E. Hickman's tale of the bringing to his Bellevue Arms apartment here of the body of Marion Parker in a suitcase by his asserted partner-in-crime, Andrew Kramer, brings back into prominence the story of Edward Steinfeld, directly contradicting the fugitive's statement that he had only one accomplice.

Flapper Fanny Says:



Half the world doesn't know how its better half lives.

Asa Keyes Believes Hickman's Tale Of Accomplice In Murder Is False

(Continued from Page One)

will ever actually confess to the murder of Marion Parker, can not be foretold. "I do not believe that 'Kramer' will ever be found. I do not think the Kramer of whom Hickman speaks, exists."

Left Quickly
The detectives in the group shared Keys' opinion regarding Kramer and his capture. Of the search for Kramer they had little to say as the party left Los Angeles a few hours after Hickman was captured near Pendleton.

Keys declined to reveal his plans for returning "The Fox" to Los Angeles.

"I cannot tell when we will leave Pendleton with Hickman."

Member of Fur Ring Captured

ST. PAUL, Dec. 23. (AP)—James Hoffman, former district chief game warden at Winton who was sought for several months in connection with charges of conspiracy growing out of activities on a northern Minnesota beaver fur ring, was captured at Bend, Ore., J. F. Gould, state fish and game commissioner, was notified today by C. L. Isted, manager of a Bend lumber company. An employee of the company made the capture, the message stated.

Hoffman was sought since his car was found recently on the banks of the Sacramento river near Redding, Calif., with a note indicating he had committed suicide.

He is charged with conspiring with several relatives in trapping protected beaver and disposing of them at a profit to himself.

STEEL GOES UP

NEW YORK, Dec. 23. (AP)—Gigantic buying orders for United States steel in the final hour of trading on the stock exchange today swept aside all resistance from the "Bear" element and pushed the price up to \$154 3/8, an overnight rise of almost five points and the best figure since early October.

WILL NOT ATTEND DINNER

ALBANY, N. Y., Dec. 23. (U. P.)—Gov. Al Smith will not attend the Jackson Day dinner in Washington next month, his friends here said today. They pointed out that Smith could adhere rigidly to his policy of attending no political meetings outside the state.

until we have shed up the situation there," he said. "Our plans are indefinite. We will arrive in Portland shortly after eight o'clock tomorrow morning and will leave there at once for Pendleton. We expect to reach Pendleton Saturday morning."

Return by Air
Chief Davis intimated that Hickman will be taken back to Los Angeles in an airplane, although he refused to state when "The Fox" will be taken from the Pendleton jail.

"Everything in the south points to a solo crime," chief Davis stated, "and we feel assured that it was Hickman who so fiendishly murdered little Marion Parker. A confession from him to this effect would certainly save Los Angeles law enforcement officers a lot of searching," he admitted.

Prepared for Mobs
Little fear of mob violence when the kidnaper is taken to Los Angeles scene of his brutal crime, is held by chief Davis.

"Our men are marshaled to cope with any situation likely to arise," he said. "Of course we are on guard for mob feeling, but in view of our hundreds of officers, we feel able to take care of the kidnaper when he is unloaded in Los Angeles."

The Los Angeles authorities seemingly based their disbelief of the Hickman confession on asserted discrepancies in his story.

Among other things it was pointed out that the towel stuffed in the torso of the murdered girl bore the name of the Bellevue Arms apartment, where Hickman lived. Disbelief of Hickman's story that the girl was in his possession only a short while was based on the fact that "The Fox" following the kidnapping, ordered the milkman to leave a quart instead of a pint of milk each day.

Bits of Brazil nut shells found in the pocket of the coat in which Marion's body was wrapped, corresponded with cracked nuts found in Hickman's apartment. Thread used to sew open the area of the girl after she had been murdered, was the same as that found in apartment 315 of the Bellevue Arms.

Another conclusive point in arguments of Los Angeles authorities over the possibility of a second party, is that portions of newspapers used to wrap parts of the girl's dismembered body were taken from editions of newspapers found in Hickman's apartment.

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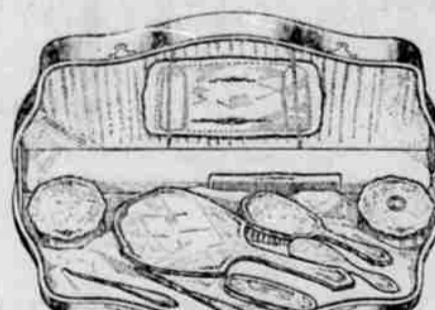
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