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PROPOSED
Constitutional Amendments
and Measures

(With Arguments)

To Be Submitted to the Voters of Oregon

at the

General Election

Tuesday, November 6, 1928

Published by Authority

(Section 4103, Oregon Laws)

Compiled by

SAM A. KOZER

Secretary of State

Index on Page 44

LAW AUTHORIZING THIS PUBLICATION

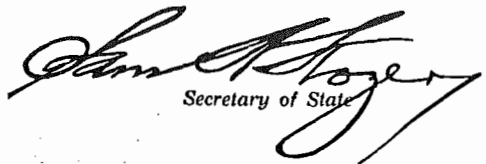
(Section 4103, Oregon Laws)

MEASURES AND ARGUMENTS TO BE PRINTED AND DISTRIBUTED

Not later than the ninetieth day before any regular general election * * * at which any proposed law, part of an act or amendment to the constitution is to be submitted to the people, the Secretary of State shall cause to be printed in pamphlet form a true copy of the title and text of each measure to be submitted, with the number and form in which the ballot title thereof will be printed on the official ballot. The person, committee or duly organized officers of any organization filing any petition for the initiative, but no other person or organization, shall have the right to file with the Secretary of State for printing and distribution any argument advocating such measure; said argument shall be filed not later than the one hundred and fifteenth day before the regular election at which the measure is to be voted upon. Any person, committee or organization may file with the Secretary of State, for printing and distribution, any arguments they may desire, opposing any measure, not later than the one hundred and fifth day immediately preceding such election. Arguments advocating or opposing any measure referred to the people by the Legislative Assembly, or by referendum petition, at a regular general election, shall be governed by the same rules as to time, but may be filed with the Secretary of State by any person, committee or organization. * * * But in every case the person or persons offering such arguments for printing and distribution shall pay to the Secretary of State sufficient money to pay all the expenses for paper and printing to supply one copy with ever copy of the measure to be printed by the State; and he shall forthwith notify the persons offering the same of the amount of money necessary. The Secretary of State shall cause one copy of each of said arguments to be bound in the pamphlet

copy of the measures to be submitted as herein provided, and all such measures and arguments to be submitted at one election shall be bound together in a single pamphlet. All the printing shall be done by the State, and the pages of said pamphlet shall be numbered consecutively from one to the end. The pages of said pamphlet shall be six by nine inches in size and the printed matter therein shall be set in six-point Roman-faced solid type on not to exceed seven-point body, in two columns of thirteen ems in width each to the page with six-point dividing rule and with appropriate heads and printed on a good quality of book paper twenty-five by thirty-eight inches weighing not more than fifty pounds to the ream. The title page of every measure bound in said pamphlet shall show its ballot title and ballot number. The title page of each argument shall show the measure or measures it favors or opposes and by what persons or organization it is issued. When such arguments are printed he shall pay the State Printer therefor from the money deposited with him and refund the surplus, if any, to the parties who paid it to him. The cost of printing, binding and distributing the measures proposed and of binding and distributing the arguments, shall be paid by the State as a part of the State printing, it being intended that only the cost of paper and printing the arguments shall be paid by the parties presenting the same, and they shall not be charged any higher rate for such work than is paid by the State for similar work and paper. Not later than the fifty-fifth day before the regular general election at which such measures are to be voted upon the Secretary of State shall transmit by mail, with postage fully prepaid, to every voter in the state whose address he may have, one copy of such pamphlet. * * *

NOTE—For the convenience of the voters, a list of the official ballot titles and numbers of the Proposed Constitutional Amendments and Measures is printed on pages 45 to 47 of this pamphlet. This list is intended for their use, if desired, in preparing marked lists in advance in order to aid them in the final marking of their ballots at the polls.


Secretary of State

(On Official Ballot, Nos. 300 and 301)

A MEASURE

For an act to amend section 2 of chapter 412, General Laws of Oregon, 1921, as amended by section 1 of chapter 274, General Laws of Oregon, 1923, and section 5 of chapter 412, General Laws of Oregon, 1921, as amended by section 2 of chapter 274, General Laws of Oregon, 1923, increasing the tax on motor vehicle fuel oils from 2 cents to 4 cents per gallon and providing for the disposition of funds; to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, June 16, 1928.

The following is the form and number in which the proposed measure will be printed on the official ballot:

Initiative Bill—Proposed by Initiative Petition **Vote YES or NO**

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**FIVE CENT GASOLINE TAX BILL**—Purpose: To increase the tax on gasoline to five cents per gallon instead of three cents, and to authorize the state highway commission to use not more than one-fifth of the proceeds of such tax in assisting the various counties in the construction of state market roads.

300 Yes. I vote for the amendment.

301 No. I vote against the amendment.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiative Bill—Proposed by Initiative Petition **Vote YES or NO**

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**FIVE CENT GASOLINE TAX BILL**—Purpose: Increasing gasoline tax to five cents per gallon; authorizing state highway commission to use one-fifth of proceeds in assisting counties in constructing state market roads.

300 Yes. I vote for the amendment.

301 No. I vote against the amendment.

A BILL

For an act to amend section 2 of chapter 412, General Laws of Oregon, 1921; as amended by section 1 of chapter 274, General Laws of Oregon, 1923, and section 5 of chapter 412, General Laws of Oregon, 1921; as amended by section 2 of chapter 274, General Laws of Oregon, 1923, increasing the tax on motor vehicle fuel oils from 2 cents to 4 cents per gallon and providing for the disposition of funds.

Be It Enacted by the People of the State of Oregon:

Section 1. That section 2 of chapter 412, General Laws of Oregon, 1921; as amend-

ed by section 1 of chapter 274, General Laws of Oregon, 1923, be and the same is hereby amended to read as follows:

Section 2. That in addition to the taxes now provided for by law, each and every dealer, as defined in this act, who is now engaged or who may hereafter engage in his own name, or in the name of others or in the name of his representatives or agents in this state, in the sale or distribution, as dealers and distributors, of motor vehicle fuel as herein defined, shall, not later than the fifteenth day of each calendar month, render a statement to the secretary of state of the state of Oregon of

all motor vehicle fuel sold or distributed by him or them in the state of Oregon during the preceding calendar month, and pay a license tax of four cents per gallon on all motor vehicle fuel as shown by such statement in the manner and within the time hereinafter provided, but the provisions of this act and the tax herein levied shall not be deemed or construed to apply to any motor vehicle fuels sold or distributed in original packages or containers exempt from state taxation under the constitution and laws of the United States relating to interstate commerce.

Section 2. That section 5 of chapter 412, General Laws of Oregon, 1921, as amended by section 2 of chapter 274, General Laws of Oregon, 1923, be and the same is hereby amended to read as follows:

Section 5. Said license tax shall be paid on or before the fifteenth day of each month to the secretary of state, who shall receipt the dealer therefor, and promptly turn over to the state treasurer, as are

other receipts of his office, and the state treasurer shall place the same to the credit of the general fund. At the end of each calendar month the state treasurer shall transfer such receipts, except the sum of five thousand dollars (\$5,000) from the general fund to the state highway fund, which said amount of five thousand dollars (\$5,000) shall be, and is hereby, made available for the payment of claims for refunds of taxes, and for the payment of the necessary expenses incurred by the secretary of state in administering the provisions of this act, as herein provided. Provided, that the state highway commission is hereby authorized in its discretion, to employ not more than one-fourth of the proceeds of such motor vehicle fuel tax herein prescribed, in assisting the various counties of the state of Oregon, in the construction of state market roads upon such terms and conditions as to said state highway commission may seem desirable.

For affirmative argument see page 8.
For negative argument see page 5.

(On Official Ballot, Nos. 300 and 301)

ARGUMENT (Negative)

Submitted by the Oregon Good Roads Association, opposing the **Five Cent Gasoline Tax Bill.**

Throughout Oregon the newspapers show their alarm at the threat of the Dunne bills against the state highway revenues. We quote brief extracts from editorial comment on both the license fee bill and the gasoline tax bill:

The Dunne bills, to be voted on this fall, should both be defeated.—Medford Mail-Tribune.

The measures which may be classed unhesitatingly as unworthy and dangerous are the so-called twin bills of State Senator Joe Dunne.—Bend Bulletin.

Piling the Dunne measures has succeeded in threatening the loss of a million or so federal highway funds.—Astoria Astorian.

The Dunne bills can only be characterized as a most flagrant piece of selfish class legislation.—Ontario Argus.

Good judgment dictates voting against both the Dunne bills.—Morning Register, Eugene.

Lowering license fee would mean a serious delay in the completion of the Roosevelt highway.—Garibaldi News.

The wise thing for the voters of Oregon to do is to defeat both Dunne measures.—Albany Democrat-Herald.

We can not believe that voters of Oregon will do anything to make a continuation of the present highway program and policy impossible.—La Grande Observer.

The Register advises voting against both bills and leaving the revision problem either to a responsible commission or to the legislature.—Eugene Register.

Oregon has already lost one year of progress in highway construction on account of the Dunne bills.—Star, Aumsville, Oregon.

Study your highway needs and you will learn the danger of such legislation as proposed by Senator Joe Dunne.—Ashland Tidings.

The logical course for the Oregon electorate is repudiation of both the Dunne bills.—The Dalles Daily Chronicle.

The coast communities were content to await their turn. Now that their dream of years is approaching realization, it would be a gross breach of faith to hold off the day of fulfillment by enactment of laws which would take \$3,000,000 a year from the highway commission.—Astoria Budget.

The Dunne bills, if sanctioned, will curtail the income a couple of million dollars in round numbers.—Independence Enterprise.

The Dunne measures, if passed together, will cut highway revenues.—Albany Democrat-Herald.

The only guarantee for the preservation of the financial integrity of the state highway program will come from the defeat of both Dunne measures.—Eugene Register.

If the people of Oregon want to go back to the old-time rutted roads and dust, they can do it easily by voting the lower license rates. If they desire added construction and maintenance of those highways already built, then the proposed measures must be defeated.—Grants Pass Courier.

The ill effects of proposed road legislation are being felt already.—Joseph Herald.

The Dunne measures should be viewed with considerable doubt and misgiving.—Astoria Budget.

We can't find anything good in either of Mr. Dunne's bills.—Corvallis Gazette-Times.

There is no reason, beyond using the highway department as a political plaything, for either of these bills, and the tragedy of the passage of one measure without the other can scarcely be conceived.—Ashland Daily Tidings.

The Dunne bills are a little better than the \$3 license proposal, in that they may provide some little additional revenue over the other measure, but further than that nothing much can be said for them.—Marshfield Times.

We are not inclined to believe the Dunne bills are the solution of the situation.—The Tillamook Herald.

The most probable outcome, unless both bills are rejected, is a big loss of money for road-building purposes.—Astoria Budget.

Eight initiative measures will appear on the ballot in November. After looking them over the Times believes it will be a safe bet to vote "No" on all of them.—Junction City Times.

It begins to look as though the Dunne measure is for the special benefit of the bus and truck interests.—Garibaldi News.

Kill the half-baked Dunne bills in November and let the legislature work the highway financing out.—Eugene Guard.

Nothing could more effectually blast and destroy Oregon's system of highways, nor give less relief to the automobile user—whose operation expenses vary in direct proportion to the condition of the roads he travels—than the Dunne plan.—Salem Journal.

OREGON GOOD ROADS ASSOCIATION,
By JOHN B. YEON, President,
By RAY CONWAY, Secretary.

(On Official Ballot, Nos. 302 and 303)

A MEASURE

For an act to amend section 25 of chapter 371, General Laws of Oregon, 1921, as amended by section 3 of chapter 8, General Laws of Oregon, of the Special Session of 1921; as amended by chapter 363, General Laws of Oregon, 1925; as amended by section 1 of chapter 132, General Laws of Oregon, 1927, and to amend section 44 of chapter 371, General Laws of Oregon, 1921, relating to the registering, licensing and taxing of vehicles and bicycles in the state of Oregon; providing additional fees to be paid by motor vehicles operated as common carriers; providing for the disposition of funds derived under this act; providing when this tax shall take effect and repealing all acts or parts of acts in conflict herewith; to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, June 16, 1928.

The following is the form and number in which the proposed measure will be printed on the official ballot:

Initiative Bill—Proposed by Initiative Petition**Vote YES or NO**

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**BILL FOR REDUCTION OF MOTOR VEHICLE LICENSE FEES**—Purpose: To reduce motor vehicle license fees; all license fees to be based on the weight of vehicles; solid tire trucks to pay one-fourth additional; abolishing all operating fees of motor carriers, and all other fees and taxes of every kind on motor vehicles, and substituting a fee of \$15 for common carrier motor vehicles, not over \$45,000 of which to apply on expenses of supervision of such motor transportation by public service commission; one-half of the remaining money collected under this act, after paying expenses, to be credited to state highway fund, the other half to the counties.

302 Yes. I vote for the proposed law.

303 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiative Bill—Proposed by Initiative Petition**Vote YES or NO**

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**BILL FOR REDUCTION OF MOTOR VEHICLE LICENSE FEES**—Purpose: Reducing motor vehicle license fees, abolishing motor carrier's operating fees, etc., substituting \$15 fee; proceeds except \$45,000 going to state highway fund and counties equally.

302 Yes. I vote for the proposed law.

303 No. I vote against the proposed law.

A BILL

For an act to amend section 25 of chapter 371, General Laws of Oregon, 1921, as amended by section 3 of chapter 8, General Laws of Oregon, of the Special Session of 1921; as amended by chapter 363, General Laws of Oregon, 1925; as amended by section 1 of chapter 132, General Laws of Oregon, 1927, and to amend section 44 of chapter 371, General Laws of Oregon, 1921, relating to the registering, licensing and taxing of ve-

hicles and bicycles in the state of Oregon; providing additional fees to be paid by motor vehicles operated as common carriers; providing for the disposition of funds derived under this act; providing when this tax shall take effect and repealing all acts or parts of acts in conflict herewith.

Be It Enacted by the People of the State of Oregon:

Section 1. That section 25 of chapter 371, General Laws of Oregon, 1921, as amended by section 3 of chapter 8, General Laws

of Oregon, of the Special Session of 1921; as amended by chapter 363, General Laws of Oregon, 1925; as amended by section 1 of chapter 132, General Laws of Oregon, 1927, be and the same is hereby amended so as to read as follows:

Section 25. *Registration or License Fees for Motor Vehicles.* The following annual license fee shall be paid upon the registration or upon the annual renewal of a registration of a motor vehicle in accordance with the provisions of this act, provided that for any registration made on or after April 1st., of any year and before July 1st., of such year, but three-fourths of said fee shall be paid; for any registration on or after July 1st., of any year and before October 1st., of such year, but one-half of said license fee shall be paid and for any registration made on or after October 1st., of any year, but one-fourth of said fee shall be paid, provided that no fee shall be so reduced to less than \$5.00 on account of the time of registering such motor vehicle.

