

## Will Ask Congress To Enforce Land Grant

(Continued from Page One.)

occupied the place on the program which was to be given to R. A. Booth who was unable to be present. Mr. Bean spoke in behalf of the different counties of the state in which these railroad lands were located.

"Early settlement and taxation of these lands is the paramount issue," said Mr. Bean. In Lane county 40 per cent of the land pays the taxes on the entire county and contributes toward the state taxes and runs the county government. We have our share of forest reserves and not one acre of this land should ever go under control of the forest reserves. We have enough of government ownership of land. We want the lands settled and put on the tax roll."

P. F. Dunn, a Southern Pacific attorney from San Francisco, presented the side of the railroad in the present controversy, and at the beginning of his talk reviewed the history of the railroad land grants. The land was granted to the railroads, Mr. Dunn said, in order that it might cease to be public domain and might become tax bearing.

When, by the terms of the grant, the railroad was forced to accept other lands in lieu of the agricultural lands within 10 miles of its tracks on either side, the company took lands in the hills and mountains. This was back in 1860 and again in 1870. Then the timber was small and practically valueless but with the growth of the timber industry the lands had become valuable timber land and then in the guise of "actual settlers" certain interests had become anxious to become possessed of these lands at the rate of \$2.50 an acre or about \$400 per quarter section.

"No one had ever questioned the title of railroad company to these lands and for 40 years the company had been selling these lands at prices in excess of \$2.50 an acre and in excess of 160 acres in one lot. Then the right was questioned and litigation followed and Judge Wolverton ruled that this condition of \$2.50 an acre and single quarter sections, became a 'condition subsequent' according to the ruling of Judge Wolverton. If this condition subsequent were not observed the lands might be forfeited and revert back to the government."

The railroad holds, however, that the conditions imposed in the grant was not a "condition subsequent" and if the railroad did not keep this agreement when selling the lands it simply was not allowed to sell them but the title was never questioned through 40 years of dealings which were reported to congress semi-annually in due form."

"There are two points I want you gentlemen to get clearly and that is that the absolute title rests with the supreme court has ruled that it was simply 'an agreement' and if the railroad did not keep this agreement when selling the lands it simply was not allowed to sell them but the title was never questioned through 40 years of dealings which were reported to congress semi-annually in due form."

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"The fact that the lands subsequently acquired a value in excess of limitation imposed for sale would not change the character or legal effect of the conveyance.

While there was some buying of the settlers and I am sure that you will agree that the price should be over and above \$2.50 an acre since the railroad company has been paying taxes on these same lands at the rate of about \$11 an acre.

Congressman Albert Johnson, of the Third District of Washington, viewed with alarm mostly the encroachments of the forest reserve and was desirous to say more to throw the lands into a forest reserve. He suggested a committee of three, five or seven determined men to be appointed to go to Washington, D. C., to work with the state delegation in congress as he said there were but 33 congressmen from the western states out of 435 and that the eastern congressman saw little of any interest in any debate on the disposition of western lands.

### Statement of Legal Rights.

By George M. Brown, Attorney-General.

(1) A state has no power to tax the property of the United States within its borders.

(2) All of the public domain within the state remains exempt from taxation, except so far as the United States has voluntarily parted with its title to the same, which act of segregation is ordinarily evidenced by the issue of a patent.

(3) Statutes, as well as constitutional provisions, exempting property from taxation are to be strictly construed.

(4) It is a presumption of law that property is taxable.

(5) It is the land itself which the state is concerned in taxing and does not look to the covenants contained in the conveyance.

(6) A proceeding to assess and collect taxes upon land in Oregon is a proceeding in rem.

(7) The power of taxation is a sovereign right belonging to the state in its sovereign capacity.

Railroad Heard From.

That the railroad company has completely right to the lands, by grant or encumbrance, also has the right to do with them as it pleases, was the theme of the address of F. P. Dunn, attorney who spoke for the Southern Pacific. He defended the company's violations of the terms of the grant by saying it had been done in the open without objection and that services done the government in transporting free of charge munitions of war over the road had more than met the difference.