Motor bicycles	\$1.00
Motorcycles	3.00
Motorcycles with sidecar	5.00

Electric vehicles shall pay double the amount of license fees prescribed for other motor vehicles of the same weight as provided herein.

Motor vehicles and trailers when equipped with pneumatic tires on all wheels shall pay the following fees based on the light weight of such vehicles; to-wit:

Weighing 2300 pounds or less.....	\$ 10.00
Weighing over 2300 pounds and not over 2600 pounds	14.00
Weighing over 2600 pounds and not over 3000 pounds	17.00
Weighing over 3000 pounds and not over 3400 pounds	20.00
Weighing over 3400 pounds and not over 3800 pounds	24.00
Weighing over 3800 pounds and not over 4200 pounds	28.00
Weighing over 4200 pounds and not over 4600 pounds	32.00
Weighing over 4600 pounds and not over 5000 pounds	36.00
Weighing over 5000 pounds and not over 5400 pounds	40.00
Weighing over 5400 pounds and not over 5800 pounds	44.00
Weighing over 5800 pounds and not over 6200 pounds	48.00
Weighing over 6200 pounds and not over 6600 pounds	53.00
Weighing over 6600 pounds and not over 7200 pounds	63.00
Weighing over 7200 pounds and not over 8000 pounds	73.00
Weighing over 8000 pounds and not over 8800 pounds	83.00
Weighing over 8800 pounds and not over 9600 pounds	93.00
Weighing over 9600 pounds and not over 10400 pounds	103.00
Weighing over 10400 pounds and not over 11200 pounds	113.00
Weighing over 11200 pounds and not over 12000 pounds	123.00
Weighing over 12000 pounds and not over 12800 pounds	133.00

Weighing over 12800 pounds and not over 13600 pounds	143.00
Weighing over 13600 pounds and not over 14400 pounds	153.00
Weighing over 14400 pounds and not over 15200 pounds	163.00
Weighing over 15200 pounds	173.00

Motor vehicles equipped with one or more solid tires, shall pay the fees as prescribed in the schedule herein set forth, plus 25 per cent in addition thereto.

Motor vehicles operated as common carriers, as defined in chapter 330, General Laws of Oregon, 1925, shall pay the fees prescribed in the schedule hereinbefore set forth, plus \$15.00 in addition thereto, for each vehicle so registered.

The above prescribed fees shall be in lieu of all taxes and fees collected or prescribed under the laws of the state of Oregon, and all taxes and fees collected or prescribed by any municipality, city or town of the state of Oregon, or any body, commission or department of the state of Oregon; provided, however, that incorporated cities or towns may prescribe a regulatory license fee not to exceed the actual cost of such regulation; and provided further that nothing herein contained shall be construed to limit the amount of tax to be paid by motor vehicle operators on the purchase and sale of motor vehicle fuel oil.

Section 2. That section 44 of chapter 371, General Laws of Oregon, 1921, be and the same is hereby amended so as to read as follows:

Section 44. *Disposition of Moneys by the Secretary of State.* All moneys received by the secretary of state under the provisions of this act shall be deposited by him in the state treasury as are other moneys received by him. After payment of the expenses of administering this act, as provided herein, the moneys remaining shall on March 15th., and September 15th., of each year be disposed of as follows:

A sum equal to the amount of the total of the additional \$15.00 fees paid on motor vehicles operated as common carriers, as set forth in section 1 of this act, not exceeding, however, in any one year, the sum of \$45,000.00, shall be placed in the motor transportation fund and disbursed for the payment of expenses in carrying out the provisions of said chapter 380, General Laws of Oregon, 1925; one-half of the remaining balance of such moneys shall be transferred to the state highway fund, for such purposes as are provided by law and one-half thereof shall be remitted by warrant of the secretary of state to the county treasurers of the various counties of the state, in proportion to the amount of such moneys which shall have been received from such counties for license fees.

Section 3. The provisions of this act shall become effective and be in full force and effect on and after January 1st, 1929, and shall apply to all registrations of motor vehicles for the year 1929 and thereafter.

Section 4. That all acts and parts of acts in conflict herewith are hereby repealed in so far as they conflict with the provisions of this act.

For affirmative argument see page 8.
For negative argument see pages 9, 10.

(On Official Ballot, Nos. 300 and 301, 302 and 303)

ARGUMENT (Affirmative)

Submitted by Joe E. Dunne, in behalf of the **Five Cent Gasoline Bill** and the **Bill for Reduction of Motor Vehicle License Fees.**

**REDUCE THE LICENSE FEES
INCREASE THE GAS TAX**

A correct statement of the license fees on typical cars under my license fee measure is as follows. Other vehicles of same weight pay like fees:

	<i>License Fee Present Law</i>	<i>License Fee Dunne Bill</i>
1928 Ford coupe	\$ 28.00	\$10.00
61 per cent decrease.		
1928 Buick sedan	47.00	20.00
57 ½ per cent decrease.		
1928 Cadillac sedan	79.00	36.00
54 ½ per cent decrease.		
5-ton White truck (solid tire)	140.00	141.25
1 per cent increase.		
20-passenger Fageol bus..	97.00	153.00
63.4 per cent increase.		

You must vote for both measures to insure continuance road program and at same time make possible further reduction in license fees.

Total revenue to highway de- partment, 1927	\$8,332,417.11
Total estimated revenue to highway department in 1928 if my measures carry	8,248,015.00

This estimate is made from the highway commission's published figures to which is added 5 per cent as minimum increase in registration and 8 per cent as minimum increase in gasoline consumed.

The gas tax is the fairest tax and easiest paid. Under it, the car that runs most pays most. Most other states have lower license fees and many have 5c gas tax. Make your own decision.

JOE E. DUNNE,

Joint Senator, Multnomah,
Columbia and Clackamas Counties.

(On Official Ballot, Nos. 302 and 303)

ARGUMENT (Negative)

Submitted by the Oregon Good Roads Association, opposing the **Bill for Reduction of Motor Vehicle License Fees.**

DUNNE BILL UNFAIR AND DESTRUCTIVE

The Dunne bill, which seeks to amend the present motor vehicle license law, will defeat the present highway program by reducing the license revenues about 50 per cent. If the highways are to be maintained, the unimproved roads constructed, the principal and interest on bonded indebtedness paid, the funds thus depleted must be replenished through other forms of taxation, and property may ultimately be required to carry the burden, for the bonds are a debt against private property. The bill, however, is so poorly and loosely drawn that a construction and interpretation of its provisions by the supreme court will be necessary before it can be intelligently administered. Meantime, we may consider Mr. Dunne's bill in the light of his own interpretation.

The proposed law is unfair and destructive of public good for these, and other, reasons:

1. It proposes on grounds of equity to reduce the motor vehicle license fee. Yet in 1927, 58,686 cars, or one-fourth of the total number licensed, weighed 1,700 pounds or less and paid a fee of \$15.00 each. These were mostly Ford touring cars. A comparison of fees to be paid by the owner of one of these cars would show that under:

<i>Payment</i>	<i>Present Law</i>	<i>Dunne Bills</i>
License fee	\$15.00	\$10.00
Gas tax, 400 gallons	12.00	20.00
Total	\$27.00	\$30.00

A 20-passenger Fageol bus, weighing 13,300 pounds and now paying less tax per ton mile than the Ford pays, under the Dunne bill will enjoy a decrease of \$549.00 as compared with an increase of \$3.00 for the Ford.

Why should the owner of an old used Ford have his total tax increased \$3.00 to give the big stage a reduction of \$549.00? One stage company alone would save \$24,000.00 a year under the Dunne interpretation of the Dunne bills.

A common carrier truck of 5 ton capacity, weight 10,000 pounds with 36-inch solid tires, hauling a 6 ton trailer, weight 7,300 pounds with 32-inch solid tires, would pay a total under:

<i>Payments</i>	<i>Present Law</i>	<i>Dunne Bills</i>
License for truck	\$126.00	\$128.75
50 cents per inch of tire ..	18.00
Common carrier fees (on Portland-Eugene run) ..	295.56	15.00
License for trailer	63.00
50 cents per inch	16.00
Common carrier fees (Portland-Eugene)	254.16	15.00
Total	\$772.72	\$158.75

Prospect of a reduction from \$773.00 to \$159.00 makes it quite obvious why truck lines favor the Dunne bill. Even if the gasoline tax carries and the truck used 6,000 gallons a year, the 2 cent increase would amount to only \$120.00 and the truck operator would save \$500.00 a year on each of these trucks he operated.

To give the ordinary motorist a reduced license offset by increased gas tax, it should not be necessary to donate such a large gift to the transportation companies who use the highways so heavily.

2. Under the Dunne bill, trailers equipped with pneumatic tires must pay the license fee prescribed therein, based upon weight, while trailers equipped with SOLID tires pay NO FEE AT ALL, regardless of weight, capacity or use.

3. Two-wheel trailers, under the Dunne bill, are exempt from the payment of any license fees, whether such trailers be operated as common carriers for compensation and regardless of the weight of such trailers or of the load on their wheels.

**TRANSPORTATION COMPANIES
SAVE 84%**

4. The Dunne bill declares in its title that one of its objects is to require all motor vehicles operated as common carriers on the public highways to pay additional fees, while in the body of the act there is an attempt to relieve all such carriers (BUS AND TRUCK LINES) from the payment of any and all other

fees or taxes now prescribed by law, except only the \$15.00 charge.

5. The public service commission has estimated that under the Dunne license bill the estimated annual revenue paid by motor carriers operating for hire would be only \$45,000, while under the present laws these same carriers paid in 1927 \$288,052.58. The FOR-HIRE busses and trucks thus would pay only one-sixth, 16%, of their present fee.

DEFEAT OF PEOPLE'S WILL

The voters of the state authorized the highway bonded indebtedness on the assumption and assurance that the **DEBT WOULD BE PAID OUT OF MOTOR VEHICLE LICENSE FEES**. The Dunne bill now repudiates that assurance and promise. A readjustment of motor vehicle license fees may be necessary, but such readjustment should be made by the legislature upon a fair and equitable basis and by a method which will not sacrifice highway maintenance or the revenues supporting the bonds issued.

The Dunne license bill is based upon the uncertain and imaginative assumption that the proposed bill for an increase in the tax on gasoline will become a law. Should his license bill pass and the gasoline measure be rejected, highway construction and highway maintenance in the state will be jeopardized and the taxpayers will be forced to seek another means of paying the principal and interest on the bonded indebtedness, for the present revenues would be **REDUCED** in excess of **THREE MILLION DOLLARS** a year.

BILL'S THREAT HOLDS UP ROAD WORK

Already the threat of revenue loss has had the effect of holding up much-needed road work.

Prudently, the highway commission took notice of the filing of the Dunne bill and was compelled to abandon projects for improving existing roads and building roads where sorely needed to connect up highways already constructed. The mandate of the people to complete the highway system could not be carried out in the face of this prospective cut in revenues.

Employment is being sacrificed throughout many parts of Oregon as a result of

suspension of highway work. This disturbance is unnecessary if the highway work can be provided without undue burden. There will be little or no work on any state highways if the Dunne license fee bill passes.

WILL SACRIFICE FEDERAL AID

Even federal aid is jeopardized if the Dunne bill passes, for Oregon would be unable to match federal funds. Federal road money allotted to Oregon would eventually go to other states.

Right now, more than \$1,500,000 of federal funds are available to be matched for road work in Oregon, but Oregon is unable, under the threat of the Dunne license bill, to match these funds and may forfeit the money.

SIMPLE JUSTICE TO THOSE WHO PAID

In many parts of Oregon, the car owners for years have been paying their license fees and their money has been expended in building principal highways in other parts of the state. The turn of these people has now come, and simple justice dictates that their highways be built. For ten years they have seen their highways only on the map and it now is time for them to see some of their roads built.

Thus, the mere filing of a petition, by virtue of having money to put up for obtaining petition signatures, has blocked the will of the people of the state, as expressed in their own vote.

This hold-up of the people's will is not only as to their highway program but also defeats their vote sustaining the bill to make transportation companies pay just fees for the use of the highways built with funds put up almost entirely by owners of private automobiles.

If you do not want the highway indebtedness to fall on your home and on your business; if you want your present highways maintained and preserved from destruction; if you want the balance of the highway system completed; if you want your present bonded indebtedness paid out of revenues resulting from the use of such highways, vote 303 X No.

OREGON GOOD ROADS ASSOCIATION,
By JOHN B. YEON, President.
By RAY CONWAY, Secretary.

(On Official Ballot, Nos. 304 and 305)

A MEASURE

For an act providing for the levying, collecting and paying of taxes on incomes; and disposition of revenue derived therefrom; to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, July 2, 1928.

The following is the form and number in which the proposed measure will be printed on the official ballot:

Initiative Bill—Proposed by Initiative Petition Vote YES or NO

Initiated by Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Oregon State Federation of Labor: William Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor temple, Portland, Oregon. Farmers Union of Oregon: H. R. Richards, president, The Dalles, Oregon; Mrs. G. B. Jones, secretary, Monmouth, Oregon. Order of Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**INCOME TAX BILL**—Purpose: To levy annually a progressive state income tax upon net incomes of persons and corporations resident and non-resident in the state, from every source within the state; exempting from net income of a single person, \$1,500; married person, head of family, or husband and wife together, \$3,000, and for each child or dependent under certain conditions, \$400; corporations, \$2,000 each; and providing that the estimated amount of income taxes for each year be deducted from the total amount of revenue required for state purposes, and only the balance of such required amount be levied as direct taxes on property.

304 Yes. I vote for the proposed law.

305 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiative Bill—Proposed by Initiative Petition Vote YES or NO

Initiated by Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Oregon State Federation of Labor: William Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor temple, Portland, Oregon. Farmers Union of Oregon: H. R. Richards, president, The Dalles, Oregon; Mrs. G. B. Jones, secretary, Monmouth, Oregon. Order of Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**INCOME TAX BILL**—Purpose: Levying a progressive income tax upon net incomes of persons and corporations, and deducting amount of such tax from property tax levied for state purposes.

304 Yes. I vote for the proposed law.

305 No. I vote against the proposed law.

A BILL

For an act providing for the levying, collecting and paying of taxes on incomes; and disposition of revenue derived therefrom.

Be It Enacted by the People of the State of Oregon:

DEFINITIONS

Section 1. *Short Title*—This act shall be known and cited as the income tax act of 1928.

Section 2. *Definitions*—For the purpose of this act and unless otherwise required by the context:

1. The terms "tax commission" and "commission" mean the state tax commission.

2. The word "commissioner" means the state tax commissioner.

3. The word "taxpayer" includes any individual, fiduciary, partnership or corporation whose income is in whole or in part subject to the tax imposed by this act.

4. The word "individual" means a natural person.

5. The word "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person whether individual or corporate, acting in any fiduciary capacity for any person, estate or trust.

6. The word "person" includes individuals, fiduciaries, partnerships and corporations.

7. The word "corporation" includes joint stock companies or associations.

8. The words "tax year" mean the calendar year in which the tax is payable.

9. The word "business" includes trade, profession, occupation or employment.

10. The words "income year" mean the calendar year or the fiscal year, upon the basis of which the net income is computed under this act; if no fiscal year has been established, they mean the calendar year.

11. The words "fiscal year" mean an income year or portion thereof ending on the last day of any month other than December.

12. The word "paid" for the purpose of deductions under this act, means "accrued and paid" or "incurred and paid," and the words "accrued and paid," "incurred and paid" and "incurred" shall be construed according to the method of accounting upon the basis of which the net income is computed under this act. The word "received," for the purpose of the computation of the net income under this act, means "received or accrued," and the words "received or accrued" shall be construed according to the method of accounting upon the basis of which the net income is computed under this act.

13. The words "foreign country" mean any jurisdiction other than one embraced within the United States. The words "United States," when used in a geographical sense, include the states, the territories of Alaska and Hawaii, the District of Columbia and the possessions of the United States.

14. The terms "direct property tax" and "direct tax on property" are interchangeable and mean an ad valorem tax assessed on property values.

IMPOSITION OF TAX

Section 3. 1. A tax is hereby imposed upon every individual and corporation, resident or nonresident, with respect to the taxpayer's entire net income arising or ac-

cruing to him from every source whatever within the state of Oregon, and from such personal property as would regularly have its situs for taxation inside the state of Oregon and be lawfully taxable therein, which tax shall be levied, collected and paid annually, with respect to the taxpayer's entire net income as herein defined, computed at the following rates, after deducting the exemptions provided in this act:

(a) On the first \$1,000 of taxable income or any part thereof, one per cent;

(b) On the second \$1,000 or any part thereof, two per cent;

(c) On the third \$1,000 or any part thereof, three per cent;

(d) On the fourth \$1,000 or any part thereof, three per cent;

(e) On the fifth \$1,000 or any part thereof, four per cent;

(f) On the sixth \$1,000 or any part thereof, four per cent;

(g) On the seventh \$1,000 or any part thereof, five per cent;

(h) On the eighth \$1,000 or any part thereof, five per cent;

(i) On the ninth \$1,000 or any part thereof, six per cent;

(j) On any sum of taxable income in excess of \$9,000, six per cent.

2. Such tax shall first be levied, collected and paid in the year 1929 and with respect to the net income received during the calendar year 1928 or during any income year ending during the twelve months ending December 31, 1928.

Section 4. *Estates and Trusts*—1. The tax imposed by this act shall apply to estates and trusts, which tax shall be levied, collected and paid annually upon and with respect to the income of estates or of any kind of property held in trust, including:

(a) Income received by estates of deceased persons during the period of administration of settlement of the estate;

(b) Income accumulated in trust for the benefit of unborn or unascertained persons or persons with contingent interests;

(c) Income held for future distribution under the terms of the will or trust;

(d) Income which is to be distributed to the beneficiaries periodically, whether or not at regular intervals, and the income collected by a guardian of an infant to be held or distributed as the court may direct;

(e) Income of an estate during the period of administration or settlement permitted by subdivision 3 to be deducted from the net income upon which the tax is to be paid by the fiduciary;

(f) The net income received during the year by deceased individuals who have died, on or after the date a return was due to be filed without having made a return.

2. The fiduciary shall be responsible for making the return of income for the estate or trust for which he acts, whether such income be taxable to the estate or

trust or to the beneficiaries thereof. The net income of an estate or trust shall be computed in the same manner and on the same basis as provided in this act for individual taxpayers, except that there shall also be allowed as a deduction any part of the gross income which pursuant to the terms of the will or deed creating the trust, is during the taxable year paid to or permanently set aside for the United States, any state, territory, or any political subdivision thereof, or the District of Columbia, or any corporation or association organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, and in cases under paragraphs (d) and (e) of subdivision 1 of this section, the fiduciary shall include in the return a statement of each beneficiary's distributive share of such net income, whether or not distributed before the close of the taxable year for which the return is made.

3. In cases under paragraphs (a), (b) and (c) of subdivision 1, of this section, the tax shall be imposed upon the estate or trust with respect to the net income of the estate or trust and shall be paid by the fiduciary, except that in determining the net income of the estate of any deceased person during the period of administration or settlement there may be deducted the amount of any income properly paid or credited to any legatee, heir or other beneficiary. In cases under (a), (b) and (c) the estate or trust shall be allowed the same exemptions as are allowed to single persons under section 13 and in cases under paragraph (f) of the same exemption as would be allowed the deceased, if living. In such cases an estate or trust created by a person not a resident and an estate of a person not a resident shall be subject to tax only to the extent to which individuals other than residents are liable under section 6.

4. In cases under paragraphs (d) and (e) of subdivision 1 of this section, the tax shall not be paid by the fiduciary, but there shall be included in computing the net income of each beneficiary his distributive share whether distributed or not, of the net income of the estate or trust for the taxable year, or, if his net income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the estate or trust is computed, then his distributive share of the net income of the estate or trust for any accounting period of such estate or trust ending within the fiscal or calendar year upon the basis of which such beneficiary's net income is computed. In such cases the income of a beneficiary not a resident, derived through such estate or trust, shall be taxable only to the extent provided in section 6.

COMPUTATION OF TAX

Section 5. *Net Income Defined*—1. The term "net income" means the gross income of the taxpayer less the deductions allowed by this act.

Section 6. *Gross Income Defined*—1. The words "gross income" include gains, profits, income derived from salaries, wages or compensation for personal service, of whatever kind and in whatever form paid, and from professions, vocations, trades, business, commerce and sales, dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also, from interest, rent, dividends or the transaction of any business carried on for gain or profit, or gains or profits, and income derived from any source whatever within the state of Oregon and also from such personal property as would regularly have its situs for taxation inside the state of Oregon and be lawfully taxable therein. The amount of all such items shall be included in the gross income of the income year in which received by the taxpayer, unless, under the methods of accounting permitted under this act, any such amounts are to be properly accounted for as of a different period.

2. The term "gross income" does not include the following items, which shall be exempted from taxation under this act:

(a) The proceeds of life insurance policies and contracts paid upon the death of the insured;

(b) The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract;

(c) The value of property acquired by gift, bequest, devise or descent (but the income from such property shall be included in gross income);

(d) Such interest upon the obligations of the United States or its possessions, agencies or instrumentalities, as is or shall be exempt from state taxation by federal law;

(e) Such salaries, wages and other compensation received from the United States by officials or employes thereof, as are or shall be exempt from state taxation by federal law;

(f) Any amounts received through accident or health insurance or under workmen's compensation acts as compensation for personal injuries or sickness, plus the amount of damages received, whether by suit or agreement, on account of such injuries or sickness;

(g) Income received from any source that may not be lawfully taxed by the state of Oregon.

Section 7. *Basis of Return of Net Income*—1. Taxpayers, who customarily determine their income on a basis other than that of actual cash receipts and disbursements, may, with the approval of the commission, return their net income under this act upon a similar basis. Taxpayers who customarily determine their income on the basis of an established fiscal year instead of on that of the calendar year, may, with the approval of the commission, and subject to such rules and regulations as it may establish, return their net in-

come under this act on the basis of such fiscal year, in lieu of that of the calendar year.

2. A taxpayer may, with the approval of the tax commission, and under such regulations as it may prescribe, change his income year from the fiscal year to the calendar year or otherwise, in which case, his net income shall be computed upon the basis of such new income year.

3. An individual carrying on business in partnership shall be liable for income tax only in his individual capacity and shall include in his gross income the distributive share of the net income of the partnership distributable to him during the income year.

4. If the income from sources within the state can not be properly segregated from income from without the state, then in that event, the amount of the net income returned shall be that proportion of the taxpayer's total net income which the taxpayer's gross business done in the state of Oregon bears to the total gross business of the taxpayer, and apportionment shall be made under rules and regulations prescribed by the commission.

Section 8. *Determination of Gain or Loss*—1. For the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition of property, real, personal or mixed, the basis shall be, in case of property acquired on or after January 1, 1928, the cost thereof, or the inventory value, if the inventory is made in accordance with sections 8 and 9 of this act.

2. In case of property acquired prior to January 1, 1928, and disposed of thereafter:

(a) No profit shall be deemed to have been derived if either the cost or the fair market price or value on January 1, 1928, exceeds the value realized;

(b) No loss shall be deemed to have been sustained if either the cost or the fair market price or value on January 1, 1928, is less than the value realized;

(c) Where both the cost and the fair market price or value on January 1, 1928, are less than the value realized, the basis for computing profit shall be the cost or the fair market price or value on January 1, 1928, whichever is higher;

(d) Where both the cost and the fair market price or value on January 1, 1928, are in excess of the value realized, the basis for computing loss shall be the cost or the fair market price or value on January 1, 1928, whichever is lower.

Section 9. *Exchange of Property*—1. When property is exchanged for other property, the property received in exchange shall, for the purpose of determining gain or loss, be treated as the equivalent of cash to the amount of its fair market value; provided, a market exists in which the property so received can be disposed of at the time of the exchange, for a reasonably certain and definite price in

cash; otherwise, such exchange shall be considered as a conversion of assets from one form to another, from which no gain or loss shall be deemed to arise.

2. In the case of the organization of a corporation, the stock or securities received shall be considered to take the place of property transferred therefor and no gain or loss shall be deemed to arise therefrom.

3. When, in connection with the reorganization, merger or consolidation of a corporation, a taxpayer receives, in place of stock or securities, owned by him, new stock or securities, the basis of computing the gain or loss, if any, shall be, in case the stock or securities owned by him were acquired before January 1, 1928, the fair market price or value thereof as of that date, if such price or value exceeds the original cost and in all other cases the cost thereof.

Section 10. *Inventory*—Whenever, in the opinion of the commissioner, the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by such taxpayer, upon such basis as the commission may prescribe, conforming as nearly as may be to the best accounting practice in the trade or business and most clearly reflecting the income, and conforming, as far as may be, to the forms and methods prescribed by the United States commissioner of internal revenue, under the acts of congress then providing for the taxation of income.

Section 11. *Deductions*—In computing net income there shall be allowed as deductions:

(a) All the ordinary and necessary expenses, paid during the income year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal service actually rendered, traveling expenses while away from home in pursuit of trade or business, and including rentals or other payments required to be made as a condition to the continued use or possession, for the purpose of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity;

(b) All interest paid during the income year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities, the interest on which is exempt from taxation under this act;

(c) Taxes, accrued and paid within the income year, imposed by the state of Oregon or any of its political subdivisions or by the authority of the United States and allocable to the state of Oregon except inheritance taxes, and except income taxes imposed by this act and taxes assessed for local benefits, of a kind tending to increase the value of the property assessed;

(d) Losses sustained during the income year and not compensated for by insurance or otherwise, if incurred, in trade or business;

(e) Losses sustained during the income year and not compensated for by insurance or otherwise, if incurred in any transaction entered into for profit, though not connected with the trade or business;

(f) Losses sustained during the income year, of property not connected with the trade or business, if arising from fires, storm, shipwreck or other casualty, or from theft and not compensated for by insurance or otherwise;

(g) Debts ascertained to be worthless and charged off within the income year;

(h) A reasonable allowance for the depreciation and obsolescence of property used in the trade or business, and in the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion; provided, that in computing the deductions allowed under this paragraph, the basis shall be the cost (including in the case of mines, oil and gas wells and other natural deposits, the cost of development, not otherwise deducted), and in the case of natural deposits and timber acquired prior to January 1, 1928, the fair market value of the property on that date shall be taken in lieu of cost up to that date. The reasonable allowances under this paragraph shall be made under rules and regulations to be prescribed by the commission. In the case of leases the deductions allowed may be equitably apportioned between the lessor and the lessee;

(i) Contributions or gifts within the taxable year to corporations or associations operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to the special fund for vocational rehabilitation authorized by section 7 of the act of congress known as the vocational rehabilitation act, to an amount not in excess of fifteen per centum of the taxpayer's net income as computed without the benefit of this subdivision. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the commission. This deduction shall be allowed only as to contributions or gifts made to corporations or associations incorporated by or organized under the laws of this state or to the vocational rehabilitation fund above mentioned;

(j) Dividends or income received by any person from stock or interest in any corporation, the income of which shall have been taxed under this act; provided, that when only a part of the income of any corporation shall have been assessed under this act, only a corresponding part of the dividends or income received therefrom shall be deducted;

(k) If for any taxable year beginning after December 31, 1927, it appears on the production of evidence satisfactory to the commission that any taxpayer has sustained a net loss, the amount thereof shall be deducted from the net income of the taxpayer from the succeeding year; and if such net loss is in excess of the net income

for such succeeding taxable year the amount of such excess shall be held as a reduction in computing the net income for the next succeeding taxable year; the deduction in all cases to be made under regulations prescribed by the commission;

(1) The deductions allowed in this section shall be allowed only if and to the extent that they are connected with income arising from sources within the state and taxable under this act.

Section 12. *Items Not Deductible*—In computing net income of individuals no deductions shall in any case be allowed in the following:

(a) Personal, living or family expenses;

(b) Any amount paid out for new buildings or for permanent improvements or betterments, made to increase the value of any property or estate;

(c) Any amount expended in restoring property for which an allowance is or has been made;

(d) Premiums paid on any life insurance policy covering the life of any officer or employe or of any individual financially interested in any trade or business carried on by the taxpayer, when the taxpayer is directly or indirectly a beneficiary under such policy.