The supreme court has said that the "settlers" clause was not a condition subsequent, but a covenant," said the speaker, "and that the lands are not forfeited. We still have the lands and the title. The only limitation on the title is that if we sell the lands it must be according to the terms of the grant.

As to actual settlers the supreme court held that the actual settlers' contention that the road was trustee for them is untenable. The supreme court brought out that we are not compelled to sell, but that if we do sell we may choose the settler and the time of selling. If we have an absolute grant and are not compelled to sell, if that is the only restriction, what are our rights?

Will anyone deny that if we wanted to leave the lands we would have that right, that if we wanted to cut down the timber and use it we might have that right? If these things be true, then we have rights, and far above any \$2.50 an acre. If the congress of the United States were to elect to take that timber without compensation it would be confiscation.

"But has Oregon no rights in this?

The state has a profound interest in that these lands should be retained in private ownership, that they be developed and settled, not that these lands be absorbed into some already overgrown federal reserve and not that it be locked up for all time. And when the railroad company is asked to operate in bringing this about, meet the railway in a gentlemanly spirit, not with epithets, and let us arrive at some suggestion to congress so that the rights of all shall be preserved. I have no suggestion for proposed legislation nor any policy to suggest to you, for I would not put the railroad in a position of trying to force the issue. But we will meet you cordially in any equitable footing."

Hawley's Views Differ.

Congressman Hawley delivered an ad-

dress in which he took issue with the address delivered by Senator Fulton.

It was the verbal tiff between Lafferty and Senator Day, of Multnomah county. It had already been decided that in the appointment of the resolutions committee each of the counties in which railroad lands were located should have one representative.

Five were to be named from the state at large and two were to be named to represent the Farmers' Union and the O.C. Land Grant Enforcement association.

Lafferty maintained that the delegates at large should be appointed from counties not having representation on the committee and the controversy arose when the chairman appointed three delegates to serve on the resolutions committee who were from counties having railroad lands within their borders.

The shorthand notes and the written

motion which carried giving the chairman to appoint the members of the committee appeared to sustain the chair.

The following were named to serve on the resolutions committee:

Benton county, W. P. Lafferty; Clackamas, W. A. Dimick; Clatsop county not represented; Columbia county, A. L. Clark; Coos county, Hugo McLain; Curry county, S. P. Pierce; Douglas county, Robert E. Smith; Jackson county, W. C. LeFever; Josephine county, H. L. Gilkey; Klamath county, Guy Kendall; Lane county, L. E. Bean; Lincoln county, L. M. Davis; Linn county, Judge H. H. Hewitt; Marion county, Judge C. L. McNary; Multnomah county, R. G. Calvert; Polk county, C. L. Hawley; Tillamook county, G. B. McLeod; Washington county, R. N. Barrett; Yamhill county, Jesse Edwards; Grange Farmers' Union, C. E. Spence; Labor Federation, E. J. Stack; at large, Roy Bitner; Umatilla county, E. E. Kiddie; Union county, I. N. Day; Multnomah county; W. W. Cardwell; Douglas county; E. V. Carter; Jackson county.

Ex-Senator Fulton Speaks.

I take the position that the proper

construction of the supreme court decision is that title under the grants is vested in the railroad company and that the provisions do not constitute a condition subsequent, but simply a covenant, and while compliance with a provision will be enforced their violation affords no ground for forfeiting the grant," said former Senator Fulton in his address last night. "That being true, the title to the lands has passed from the United States and the lands have become a part of the great mass of property within the state subject to taxation and available for the state's industrial and commercial development, and it is not in the power of the general government to cause these lands to be returned to the public domain.

"The lands once having become pri-

ately owned by the railroad company

we have been warned that the

distress of these lands, unless we act with dispatch, will be to go back into the forest reserve. We were warned by Mr. Graves' letter and by Mr. Tillman's address. The supreme court said the terms of the grant were an "irrevocable covenant." I have given the subject careful thought and I am not yet prepared to say what we can do.

In my judgment safety alone lies in asking congress that in the shortest possible time with the smallest possible legislation it provide for the enforcement of the covenant.

The case is not before us as a new

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covenant."

I have been warned that if I would

agree with, but I would like to take

issue with Senator Fulton when he says

that land transferred to the government

from private ownership cannot be put

back into taxation.

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