Section 13. *Exemptions*—1. There shall be deducted from the net income of individuals the following exemptions:

(a) In the case of a single individual, a personal exemption of \$1,500;

(b) In the case of the head of a family, or a married individual living with husband or wife, a personal exemption of \$3,000. A husband and wife living together shall receive but one personal exemption of \$3,000 against their aggregate net income; and in case they make separate returns, the personal exemption of \$3,000 may be taken by either or divided between them;

(c) \$400 for each individual (other than husband and wife) dependent upon and receiving his chief support from the taxpayer, if such dependent individual is under eighteen years of age or incapable of self-support because mentally or physically defective, or if such dependent individual is attending any school or institution of learning;

(d) In the case of corporations, an exemption of \$2,000.

2. The status on the last day of the income year shall determine the right to the exemptions provided in this section; provided, that a taxpayer shall be entitled to such exemptions for husband or wife or dependent who has died during the income year.

Section 14. *Conditional and Other Exemptions*—The following organizations shall be exempt from taxation under this act:

1. Labor, agricultural or horticultural organizations;

2. Fraternal beneficiary societies, orders or associations (a) operating under the

lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system and (b) providing for the payment of life, sick, accident or other benefits to the members of such society, order or association or their dependents;

3. Building and loan associations and cooperative banks without capital stock, organized and operated for mutual purposes, and without profits;

4. Cemetery corporations and corporations organized for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual;

5. Business leagues, chambers of commerce or boards of trade, not organized for profit, no part of the net earnings of which inures to the benefit of any private stockholder or individual;

6. Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare;

7. Clubs organized and operated exclusively for pleasure, recreation and other non-profitable purposes, no part of the net earnings of which inures to the benefit of any private stockholder or member;

8. Farmers' or other mutual hail, cyclone or fire insurance companies, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations of a purely local character, the income of which consists solely of assessments, dues and fees collected from the members for the sole purpose of meeting expenses;

9. Farmers', fruit growers', or life organizations, organized and operated as sales agents for the purpose of marketing the products of members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity of produce furnished by them;

10. Insurance companies, upon which a tax on premiums is levied or placed;

11. Banks.

RETURNS OF INCOME TAX

Section 15. *Returns*.—1. Every individual having a net income for the income year from sources taxable under this act, of \$1,500 or over, if single, or if married and not living with husband or wife; or having a net income for the income year of \$3,000 or over, if married, and living with husband or wife, and every corporation doing business in the state of Oregon and every partnership doing business therein shall make a return under oath, stating specifically the items of gross income and the deductions and exemptions allowed by this act;

2. If a husband and wife living together have an aggregate net income of \$3,000 or over, each shall make such a return, unless the income of each is included in a single joint return;

3. If the taxpayer is unable to make his own return, the return shall be made by a

duly authorized agent or by a guardian or other person charged with the care of the person or property of such taxpayer.

Section 16. *Fiduciary Returns*.—Every fiduciary (except receivers appointed by authority of law in possession of part only of the property of a taxpayer) shall make under oath a return for the individual or estate or trust for whom he acts, as follows:

1. If he acts for an individual whose entire income from whatever source derived is in his charge and the net income of such individual is \$1,500 or over if single, or if married and not living with husband or wife, and \$3,000 or over if married and living with husband or wife;

2. If he acts (a) for an estate of a deceased person during the period of administration or settlement, whether or not the income of such estate during such period of administration or settlement is properly paid or credited to any legatee, heir or other beneficiary; (b) for an estate or trust the income of which is accumulated in trust for the benefit of unborn or unascertained persons, or persons with contingent interest; or (c) for an estate or trust the income of which is held for future distribution under the terms of the will or trust, if the net income of such estate or trust is \$1,500 or over;

3. If he acts (a) for an estate or trust the income of which is to be distributed to the beneficiaries periodically; or (b) as the guardian of an infant whose income is to be held or distributed as the court may direct; and any beneficiary of such estate or trust who receives or is entitled to a distributive share of the income of the estate or trust of \$1,500 or more. The return made by a fiduciary shall state specifically the items of the gross income and the deductions, exemptions and credits allowed by this act. Under such regulations as the commission may prescribe, a return made by one of two or more joint fiduciaries shall be sufficient compliance with the above requirement. The fiduciary shall make oath that he has sufficient knowledge of the affairs of the individual, estate or trust for whom or which he acts to enable him to make the return, and that the same is, to the best of his knowledge and belief, true and correct;

4. Fiduciaries required to make returns under this section shall be subject to all the provisions of this act which apply to taxpayers;

5. Fiduciaries required to make returns under this act, partnership, corporation, joint stock company or association or insurance company, having a place of business in this state, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, employers and all officers and employees of the state or of any political subdivision of the state, having the control, receipt, custody, disposal or payment of interest (other than interest coupons payable to bearer), rent, dividends, salaries, fees, wages, emoluments and other fixed or determinable annual or periodical gains, profits and income, amounting to \$1,500

or over, paid or payable during any year to any taxpayer, shall make complete return thereof under oath, to the commission, under such regulations and in such form and manner and to such extent as it may prescribe;

6. Every partnership, having a place of business in the state, shall make return, stating specifically the items of its gross income and the deductions allowed by this act, and shall include in the return the names and addresses of the individuals who would be entitled to share in the net income if distributed, and the amount of the distributive share of each individual. The return shall be sworn to by any one of the parties.

Section 17. *Time and Place of Filing Returns*—Returns shall be in such form as the commission may, from time to time, prescribe and shall be filed with the commission at its main office or any branch office which it may establish, within ninety days after the expiration of the income year. In case of sickness, absence or other disability, or whenever in its judgment good cause exists, the commission may allow further time for filing returns. There shall be annexed to the return the affidavit or affirmation of the taxpayer making the return to the effect that the statements contained therein are true. The commission shall cause to be prepared blank forms for said returns and shall cause them to be distributed throughout the state and to be furnished upon application, but failure to receive or secure the form shall not relieve the taxpayer from the obligation of making any return herein required.

Section 18. *Failure to File Returns; Supplementary Returns*—If the commission shall be of the opinion that any taxpayer has failed to file a return, or to include in a return filed, either intentionally or through error, items of taxable income, it may require from such taxpayer a return or supplementary return, under oath, in such form as it shall prescribe, of all the items of income which the taxpayer received during the year for which the return is made, whether or not taxable under the provisions of this act. If from a supplementary return, or otherwise, the commission finds that any items of income, taxable under this act, have been omitted from the original return it may require the items so omitted to be disclosed under oath of the taxpayer, and to be added to the original return. Such supplementary return and the correction of the original return shall not relieve the taxpayer from any of the penalties to which he may be liable under any provisions of this act whether or not the commission required a return or a supplementary return under this section.

Section 19. 1. The return by a corporation shall be sworn to by the president or other principal officer and by the secretary.

2. The return of an individual, who, while living, was subject to income tax in the state during the income year and who has died before making the return, shall be made in his name and behalf by

the administrator or executor of the estate and the tax shall be levied upon and collected from his estate.

3. Where the tax commission has reason to believe that any taxpayer so conducts his trade or business as either directly or indirectly to distort his true net income and the net income properly attributable to the state, whether by the arbitrary shifting of income, through price fixing, charges for services or otherwise, whereby the net income is arbitrarily assigned to one or another unit in a group of taxpayers carrying on business under a substantially common control, it may require such facts as it deems necessary for the proper computation of the entire net income and the net income properly attributable to the state and in determining the same the commission shall have regard to the fair profits which would normally arise from the conduct of the trade or business.

Section 20. *Returns When Income Year Changed*—If a taxpayer, with the approval of the commission, changes the income year on the basis of which his net income is computed, he shall, at such time and in such manner as the commission may prescribe, make a separate return of his net income received during the period intervening between the end of his former income year and the beginning of his new income year.

COLLECTION AND ENFORCEMENT OF TAX

Section 21. *Time and Place of Payment of Tax*—1. The tax may be paid in four instalments, each consisting of one-fourth of the total amount of the tax. The first instalment shall be paid to the commission at the time fixed by law for filing the return, the second instalment shall be so paid on or before the last day of the third month, the third instalment shall be so paid on or before the last day of the sixth month and the fourth instalment shall be so paid on or before the last day of the ninth month after the time fixed by law for filing the returns. If any instalment is not paid on the date fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand from the commission. When at the request of the taxpayer the time for filing the return is extended, interest at the rate of one-half of one per cent per month or fraction thereof from the time when the return was originally required to be filed to the time of payment, shall be added and paid; provided, however, that in case the total amount of the tax shall be \$10 or less, then and in that case, the whole amount of the tax shall be paid at the time of filing the return.

2. The tax may be paid with uncertified check during such time and under such regulation as the commission shall prescribe, but if a check so received is not paid by the bank on which it is drawn, the taxpayer by whom such check is tendered shall remain liable for the payment of the tax and for all legal penalties, the same as if such check had not been tendered.

Section 22. *Examination of Returns*—1. As soon as practicable after the return is filed the commission shall examine it and

compute the tax, and the amount so computed by the commission shall be the tax. If the tax found due shall be greater than the amounts theretofore paid, the excess shall be paid to the commission within ten days after notice of the amount shall be mailed by the commission.

2. If the return is made in good faith and the understatement of the tax is not due to any fault of the taxpayer, there shall be no penalty or additional tax added because of the understatement, but interest shall be added to the amount of the deficiency at the rate of one per cent for each month or fraction of a month.

3. If the understatement is due to negligence on the part of the taxpayer, but without intent to defraud, there shall be added to the amount of the deficiency five per cent thereof, and in addition interest at the rate of one per cent per month or fraction of a month.

4. If the understatement is false or fraudulent, with intent to evade the tax, the tax on the additional income discovered to be taxable shall be doubled and an additional one per cent per month or fraction of a month shall be added.

5. The interest provided for in this section shall in all cases be computed from the date the return was originally required to be filed to the date of payment.

6. If the amount of tax found due as computed be less than the amount theretofore paid, the excess shall be refunded by the commission out of the proceeds of the tax retained by it as provided in this act.

7. All payments received must be credited, first to penalty and interest accrued and then to tax due.

Section 23. *Additional Taxes*—1. If the commission discovers from the examination of the return or otherwise that the income of any taxpayer, or any portion thereof, has not been assessed, it may, at any time, within three years after the time when the return was due, compute the tax and give notice to the taxpayer of the proposed assessment, and the taxpayer shall thereupon have an opportunity, within thirty days, to confer with the commission as to such proposed assessment. The limitation of three years to the assessment of such tax or additional tax shall not apply to the assessment of additional taxes upon fraudulent returns. After the expiration of thirty days from such notification the commission shall assess the income of such taxpayer or any portion thereof which it believes has not heretofore been assessed and shall give notice to the taxpayer so assessed of the amount of the tax and interest and penalties, if any, and the amount thereof shall be due and payable within ten days from the date of such notice. The provisions of this act with respect to revision and appeal shall apply to a tax so assessed. No additional tax amounting to less than \$1.00 shall be assessed.

2. If the commission and the taxpayer consent in writing to the assessment of the tax after the expiration of the three-year period prescribed by paragraph 1 of this section, the tax may be assessed at any time prior to the expiration of the period agreed upon.

Section 24. *Warrant for Collection of Taxes*—If any tax imposed by this act or any portion of such tax be not paid within thirty days after the same becomes due, the commission shall issue a warrant under its hand and official seal directed to the sheriff of any county of the state commanding him to levy upon and sell the real and personal property of the taxpayer found within his county, for the payment of the amount thereof, with the added penalties, interest and the cost of executing the warrant, and to return such warrant to the commission and pay to it the money collected by virtue thereof by a time to be therein specified, not less than sixty days from the date of the warrant. The sheriff shall within five days after the receipt of the warrant file with the clerk of his county a copy thereof, and thereupon the clerk shall enter in the judgment docket, in the column for judgment debtors, the name of the taxpayer mentioned in the warrant and in appropriate columns the amount of the tax or portion thereof and penalties for which the warrant is issued and the date when such copy is filed, and thereupon the amount of such warrant so docketed shall become a lien upon the title to an interest in real property or personal property of the taxpayer against whom it is issued in the same manner as a judgment duly docketed in the office of such clerk. The said sheriff shall thereupon proceed upon the same in all respects, with like effect, and in the same manner prescribed by law in respect to executions issued against property upon judgment of a court of record, and shall be entitled to the same fees for his services in executing the warrant to be collected in the same manner. In the discretion of the commission a warrant of like terms, force and effect may be issued and directed to any agent authorized to collect income taxes, and in the execution thereof such agent shall have all the powers conferred by law upon sheriffs, but shall be entitled to no fee or compensation in excess of actual expenses paid in the performance of such duty. If a warrant be returned not satisfied in full, the commission shall have the same remedies to enforce the claim for taxes against the taxpayer as if the people of the state had recovered judgment against the taxpayer for the amount of the tax and shall balance his assessment record by transferring the unpaid deficiency to his delinquent record.

Section 25. *Tax a Debt*—Every tax imposed by this act, and all increases, interest and penalties thereon shall become, from the time it is due and payable, a personal debt, from the person or persons liable to pay the same to the state of Oregon.

Section 26. *Action for Recovery of Taxes*—Action may be brought at any time by the attorney general of the state, at the instance of the commission, in the name of the state, to recover the amount of any taxes, penalties and interest due under this act.

Section 27. *Tax Upon Settlement of Fiduciary's Account*—1. No final account of a fiduciary shall be allowed by any

court unless such account shows, and the judge of said court finds, that all taxes imposed by the provisions of this act upon said fiduciary, which have become payable, have been paid, and that all taxes which may become due are secured by bond, deposit or otherwise. The certificate of the commission and the receipt for the amount of the tax therein certified shall be conclusive as to the payment of the tax to the extent of said certificate.

2. For the purpose of facilitating the settlement and distribution of estates held by fiduciaries, the commission may, on behalf of the state, agree upon the amount of taxes at any time due or to become due from such fiduciaries under the provisions of this act, and payment in accordance with such agreement shall be full satisfaction of the taxes which the agreement relates.

PENALTIES

Section 28. *Penalties*—1. If any taxpayer, without intent to evade any tax imposed by this act, shall fail to file a return of income or pay a tax, if one is due, at the time required by or under the provisions of this act, but shall voluntarily file a corrected return of income and pay the tax due within sixty days thereafter, there shall be added to and made a part of the tax an additional amount equal to five per cent thereof, plus \$1.00 and an additional one per cent for each month or fraction of a month during which the tax remains unpaid.

2. If any taxpayer fails voluntarily to file a return of income or to pay a tax, if one is due, within sixty days of the time required by or under the provisions of this act, the tax rates shall be increased twenty per cent, and such increased tax shall be further increased by one per cent for each month or fraction of a month from the time the tax was originally due to the date of payment.

3. The commission shall have power, upon making a record of its reasons therefor, to waive or reduce any of the additional taxes or interest provided in subdivisions 1 and 2 of this section or in subdivisions 2, 3 and 4 of section 22, and to credit all payments received first to penalty and interest, then to tax due.

4. If any taxpayer fails to file a return within sixty days of the time prescribed by this act, any judge of the circuit court, upon petition of the commission, or of any ten taxable residents of the state, shall issue a writ of mandamus requiring such persons to file a return. The order of notice upon the petition shall be returnable not later than ten days after the filing of the petition. The petition shall be heard and determined on the return day or on such day thereafter as the court shall fix, having regard to the speediest possible determination of the case, consistent with the rights of the parties. The judgment shall include costs in favor of the prevailing party. All writs and processes may be issued from the clerk's office in any county and, except as aforesaid, shall be returnable as the court shall order.

5. Any person, who, without fraudulent intent, fails to pay any tax or to make, render, sign or verify any return, or to supply any information within the time required by or under the provisions of this act, shall be liable to a penalty of not more than \$1,000, to be recovered by the attorney general, in the name of the state, by action in any court of competent jurisdiction.

6. Any person or any officer or employe of any corporation, or member or employe of any partnership, who, with intent to evade any requirement of this act or any lawful requirement of the commission thereunder, shall fail to pay any tax or to make, sign or verify any return or to supply any information required by or under the provisions of this act, or who, with like intent, shall make, render, sign or verify any false or fraudulent return or statement, or shall supply any false or fraudulent information, shall be liable to a penalty of not more than \$1,000, to be recovered by the attorney general in the name of the state, by action in any court of competent jurisdiction and shall also be guilty of a misdemeanor and shall, upon conviction, be fined not to exceed \$1,000 or be imprisoned not to exceed one year, or both, at the discretion of the court.

7. The commission shall have the power to compromise any penalty under subdivisions 5 and 6 of this section. The penalties provided by such subdivisions shall be additional to all other penalties in this act provided.

8. The failure to do any act required by or under the provisions of this act shall be deemed an act committed in part at the office of the commission in Oregon. The certificate of the commission to the effect that a tax has not been paid, that a return has not been filed or that information has not been supplied, as required by or under the provisions of this act, shall be prima facie evidence that such tax has not been paid, that such return has not been filed or that such information has not been supplied.

9. If any taxpayer, who has failed to file a return or has filed an incorrect or insufficient return and has been notified by the commission of his delinquency, refuses or neglects within twenty days after such notice to file a proper return or files a fraudulent return, the commission shall determine the income of such taxpayer according to its best information and belief and assess the same at not more than double the amount so determined. The commission may, in its discretion, allow further time for filing a return in such case.

REVISION AND APPEAL

Section 29. *Revision by Commission*—1. A taxpayer may appeal to the commission for revision of the tax assessed against him, at any time within two years from the time of the filing of the return or from the date of the notice of the assessment of any additional tax. The commission shall grant a hearing thereon and if, upon such hearing it shall determine that the tax is excessive or incorrect, it shall resettle the same according to the law and the facts and adjust the

computation of the tax accordingly. The commission shall notify the taxpayer of its determination and shall refund to the taxpayer the amount, if any, paid in excess of the tax found by it to be due. If the taxpayer has failed without good cause, to file a return within the time prescribed by law, or has filed a fraudulent return or, having filed an incorrect return, has failed, after notice, to file a proper return, the commission shall not reduce the tax below the amount for which the taxpayer is found to be properly assessed.

2. In all cases under this act where January 1, 1928, values are to be determined, especial weight shall be given to the assessed value of the property under consideration and the ratio of assessed value to actual value in that county as determined by the tax commission.

Section 30. *Appeal*—Within thirty days after notice by the commission of its determination, given as provided in section 29 of this act, upon the application of a taxpayer for a revision of any tax, the taxpayer may appeal such determination of the commission to the circuit court of the county in which said taxpayer resides or has his principal place of business by filing a complaint against the commission in such county. Said court shall determine to what relief, if any, the taxpayer is entitled and any tax, interest or penalty paid, found by the court to be in excess of those legally assessed, shall be refunded to the taxpayer with interest from date of payment of such excess tax, interest or penalty. Within thirty days from date of the decision of the circuit court, either the taxpayer or the commission may, irrespective of the amount involved, appeal such decision to the supreme court of the state, such appeal to be governed by the rules that govern appeals in suits of equity.

ADMINISTRATION

Section 31. *Commission to Administer This Act; District*—The commission shall administer and enforce the tax herein imposed for which purpose it may divide the state into districts, in each of which a branch office may be established. It may from time to time change the limits of such districts.

Section 32. *Powers of Commission*—The commission, for the purpose of ascertaining the correctness of any return or for the purpose of making an estimate of the taxable income of any taxpayer, shall have power to examine or cause to be examined by any agent or representative designated by it for the purpose, any books, papers, records or memoranda bearing upon the matter required to be included in the return, and may require the attendance of the taxpayer or any other person having knowledge in the premises, and may take testimony and require proof material for the information, with power to administer oath to such person or persons.

Section 33. *Officers, Agents and Employees*—1. The commission may appoint and remove such deputy commissioners,

agents, auditors, clerks and employes as it may deem necessary, such persons to have such duties and powers as the commission may from time to time prescribe.

2. The salaries of all deputy commissioners, agents and employes shall be fixed by the commission, not to exceed the amounts appropriated therefor.

3. All such deputy commissioners, agents and employes shall be allowed such reasonable and necessary traveling and other expenses as may be incurred in the performance of their duties, not to exceed the amounts appropriated therefor.

4. The commission may require such of the officers, agents and employes as it may designate to give bond for the faithful performance of their duties in such sum and with such sureties as it may determine, and all premiums on such bonds shall be paid by the commission out of moneys appropriated for the purpose of this act.

Section 34. *Oath and Acknowledgments*. All officers empowered by law to administer oaths, the commissioner, and all deputy commissioners, agents, auditors, and such other employes, as it may designate, shall have the power to administer an oath to any person or to take the acknowledgement of any person in respect of any return or report required by this act or the rules and regulations of the commission.

Section 35. *Publication of Statistics*—The commission shall prepare and publish, annually, statistics, reasonably available, with respect to the operation of this act, including amounts collected, classification of taxpayers, and such other facts as are deemed pertinent and valuable.

Section 36. *Secrecy Required of Officials; Penalties for Violation*—1. Except in accordance with a judicial order, or as provided by law, it shall be unlawful for the tax commission, any deputy, agent, auditor or other officer or employe, to divulge or to make known in any manner the amount of income or any particular set forth or disclosed in any report or return required under this act. Nothing herein shall be construed to prohibit the publication of statistics, so classified as to prevent the identification of particular reports or returns and the items thereof, or the inspection by the attorney general of Oregon or other legal representative of the state of the report or return of any taxpayer, who shall bring action to set aside or review the tax based thereon, or against whom an action or proceeding has been instituted to recover any tax or penalty imposed by this act. Reports and returns shall be preserved for four years and thereafter until the commission orders them to be destroyed.

2. Any offense against any of the provisions of subdivision 1 of this section, shall be punished by a fine of not exceeding \$1,000 or imprisonment, not exceeding one year; or both at the discretion of the court; and if the offender be an officer or employe of the state, he shall be dismissed from office and shall be incapable of holding any public office in this state for a period of five years thereafter.

3. Notwithstanding the provisions of this section, the commission may permit the commissioner of internal revenue of the United States, or the proper officer of any state imposing an income tax similar to that imposed by this act, or the representative of either such officer, to inspect the tax returns of any taxpayer, or furnish to such officer or his representative an abstract of the return of income of any taxpayer or supply him information concerning any item of the income contained in such return, or disclosed by the report of any investigation of income or return of income of any taxpayer; but such permission shall be granted, or information furnished to such officer or his representative only when the statutes of the United States or such other state, as the case may be, grant substantially similar privileges to the proper officer of this state charged with the administration of this act. Every taxpayer shall, upon request of the commission furnish a copy of the return for the corresponding year, which he has filed with the Federal Government of the United States, showing his net income and how obtained and the several sources from which derived.

Section 37. *Regulations*—The commission may from time to time make such rules and regulations not inconsistent with this act, as it may deem necessary for the enforcement of the provisions thereof.

Section 38. *Revenue from Tax on Incomes to Replace Property Tax*—The expressed purpose of this act is to provide revenue to meet the expenses of the state government by the taxing of incomes, and, by so providing such revenue to discontinue the levying of direct taxes on property for state purposes. Except as herein provided, the state shall levy no direct tax on property except when the estimated net revenue to be derived from the tax levied on incomes for the next calendar year shall be less than the total amount levied by the state during the year immediately preceding for purposes other than the payment of bonded indebtedness or interest thereon plus six per centum thereof; provided, that nothing in this section shall be construed so as to affect the levying of any tax authorized by vote of the people. In December, 1928, and every year thereafter, the commission shall estimate the total revenue necessary for the miscellaneous purposes of the state government, as enumerated under section 4215, Oregon Laws; also, the total amount of any surplus and/or estimated surplus remaining in the state treasury, from whatever sources derived, available for payment of the general expenses of the state, and the estimated net revenue to be derived from the tax levied on incomes for the next calendar year. If the total estimated revenue from said surplus and/or estimated surplus and the estimated net revenue from the tax levied on incomes under this act shall be less than the amount to be raised for state purposes, the commission shall levy such an amount of direct tax on property as may be necessary to meet the deficiency and apportion said amount among the several counties as provided by law; provided, that the total levy, con-

sisting of the levy of direct tax on property and the estimated amount of revenue to be derived from the tax levied on incomes for said calendar year, exclusive of millage taxes authorized by vote of the people, shall not raise a greater amount of revenue for purposes other than the payment of bonded indebtedness or interest thereon than the total amount levied by the state in the year immediately preceding for purposes other than the payment of bonded indebtedness or the interest thereon plus six per centum thereof. If the commission shall underestimate the net revenue to be derived from the tax levied on incomes for any year and such underestimate shall result in a total revenue from the levy, which shall exceed the six per centum limit of article XI, section 11, of the Oregon constitution, such excess revenue shall be credited to a special fund to be used by the state board of control solely for the payment of any of the bonded indebtedness of the state or the interest thereon, the payment of which has not been otherwise specifically provided for.

Section 39. *Disposition of Revenue from Tax on Incomes*—Of the net revenue derived from the taxing of incomes under this act, not to exceed \$10,000 shall be retained by the commission as a working fund from which refunds shall be paid; the balance of said revenue, except as herein otherwise provided, shall be paid to the state treasurer and shall become a part of the general fund of the state of Oregon.

Section 40. *Rules and Regulations of Interpretation*—The rules and regulations issued by the United States government, relative to the interpretation of the federal income tax law shall, in so far as applicable, be used in the construing of this act.

Section 41. *Appropriation for Purposes of Act*—For the purposes of carrying out the provisions of this act, there is hereby appropriated from the general fund of the state of Oregon, not otherwise appropriated, the sum of \$30,000.

Section 42. *Exception to Repeal of Act*—In the event of the repeal of this act, unless otherwise specifically provided in the repeal, this act shall remain in full force for the assessment, imposition and collection of the tax and all interest, penalty or forfeitures which have accrued or may accrue in relation to such tax, for the calendar year in which this act is repealed.

Section 43. *Constitutionality*—If any clause, sentence, paragraph, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of the act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered. No caption of any section or set of sections shall in any way affect the interpretation of this act or any part thereof.

For affirmative argument see page 22.
For negative argument see pages 23-25.

(On Official Ballot, Nos. 304 and 305)**ARGUMENT (Affirmative)**

Submitted by the Oregon State Grange and the Oregon State Federation of Labor, in behalf of the **Income Tax Bill.**

The income tax is the fairest of taxes, because it taxes the individual according to his ability to pay. It is therefore the greatest equalizer of all taxes.

The income tax is different from the direct property tax. It is never levied upon capital, but only on the net income after deducting all expenses of business, the federal income tax, taxes on property and the exemptions allowed, which, in this bill, are as follows: \$1,500 for a single person, \$3,000 for the head of a family, \$400 for each child or dependent; and, in the case of corporations, an exemption of \$2,000.

The income tax reaches sources of revenue that are not reached by the direct property tax, and in this bill, it is specifically provided that the income tax is to take the place of the direct property tax, as is evidenced by the following from section 38: "The expressed purpose of this act is to provide revenue to meet the expenses of the state government by the taxing of incomes, and, by so providing such revenue, to discontinue the levying of direct taxes on property for state purposes."

That the income tax is an additional tax to provide more money for the legislative assembly to spend is not true, for if the amount of revenue derived from the income tax shall exceed the estimated amount to be derived from said income tax and shall therefore produce an amount of revenue in excess of the six per cent limitation of the constitution, then such excess revenue becomes a part of a special fund to be used in paying the bonded indebtedness of the state and interest thereon.

It, the income tax, will reach intangible wealth that is now escaping its just share

of the tax burden that is now being carried by the direct property taxes. This will relieve real property of a part of the burden that it is carrying.

The equalizing of the tax burden and the reducing of the amount of tax carried by real property will result in a persuasive invitation to capital to come to Oregon for profitable investment.

"Our present taxes are, to an alarming extent, taxes on thrift. We must, in our readjustment of taxation, make each one carry his fair share of the growing public burden."

"Civilization will perish unless we can keep all of the elements of the population moving together without class hatred and with mutual good will."

Reports on incomes, made to the state tax commission, show that a large per cent of those, who will pay an income tax under this act, are not on any tax roll of the state.

The time has come when some relief from the ever-increasing burden of tax must be met by revenue from some source other than that of the direct tax on property. The limit has been reached, unless confiscation is to become an actuality.

The experience of the state with the income tax of 1923 is evidence that the income tax is the solution, in part at least, of the tax burden of real property.

THE OREGON STATE GRANGE,
GEO. A. PALMITER, Master,
BERTHA J. BECK, Secretary.

THE OREGON STATE FEDERATION
OF LABOR,
WM. COOPER, President,
BEN T. OSBORNE, Executive
Secretary.

(On Official Ballot, Nos. 304 and 305)

ARGUMENT (Negative)

Submitted by the Greater Oregon Association, the State Taxpayers Association of Oregon, opposing the **Income Tax Bill**.

Again the voters of Oregon must face a state income tax bill, with the ill repute it gives to Oregon as a state needing development.

Six times state income tax has been defeated at the polls, and yet it is brought up again.

Some slight changes have been made this time—some of them excellent—but these changes are not enough to offset the great big fact that this is another one of those state income tax bills.

These small changes are not enough to win approval for an income tax bill that is almost a duplicate of those which have been voted down heretofore.

This constant hammering for state income tax is viewed with apprehension by all who have the best interest of Oregon at heart.

Industrial investors are getting colder and colder towards Oregon, as the one Pacific Coast state which holds this threat against them.

These investors are willing to take their chance along with other taxpayers, by being required to pay property taxes on an even basis with our people now here.

But they are unwilling to pay an income tax premium to Oregon when neither Washington nor California demands that extra imposition.

They may assign other causes for failure to invest here, but the basic reason is the uncertainty and instability of conducting business operations under the continual threat of income tax.

This threat is more emphatic because of the ease of amendment under Oregon laws, and the possibility of surtaxes being added from time to time to provide additional money for specific purposes as in Wisconsin.

Again we hear the old argument that investors should be pleased to come into a state which has state income tax. If this were true investors would be supporting this measure instead of opposing it.

They are almost unanimous in opposition to it. Instead of being "persuasive," to them as argued, it is antagonistic to them.

Again we hear the old argument about the "fairest of taxes," and that income tax is the "greatest equalizer."

But these visionary theories sink into insignificance when the bad effect of income tax on Oregon prosperity is shown.

The prosperity of our people, the wage earner, the merchant with goods to sell, the farmer and grower of food products, keeps pace with the prosperity of the payroll industries.

Manufacturers, merchants and distributors, large employers of men and women, are apprehensive under the income tax threat.

The attitude of development capital has not changed. It was opposed to former state income tax bills as a source of irritation. It is the same today.

Not only are the efforts and money spent to bring new investors almost in vain, but with difficulty can we hold those we have in Oregon.

The signers of this argument are property owners. They have farms, lands, buildings and business enterprises. Their property is all visible where it can be assessed. If income tax was a benefit to property owners they should be supporting it.

But they are unanimously opposed to it because they know that their prosperity, and the prosperity of all property owners in Oregon, depends upon the prosperity of industry and business.

For the sake of Oregon's hopes of progress, of added population, for the development of its resources, and world-wide distribution of her products in the channels of commerce; and so that Oregon can hold its place in the intense competition of Pacific Coast states that have no income tax, the voters of Oregon are urged to reject the income tax bill by voting:

305 X NO I vote against the income tax bill.

GREATER OREGON ASSOCIATION,

The State Taxpayers Association of Oregon,

By J. O. ELROD, Chairman,

W. S. BABSON,

JOHN H. BURGARD,

H. J. FRANK,

RODERICK L. MACLEAY,

C. W. NORTON,

JOHN B. YEON,

IRA F. POWERS,
Executive Committee.

L. B. SMITH, Secretary.

Address: 419 Oregon Building, Portland Oregon.

(On Official Ballot, Nos. 304 and 305)

ARGUMENT (Negative)

Submitted by Oswald West, opposing the **Income Tax Bill**.

The principal object of the framers of this measure has been defeated by the form of the measure. It was intended primarily to reach untaxed moneyed capital, but has been so drawn as to permit such moneyed capital to escape taxation.

Section 14 of this measure provides:

*"The following organizations shall be exempt from taxation under this act:****
"11. Banks."

The effect of this provision is twofold: First, it will exempt all banks, state and national, from an income tax; this by the express provision above quoted.

Second, it will operate to exempt all moneyed capital doing business in competition with banks from an income tax; this because our state and Federal constitutions would protect it against such arbitrary discrimination as would result from a law proposing to exempt from taxation moneyed capital of bankers, but imposing a tax on moneyed capital competing with bankers.

The express exemption of banks was no doubt made on the assumption that under present laws banks were paying an adequate tax on their capital stock. The measure, however, was drafted before the recent decisions of the Federal court in our bank tax cases. On June 17, 1928, the Federal court for this district entered a decree enjoining the collection of all taxes assessed against the stock of national banks in Oregon, on the ground that other moneyed capital in competition with such banks is virtually escaping taxation.

A similar suit has been filed by the state banks and while it has not yet been tried, a temporary restraining order has been granted against the collection of the taxes imposed on such state banks and it is generally anticipated, from preliminary rulings of the court, that the state banks also will be successful in their suit. State and national banks are taxed in the same manner in Oregon, and if both classes of banks ultimately prevail in this litigation, both will escape the payment of taxes on their capital stock.

The assessed value of the capital stock of banks in Oregon for the year 1927 was \$12,448,468.00, and the taxes imposed for the year 1927 were \$653,205.51. Hereafter these banks are to be relieved of such taxes and the burden will be transferred to other taxpayers. After this splendid wind-fall the banks are to enjoy complete exemption under this proposed income tax bill.

If this measure becomes effective, the banks of Oregon will stand relieved not only of the payment of taxes against their capital stock amounting, under present laws, to more than \$650,000.00 per annum, but will be relieved also of the payment of any state income tax.

It may be suggested that although this measure exempts bank incomes from taxation, yet the dividends received by bank stockholders will be subject to an income tax. The answer to this suggestion is that a large part of the stock in the banks is distributed among many hundreds if not thousands of the stockholders, and when the earnings are thus divided and distributed the amount in the hands of the individual stockholder is so small that if it is reached by an income tax levy at all, the tax will be so trifling that it will, as a rule, hardly pay for the cost of collecting it.

Then, again, no well conducted bank distributes all of its earnings in dividends but accumulates a substantial part of the earnings each year as undivided profits, and distributes these undivided profits periodically in stock dividends which are not subject to the income tax. The annual earnings of the various banks in the state will range from a few thousand dollars in the case of the smaller banks to several hundred thousand or approximately a million in the case of one or two of the larger banks. These large accumulations constituting the bank incomes would, if subject to the act, pay a very large sum in income taxes but for the fact that under this law the banks are to be exempt.

So also will insurance companies be exempted from the payment of any income

tax on the net earnings of their loan business done in Oregon—a business which runs into millions of dollars. The only substantial contribution to the support of government by these great foreign institutions will be a tax on premiums which are in nowise connected with their enormous loan business.

If banks are exempted, other moneyed capital competing with such banks can not be taxed. Federal Judge Robert S. Bean, in his decision of June 17, 1928, in the suit above mentioned, said:

"On the trial plaintiffs called witnesses who gave testimony, uncontradicted by the defendant, showing that on March 1, 1926, there were numerous domestic financial and investment corporations and individuals in the vicinity of plaintiff banks engaged in the business of loaning money to individuals, and acquiring and selling notes and bonds, mortgages and other securities, for profit. Loans made by them during the preceding year amounting to from five to ten million dollars, and the bonds and securities bought and sold by them from seventy-five to a hundred million. The money thus loaned and the bonds bought and sold were with a view to reinvestment, and were in competition with the business of national banks."

Accordingly, it was held that bank stock can not be taxed when other moneyed capital in competition with such banks is exempted, for such a discrimination renders the tax assessed against the banks invalid under the Federal law. Under our state and Federal constitutions, if bank capital is not taxed, other moneyed capital

in competition with such banks can not be taxed.

If this proposed income tax bill is adopted, "other moneyed capital" competing with banks will seek and receive relief from the courts. The net result will be that all moneyed capital will escape taxation and the real purpose of the measure actually defeated.

Banks should and must be taxed. The only effective method left open to us is to reach them through an income tax. Such a tax can be made to operate uniformly on all moneyed capital, whether invested in banks or in other competing enterprises.

Due to the complications which have arisen since this proposed measure was drafted—complications which will defeat the purpose of its advocates—the bill should be defeated and relief sought from the legislature. Two of the last three legislatures have passed income tax bills, and there is no reason to doubt that the next legislature will fully meet the situation by providing adequate legislation.

The sponsors of this bill must fully realize by this time that if it is approved by the people at the coming election, it will lead to further inequalities in the distribution of our tax burden. The burden upon moneyed capital will be reduced, but the burden upon real estate will be increased.

OSWALD WEST,
531 Railway Exchange Building,
Portland, Oregon.

(On Official Ballot, Nos. 306 and 307)
AN AMENDMENT

To the constitution of the state of Oregon, to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, to amend section 1 of article IV thereof; proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, July 2, 1928.

The following is the form and number in which the proposed amendment will be printed on the official ballot:

Constitutional Amendment—Proposed by Initiative Petition Vote YES or NO

Initiated by Oregon State Federation of Labor: Wm. Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor temple, Portland, Oregon. Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Order Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**LIMITING POWER OF LEGISLATURE OVER LAWS APPROVED BY THE PEOPLE**—Purpose: To amend section 1 of article IV of the state constitution so as to forbid the legislature declaring an emergency and thus preventing the reference to the people by referendum petition of any legislative act which amends any law which has been approved by the people; also to forbid the legislature repealing any law which has been approved by the people without referring the repealing act to the people for their approval or rejection.

306 Yes. I vote for the foregoing amendment to the constitution.

307 No. I vote against the foregoing amendment to the constitution.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Constitutional Amendment—Proposed by Initiative Petition Vote YES or NO

Initiated by Oregon State Federation of Labor: Wm. Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor temple, Portland, Oregon. Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Order Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**LIMITING POWER OF LEGISLATURE OVER LAWS APPROVED BY THE PEOPLE**—Purpose: Amending state constitution prohibiting legislature from declaring emergency in an act amending law approved by people, and from repealing such law without referendum to people.

306 Yes. I vote for the foregoing amendment to the constitution.

307 No. I vote against the foregoing amendment to the constitution.

PROPOSED CONSTITUTIONAL
AMENDMENT

Be It Enacted by the People of the State of Oregon:

That section 1, article IV of the constitution of the state of Oregon, be and the same is hereby amended to read as follows:

ARTICLE IV
LEGISLATIVE DEPARTMENT

1. *Legislative Authority; Style of Bill; Initiative and Referendum*—The legislative authority of the state shall be vested in a legislative assembly, consisting of a senate and house of representatives, but the people reserve to themselves power to

propose laws and amendments to the constitution and to enact or reject the same at the polls, independent of the legislative assembly, and also reserve power at their own option to approve or reject at the polls any act of the legislative assembly. The first power reserved by the people is the initiative, and not more than eight per cent of the legal voters shall be required to propose any measure by such petition, and every such petition shall include the full text of the measure so proposed. Initiative petitions shall be filed with the secretary of state not less than four months before the election at which they are to be voted upon. The second power is the referendum, and it may be ordered (except as to laws necessary for the immediate preservation of the public peace, health, or safety), either by the petition signed by five per cent of the legal voters, or by the legislative assembly, as other bills are enacted; provided, however, that the legislative assembly shall not declare any emergency in any bill which amends any law which has been approved by the legal voters; nor shall the legislative assembly pass any act repealing any law which has been approved by the legal voters without referring such repealing measure to the people. Referendum petitions shall be filed with the secretary of state not more than ninety days after the final adjournment of the session of the

legislative assembly which passed the bill on which the referendum is demanded. The veto power of the governor shall not extend to measures referred to the people. All elections on measures referred to the people of the state shall be had at the biennial regular general elections, except when the legislative assembly shall order a special election. Any measure referred to the people shall take effect and become the law when it is approved by a majority of the votes cast thereon, and not otherwise. The style of all bills shall be: "Be it enacted by the people of the state of Oregon." This section shall not be construed to deprive any member of the legislative assembly of the right to introduce any measure. The whole number of votes cast for justice of the supreme court at the regular election last preceding the filing of any petition for the initiative or for the referendum shall be the basis on which the number of legal voters necessary to sign such petition shall be counted. Petitions and orders for the initiative and for the referendum shall be filed with the secretary of state, and in submitting the same to the people, he, and all other officers, shall be guided by the general laws and the act submitting this amendment, until legislation shall be especially provided therefor.

For affirmative argument see page 28.

For negative argument see page 29.

(On Official Ballot, Nos. 306 and 307)**ARGUMENT (Affirmative)**

Submitted by the Oregon State Federation of Labor, Oregon State Grange Order Railway Conductors, in behalf of the proposed amendment to the constitution **Limiting Power of Legislature Over Laws Approved by the People.**

If you believe in the initiative and referendum and the safeguarding of the rights of the people to initiate and pass laws in the interest of themselves, then vote for this constitutional amendment. The only change it makes in the original initiative and referendum law, article 4, section 1, of the constitution, is to increase and safeguard the peoples' right to legislate for themselves.

If this amendment is approved by vote of the people the legislative assembly will not be able to declare an emergency when amending a law approved by vote of the people which will leave opportunity to file a referendum petition against any such proposed amendment enacted by the legislature. The legislature will not be able to repeal all or any part of any law after it has been approved by vote of the people without referring the proposed repealing bill to the people for approval or rejection.

This limitation on the right of the legislature to amend or repeal any act after it has been approved by vote of the people is consistent with the amendments to the constitution in 1910 and 1912, preventing the legislative assembly from declaring an emergency in any act regulating taxation or exemption and the value of this taxation limitation has already been approved.

In the 1927 legislative assembly a bill was introduced in the house of representatives to repeal the fish wheel, trap, seine and gill net bill, which had been approved by the people in the November election of 1926 by almost 30,000 majority. This repealing act declared an emergency existed and that it was necessary to repeal the act of the people for the immediate preservation of the public peace, health or safety. This repealing bill was defeated by

vote of the legislative assembly. In the same session an amendment to the fish wheel, trap, seine and gill net bill was introduced in the senate. It had for its purpose the postponing of the time one year the law would take effect. The amendment declared an emergency existed and that it was necessary to pass the amendment for the immediate preservation of the public peace, health, or safety.

This amendment was adopted by both the senate and the house but was vetoed by Governor Patterson, thus preventing the legislative assembly from nullifying the law of the people.

The sponsors of this constitutional amendment believe that the initiative and referendum and the right of the people to legislate for themselves is in jeopardy due to past acts of our legislative assembly and we call upon all liberty loving people who believe that the power of the people is paramount to that of the legislative assembly to vote for this constitutional amendment.

OREGON STATE FEDERATION OF
LABOR,

WM. COOPER, President,
Labor Temple, Portland, Oregon.

BEN T. OSBORNE, Executive
Secretary,
Labor Temple, Portland, Oregon.

OREGON STATE GRANGE,
GEO. A. PALMITER, Master,
Hood River, Oregon.

BERTHA J. BECK, Secretary.
Route 3, Albany, Oregon.

ORDER RAILWAY CONDUCTORS,
E. J. ELLINGSON,
State Legislative Representative,
Eugene, Oregon.

(On Official Ballot, Nos. 306 and 307)

ARGUMENT (Negative)

**Submitted by Oswald West, opposing proposed amendment to the constitution
Limiting Power of Legislature Over Laws Approved by the People.**

Should this proposed amendment be adopted by the people it will operate to hamstring our legislature and impair its usefulness.

First, it requires the legislature to refer to the people, for approval or rejection, any bill passed by it repealing a law enacted by the people through the medium of the initiative.

Had any legislature ever used its power to defeat, or even impair, popular legislation such action might justify the adoption of the amendment, but when it is shown by the record that our legislatures have consistently recognized the sovereignty of the people, and respected their wishes as expressed in popular measures, its adoption is entirely uncalled for.

A second proposition would deny the legislature the right to attach an emergency clause to a bill amending an act approved by the people. Its adoption would result in removing the legislature as a helpful agency in the perfection of popular legislation. While it is true that legislatures at times lay themselves open to criticism it cannot be said that they have, through amendments, ever defeated the plain wishes of the people as expressed in popular legislation. On the contrary, they have always stood ready to strengthen such measures through the correction of errors and blunders made in drafting.

For the purpose of illustration let us take our workmen's compensation act. When approved by the people in its original form it was far from a perfect measure. The earnest men who drafted it were pioneering in a new field. They were facing changing industrial conditions and only through divine wisdom could they foresee and prepare for the many complications which were due to arise through the administration of the act. Experience soon developed its defects and friends of the measure were prompt in calling upon the legislature for amendments. These amendments were often so urgent that it was necessary to attach an emergency clause in order that the amendatory act might become effective immediately after passage, and approval by the governor. In 1920, and as a result of the World war, it was necessary that a special session of the legislature be called to amend the act so as to permit a readjustment of benefits payable.

As a further illustration, let us take Senator Joe Dunne's auto license bill, which will appear on the ballot this fall.

On its face it purports to bring relief to the automobile owner. Its real purpose, however, is buried in a joker through which the operators of motor busses and for-hire trucks expect to be relieved from payment of the mileage fees imposed by an act approved by the people two years ago and which produces an annual revenue of over \$180,000.00 for the state and counties.

Senator Dunne's measure would, in addition to his proposed registration fee, impose upon busses and trucks a straight \$15.00 fee but provides (and this is the joker) that the fees prescribed by the bill "shall be in lieu of all taxes and fees collected or prescribed under the laws of the state of Oregon."

Many automobile owners, prompted by a desire to secure a reduction in automobile license fees, will probably vote for the Dunne bill but without knowing that it relieves motor busses and trucks, using the public highways for private profit, from the payment of fees now justly imposed by a law approved by the people less than two years ago.

Our constitution should be permitted to remain in its present form, then if Joe Dunne's bill becomes a law and the joker be construed to relieve busses and trucks of the payment of mileage fees, the legislature can meet the situation by eliminating this feature of the act and without defeating the real intentions of the people who voted to pass the measure. If, however, the legislature should be obliged to pass such an amendment without an emergency clause, the motor bus and truck people would be prompt to invoke the referendum on the amendment, and in this manner, escape payment of mileage fees until after the next election, just as they did two years ago when the original bill, imposing these mileage fees, was passed by the legislature.

In short, this proposed constitutional amendment is aimed at a possible abuse of power by the legislature—an abuse of power which has never been exercised. Should it become effective, its only practical result will be to remove the legislature as a helpful agency in the matter of correcting admitted and serious defects in measures approved by the people through the medium of the initiative.

OSWALD WEST,

531 Railway Exchange Building,
Portland, Oregon.

(On Official Ballot, Nos. 308 and 309)**A MEASURE**

For an act to preserve for food and game fish propagation and recreational purposes, the Deschutes river and its tributaries, except White river, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of prior appropriations, declaring such use a beneficial one, and providing a penalty for diversion or interruption in their natural flow of the waters withdrawn; to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, July 5, 1928.

The following is the form and number in which the proposed measure will be printed on the official ballot:

Initiative Bill—Proposed by Initiative Petition **Vote YES or NO**

DESCHUTES RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of Deschutes river and its tributaries, except White river, in its natural condition free from commercial encroachments for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and rights of riparian owners for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow except for improvements for navigation under authority of the United States or for fish hatchery and propagation work by the state.

308 Yes. I vote for the proposed law.

309 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiative Bill—Proposed by Initiative Petition **Vote YES or NO**

DESCHUTES RIVER WATER AND FISH BILL—Purpose: To withdraw waters of Deschutes river and tributaries, except White river, from further appropriation, diversion or interruption; maintaining them for fish propagation and recreational purposes.

308 Yes. I vote for the proposed law.

309 No. I vote against the proposed law.

AN ACT

To preserve for food and game fish propagation and recreational purposes, the Deschutes river and its tributaries, except White river, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of

prior appropriations, declaring such use a beneficial one, and providing a penalty for diversion or interruption in their natural flow of the waters withdrawn.

Be It Enacted by the People of the State of Oregon:

Section 1. That the maintenance, so far as is still possible, in its natural condi-

tion and free of encroachments by commercial interests, of the Deschuts river and its tributaries, except White river, for food and game fish propagation and for recreational purposes, shall be and is hereby declared a beneficial use of the waters thereof.

Section 2. Subject to vested rights, and to rights of riparian owners to so much of the waters thereof as may be required for domestic use, all waters of the Deschutes river and its tributaries, except White river, not heretofore appropriated and put to beneficial use, together with all waters thereof heretofore appropriated and which shall hereafter in any manner revert to the state, are hereby withdrawn from appropriation or condemnation; and shall not be diverted or interrupted in their natural flow for any purpose whatsoever, except as may be necessary in connection with improvements for navigation purposes which may be made by or under the authority of the United States,

or as may be necessary in connection with fish hatchery and propagation work of the Oregon state fish or game commission.

Section 3. Any person, firm, corporation or company who shall divert or appropriate any of the waters hereby withdrawn from appropriation, or who shall for such purpose construct or maintain any dam or artificial obstruction to the natural flow of said waters, shall be guilty of a misdemeanor, and upon conviction shall be punished by fine of not less than \$500 nor more than \$5,000, or by imprisonment of not more than six months, or by both such fine and imprisonment, and all dams and works the means of any such unlawful diversion or appropriation of water, shall be and are hereby declared a public nuisance, and shall be abated as such.

For affirmative argument see page 41.

For negative arguments see pages 32-34, 42, 43.

(On Official Ballot, Nos. 308 and 309)

ARGUMENT (Negative)

Submitted by the Bend Chamber of Commerce, the Prineville Business Men's Club, and the Redmond Commercial Club, opposing the **Deschutes River Water and Fish Bill**.

The above measure is offered to close the Deschutes river to all purposes except fishing and recreational use, and if this bill is enacted into a law it will:

1. Prevent future agricultural development through irrigation of the area drained by the Deschutes river and its tributaries.

2. Prevent the use of the waters of the Deschutes river and tributaries for domestic water supplies for Oregon cities and towns.

3. Prevent the use of the waters of the Deschutes river and tributaries in mining operations.

4. Prevent the use of the waters of the Deschutes river and tributaries in lumber milling and logging operations.

5. Prevent the development of the potential power resources of the Deschutes river and tributaries.

6. Prevent the use or diversion of the waters of the Deschutes river and tributaries for any purpose whatsoever except for navigation purposes under the authority of the United States or in connection with fish hatchery and propagation work of the Oregon state fish and game commission.

The opponents of this measure hold that such legislation is not needed, as there is ample authority under present laws for full protection of fish life and of the fishing interests. The use of the Deschutes river and tributaries for irrigation, power purposes, mining operations, and lumbering and logging may go hand in hand with the development of fish propagation. There are no engineering or other problems of an unusual nature involved in the proper provision in connection with dams and the passage of fish over these structures.

Estimating very conservatively, 100,000 acres can be added to the 100,000 acres already irrigated from the Deschutes river and its tributaries. The stream flows through an arid region, where the use of its water for irrigation is absolutely essential to successful agricultural development, and where there is a crying need for every acre-foot of water which can be made available. The additional 100,000 acres of irrigated lands mean the furnishing of homes to 1,250 families on a basis of one to every 80 acres; and one family engaged in agriculture sustains another family engaged in industry, trade, transportation and other branches of the economic organization.

As the cities situated along the Deschutes river and its tributaries develop,

there will be a demand for water for domestic uses, which will be prevented if this bill becomes a law. This fact alone indicates the unreasonable and drastic nature of this bill.

One of the principal natural resources of Oregon is timber. Over 25 per cent of the remaining softwood timber supply of the United States is in the state of Oregon. The use of water in logging and milling operations is absolutely essential, and future development of the lumber industry in the area drained by the Deschutes river and its tributaries would be very seriously hampered if this bill were enacted into a law.

Taking the figures according to the report of the federal power commission on the use of the Deschutes river, made by a board of United States engineers in 1922 (p. 4), which are that 425,000 h. p. can be developed on the Deschutes river at reasonably low cost without storage.

The above government computation is based on the normal flow, which can be increased about 25 per cent by storage of the upper waters of Crooked river. The government engineers estimate that such storage will be practicable as soon as any four of the major power projects are developed, so as to utilize a head of 400 feet.

According to expert testimony given in the recent Deschutes adjudication proceedings, the annual manufacturing output of the power which the Deschutes river is capable of producing, if employed in basic industries, would amount to \$30,000,000.

The Deschutes is therefore seen to be one of the greatest power streams of this country, comparable for instance with Niagara Falls. It possesses certain advantages, such as uniformity of flow, freedom from ice, drift and silt, and suitability of the bed rock for the construction of high dams, which can not be excelled. The ultimate development of this enormous wealth of water-power will doubtless some day make Oregon one of the greatest manufacturing districts in the country.

The great potential value of these power sites has long been recognized. Those which were then wholly or partly still in government ownership, comprising we believe all but one of the undeveloped power sites on the river, were withdrawn from entry in 1907 under the administration of President Roosevelt, confirmed by action of congress, and the federal government has kept control of them ever since. When the two railroads

were constructed up the Deschutes canyon, beginning in 1910, their tracks were lifted at great expense to a height to permit construction of the dams essential to the various projects on the lower river. Surely these power possibilities, so long and so carefully guarded and protected by both the state and federal governments, are not now to be thrown away for the sake of the difference their utilization would make to the scenery and the trout fishing.

The industrial and agricultural possibilities of the Deschutes river now unutilized are a matter of great concern, not only to the people who live within its watershed but to the people of the whole state. Nothing need be said as to what the doubling of the agricultural population of this district would mean to the trade and business of the state at large. The water-power development of Oregon is only begun. When the resources of the Deschutes for the cheap production of power are tapped, we have reason to expect that a rapid transformation of our state will take place by the building up of great industries employing thousands of people and adding immensely to the demand for the agricultural and other products of which we now have a surplus. The Deschutes practically parallels the Willamette valley, at a distance permitting the ready transmission of electric power across the mountain range into the Willamette valley. A large part of the power developed on the Deschutes will unquestionably be transmitted into Portland and other cities in the Willamette valley. It is believed that power from that source will be available at less cost than any power which can be developed elsewhere.

There are eighteen power sites on the Deschutes and the Metolius rivers recognized by the federal government's engineers as capable of economic development. The average cost of developing each with its transmission system and equipment is reckoned at about \$5,000,000, a very large part of which money will be spent for labor, material and supplies right here in Oregon. Of course these sites will not all be developed in our day, but it seems probable that at least three will soon come in. It is a very conservative estimate that each one will support five hundred families, not merely for the sporting and tourist season but for 365 days in the year. The workers it supports will support as many more engaged in agriculture, trade, etc.

In picking out the Deschutes as one of the streams to be closed to power development, the proponents of this measure have, we believe, chosen the stream which is first in line and of greatest importance in the vast development which is to come some day to Oregon from the utilization of its water-power possibilities. No other power stream in the state is so easily accessible for the transmission of power in any such quantities as the Deschutes

will produce, to the city of Portland for instance. The Deschutes is in line for immediate development because of its accessibility, because its power will be cheaper than any other, and because this cheap power can be developed in units at the different sites as the market calls for it.

The advocates of this measure lay stress on the importance of conserving the power (as well as the scenery) of the Deschutes for future generations. All the undeveloped power sites on the stream, excepting one, were withdrawn by the federal government in 1907, and they are still being rigidly conserved. Under the laws of congress no power company can get anything more than a term license. It does not need any more conservation. Some utilization is what it now needs.

Agriculture and home ownership are too heavily burdened with taxation in Oregon. One evident remedy is to build up manufacturing establishments and industries which will carry a share of the tax load. Half a dozen big electric plants costing four or five million dollars each, strung along the Deschutes river, will be some help towards the tax burden of the counties where they are situated. The great industrial plants which will grow up where the power is used, doubtless in large part on the west side of the mountains, will help out these communities, too. The state at large will benefit in like degree in respect to state taxation on both the power plants and the industries. Tourists are fine, but we can't tax them. Turbine wheels will beat tourist meals as a basis of permanent prosperity.

The proponents of this measure have much to say about the fact that California has withdrawn a remote stream or two from power development for the sake of scenery and sport. California can afford to reserve a river or two. But we venture the statement that if California had the Deschutes river within 100 miles of its largest city it would not be putting it on the shelf for the sake of the fish and the scenery. California does not do business that way. It knows better than to stifle its own industrial development in its infancy. Look these facts in the face: Oregon is importing now from California, Washington and Idaho more hydro-electrical power than Oregon is producing; and Oregon is losing right along to Tacoma big industrial enterprises Oregon would get if she could meet Tacoma on power rates. Tacoma has no source of power as cheap or as big as what the Deschutes affords.

Most great power sites in this part of the world are remote and inaccessible and require large preliminary expenditures for roads and railroads to transport materials, supplies, machinery and men for their construction. A number of the best sites on the Deschutes have railroads already built alongside them on both banks of the river.

The Deschutes serves only to a negligible extent as a breeding ground for commercial salmon. No Chinooks ascend it, and no other salmon excepting a few silversides and steelheads. Its importance as a commercial breeding ground is practically nil. So far as sport is concerned, it is essentially a trout stream, with which use the proposed power development will not interfere to any substantial extent. We understand that it is not the habit of such trout, as are found and propagated therein, to migrate to and from the sea, as the salmon do.

Since no injury of any consequence will accrue to the salmon industry by the development of the Deschutes powers, as the Deschutes is not of any importance as a breeding ground for commercial fish, it seems to us that the proper and true policy of those who are concerned about the protection of the salmon industry is to encourage in every way the development of the Deschutes powers, in order that those streams on the western slope of the Cascades range, which really are essential to the salmon industry, may be left free. All these streams, if entirely devoted to power purposes, would furnish only a fraction of the power which can be obtained from the Deschutes.

Whatever may be said concerning the other streams covered by the initiative measures on the ballot, the water-power possibilities of the Deschutes river and its resources for irrigation are so vast and so important to the future development of this state that the people should not think for one moment of enacting legislation which will make it compulsory to "permit these water-power sites to remain scenery," as the proponents of this measure advocate. Their purpose is to stop irrigation and power development on the Deschutes river. Undeveloped power and irrigation projects do not interfere with the fish or the scenery, as a matter of course, and there is no sense in proposing the measure, unless it is intended thereby to prevent developments which otherwise would actually be made.

This part of the state is strong on scenery and sport fishing. We have both and are proud of them. Mighty little difference to either sport or scenery the de-

velopment of the irrigation and power possibilities of the Deschutes river is going to make except to transform wide areas of parched and dusty dry-land farms and sage brush flats into meadows of emerald green, bordered and adorned with shade trees where only junipers flourish now. What has already been accomplished with half of the waters of the upper river shows what can be done when the rest of the water shall be made to flow out on the fields of the Agency plains.

To sum up, we are opposed to this measure for the following reasons:

The Deschutes is of no importance to the commercial fishing interests of the state.

It is capable of adding at least 100,000 acres to the irrigated agricultural area of Central Oregon.

It is the best and most immediately available and also the greatest power stream the state possesses and comparable with the greatest in the country.

Neither the scenery nor the sport fishing will be materially harmed by either the irrigation or the power developments contemplated on the Deschutes.

The Deschutes already has all the conservation it needs.

There will be plenty of water-power left in Oregon for future generations without bottling up the stream which is most available for the use of the present generation.

We believe that the best interests of the people emphatically call for the defeat of this measure.

Respectfully,

BEND CHAMBER OF COMMERCE,

By E. P. MAHAFFEY, President,

By L. K. CRAMB, Secretary.

PRINEVILLE BUSINESS MEN'S CLUB,

By W. O. HALL, President,

By W. B. TUCKER, Secretary.

REDMOND COMMERCIAL CLUB,

By L. S. ROBERTS, President,

By EDGAR BLOOM, Secretary.

(On Official Ballot, Nos. 310 and 311)

A MEASURE

For an act to preserve for food and game fish propagation and recreational purposes, the Rogue river and its tributaries, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of prior appropriations, declaring such use a beneficial one, and providing a penalty for diversion or interruption in their natural flow of the waters withdrawn; to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, July 5, 1928.

The following is the form and number in which the proposed measure will be printed on the official ballot:

Initiative Bill—Proposed by Initiative Petition Vote YES or NO

ROGUE RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of Rogue river and its tributaries in its natural condition free from commercial encroachments for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and rights of riparian owners for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow for any purpose except for improvements for navigation under authority of the United States or for fish hatchery and propagation work by the state.

310 Yes. I vote for the proposed law.

311 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiative Bill—Proposed by Initiative Petition Vote YES or NO

ROGUE RIVER WATER AND FISH BILL—Purpose: To withdraw waters of Rogue river and tributaries from further appropriation, diversion or interruption, and maintain them for fish propagation and recreational purposes.

310 Yes. I vote for the proposed law.

311 No. I vote against the proposed law.

AN ACT

To preserve for food and game fish propagation and recreational purposes, the Rogue river and its tributaries, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of prior appropriations, declaring such use a beneficial one, and providing a penalty for diversion or interruption in their natural flow of the waters withdrawn.

Be It Enacted by the People of the State of Oregon:

Section 1. That the maintenance, so far as is still possible, in its natural condition and free of encroachments by commercial interests, of the Rogue river and its tributaries for food and game fish propagation and for recreational purposes, shall be and is hereby declared a beneficial use of the waters thereof.

Section 2. Subject to vested rights, and to rights of riparian owners to so much

of the waters thereof as may be required for domestic use, all waters of the Rogue river and its tributaries not heretofore appropriated and put to beneficial use, together with all waters thereof heretofore appropriated and which shall hereafter in any manner revert to the state, are hereby withdrawn from appropriation or condemnation; and shall not be diverted or interrupted in their natural flow for any purpose whatsoever, except as may be necessary in connection with improvements for navigation purposes which may be made by or under the authority of the United States, or as may be necessary in connection with fish hatchery and propagation work of the Oregon state fish or game commission.

Section 3. Any person, firm, corporation or company who shall divert or appropriate any of the waters hereby withdrawn from appropriation, or who shall for such purpose construct or maintain any dam or artificial obstruction to the natural flow of said waters, shall be guilty of a misdemeanor, and upon conviction shall be punished by fine of not less than \$500 nor more than \$5,000, or by imprisonment of not more than six months, or by both such fine and imprisonment, and all dams and works the means of any such unlawful diversion or appropriation of water shall be and are hereby declared a public nuisance, and shall be abated as such.

For affirmative argument see page 41.
For negative argument see pages 42, 43.

(On Official Ballot, Nos. 312 and 313)

A MEASURE

For an act to preserve for food and game fish propagation and recreational purposes, the North fork of the Umpqua river, and its tributaries, and the Umpqua river from the junction of the North and South forks to its mouth, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of prior appropriations, declaring such use a beneficial one, and providing a penalty for diversion or interruption in their natural flow of the waters withdrawn; to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, July 5, 1928.

The following is the form and number in which the proposed measure will be printed on the official ballot:

Initiative Bill—Proposed by Initiative Petition Vote YES or NO

UMPQUA RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of North fork of the Umpqua river, and its tributaries, and the Umpqua river from the junction of the North and South forks to its mouth, in its natural condition free from commercial encroachments for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and riparian rights for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow except for navigation improvements or fish propagation.

312 Yes. I vote for the proposed law.

313 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiative Bill—Proposed by Initiative Petition Vote YES or NO

UMPQUA RIVER WATER AND FISH BILL—Purpose: To withdraw waters of North fork of Umpqua and tributaries and combined Umpqua river from further appropriation; maintaining them for fish propagation and recreational purposes.

312 Yes. I vote for the proposed law.

313 No. I vote against the proposed law.

AN ACT

To preserve for food and game fish propagation and recreational purposes, the North fork of the Umpqua river, and its tributaries and the Umpqua river from the junction of the North and South forks to its mouth, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of prior appropriations, declaring such use a beneficial one, and providing a penalty for diversion or interruption in their natural flow of the waters withdrawn.

Section 1. That the maintenance, so far as is still possible, in its natural condition and free of encroachments by com-

Be It Enacted by the People of the State of Oregon:

Section 1. That the maintenance, so far as is still possible, in its natural condition and free of encroachments by com-

mercial interests, of the North fork of the Umpqua river, and its tributaries, and the Umpqua river from the junction of the North and South forks to its mouth, for food and game fish propagation and for recreational purposes, shall be and is hereby declared a beneficial use of the waters thereof.

Section 2. Subject to vested rights, and to rights of riparian owners to so much of the waters thereof as may be required for domestic use, all waters of the North fork of the Umpqua river, and its tributaries, and the Umpqua river from the junction of the North and South forks to its mouth, not heretofore appropriated and put to beneficial use, together with all waters thereof heretofore appropriated and which shall hereafter in any manner revert to the state, are hereby withdrawn from appropriation or condemnation; and shall not be diverted or interrupted in their natural flow for any purpose whatsoever, except as may be necessary in connection with improvements for naviga-

tion purposes which may be made by or under the authority of the United States, or as may be necessary in connection with fish hatchery and propagation work of the Oregon state fish or game commission.

Section 3. Any person, firm, corporation or company who shall divert or appropriate any of the waters hereby withdrawn from appropriation, or who shall for such purpose construct or maintain any dam or artificial obstruction to the natural flow of said waters, shall be guilty of a misdemeanor, and upon conviction shall be punished by fine of not less than \$500 nor more than \$5,000, or by imprisonment of not more than six months, or by both such fine and imprisonment, and all dams and works the means of any such unlawful diversion or appropriation of water, shall be and are hereby declared a public nuisance, and shall be abated as such.

For affirmative argument see page 41.

For negative argument see pages 42, 43.

(On Official Ballot, Nos. 314 and 315)

A MEASURE

For an act to preserve for food and game fish propagation and recreational purposes, the McKenzie river and its tributaries, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of prior appropriations, declaring such use a beneficial one, and providing a penalty for diversion or interruption in their natural flow of the waters withdrawn; to be submitted to the legal electors of the state of Oregon for their approval or rejection at the regular general election to be held November 6, 1928, proposed by initiative petition filed in the office of the secretary of state of the state of Oregon, July 5, 1928.

The following is the form and number in which the proposed measure will be printed on the official ballot:

Initiative Bill—Proposed by Initiative Petition	Vote YES or NO
--	-----------------------

McKENZIE RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of McKenzie river and its tributaries in its natural condition free from commercial encroachments for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and rights of riparian owners for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow for any purpose except for improvements for navigation under authority of the United States or for fish hatchery and propagation work by the state.

314 Yes. I vote for the proposed law.

315 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiative Bill—Proposed by Initiative Petition	Vote YES or NO
--	-----------------------

McKENZIE RIVER WATER AND FISH BILL—Purpose: To withdraw waters of McKenzie river and tributaries from further appropriation, diversion or interruption, and maintain them for fish propagation and recreational purposes.

314 Yes. I vote for the proposed law.

315 No. I vote against the proposed law.

AN ACT

To preserve for food and game fish propagation and recreational purposes, the McKenzie river and its tributaries, by the withdrawal from further appropriation or condemnation, subject to vested rights, and to rights of riparian owners to water for domestic use, of all unappropriated waters thereof, including reversions of prior appropriations, declaring such use a beneficial one, and pro-

viding a penalty for diversion or interruption in their natural flow of the waters withdrawn.

Be It Enacted by the People of the State of Oregon:

Section 1. That the maintenance, so far as is still possible, in its natural condition and free of encroachments by commercial interests, of the McKenzie river

and its tributaries for food and game fish propagation and for recreational purposes, shall be and is hereby declared a beneficial use of the waters thereof.

Section 2. Subject to vested rights, and to rights of riparian owners to so much of the waters thereof as may be required for domestic use, all waters of the McKenzie river and its tributaries not heretofore appropriated and put to beneficial use, together with all waters thereof heretofore appropriated and which shall hereafter in any manner revert to the state, are hereby withdrawn from appropriation or condemnation; and shall not be diverted or interrupted in their natural flow for any purpose whatsoever, except as may be necessary in connection with improvements for navigation purposes which may be made by or under the authority of the United States, or as may be necessary

in connection with fish hatchery and propagation work of the Oregon state fish or game commission.

Section 3. Any person, firm, corporation or company who shall divert or appropriate any of the waters hereby withdrawn from appropriation, or who shall for such purpose construct or maintain any dam or artificial obstruction to the natural flow of said waters, shall be guilty of a misdemeanor, and upon conviction shall be punished by fine of not less than \$500 nor more than \$5,000, or by imprisonment of not more than six months, or by both such fine and imprisonment, and all dams and works the means of any such unlawful diversion or appropriation of water, shall be and are hereby declared a public nuisance, and shall be abated as such.

For affirmative argument see page 41.

For negative argument see pages 42, 43.

(On Official Ballot, Nos. 308 and 309; 310 and 311; 312 and 313; 314 and 315)

ARGUMENT (Affirmative)

Submitted by the Oregon Game Protective Association, in behalf of the **Deschutes River Water and Fish Bill, the Rogue River Water and Fish Bill, the Umpqua River Water and Fish Bill and the McKenzie River Water and Fish Bill.**

The proponents of these measures seek thereby to save to all the people of Oregon for recreational and for food and game fishing purposes, what yet remains of the unappropriated waters of the four most widely advertised and best known streams of the state. The procedure adopted is neither new nor novel. Our Legislative session of 1915, by a like act, withdrew from appropriation or condemnation the waters of the several streams forming falls and scenic beauty along the Columbia River highway. The propriety of so doing can not be seriously questioned, in view of the vast sums of money expended in advertising this single asset of the state, and the handsome returns paid upon the investment by tourist travel. California has reserved the best of her few recreational streams—the Klamath river.

The recreational facilities of the state of Oregon are unexcelled. Their money value is as yet scarcely guessed at and less appreciated. They constitute by far the greatest single capital asset of the state. The four streams in question are known to sportsmen and nature lovers the world over. Thousands upon thousands of dollars have been spent in advertising the sport fishing they afford. Our fish packing business has long been second in state importance, producing millions of dollars annually. It can not exist without brood streams. The four involved are of vital importance to this industry. Especially so is the McKenzie, the greatest brood stream of our chinook salmon. The questions presented by the proposed bills are, therefore, first, whether the waters involved are for the time being more valuable to the state at large and to our salmon canning industry for recreational and fish propagation purposes than for purposes of hydro-electrical or further irrigation development; and, second, whether the remaining water power still capable of development in these streams is safer in the hands of the state of Oregon than for all time given away to private ownership.

The membership of the Oregon Game Protective Association is strictly representative of the citizenship of the state. It numbers as many bankers, merchants, manufacturers, ranchers and professional men as artisans and laborers. This membership has neither desire nor purpose to stifle the orderly development of the state. Their property interests in Oregon are too considerable to permit of such a policy. But they, and we as their spokesman, strongly feel that the public resources of the state of Oregon belong to Oregon, where they should be kept and developed for the benefit of Oregon. The measures involved were precipitated by an attempt of California power interests (blocked in plans to exploit the lower Klamath river in California by a similar initiative mea-

sure overwhelming voted by the citizens of that state) to now appropriate our own Rogue river for the primary purpose of obtaining cheap electrical energy. For what? To take into California, for sale in California, and for the development in California of industries there requiring low-cost electrical power. The five high dams planned for Rogue river construction will beyond question ruin for all time the recreational value of this great stream, as well as its commercial fishing, and should never be permitted until required for Oregon industries. The rental paid the state for the use of state-owned waters in power development is ridiculously small, and any potential loss thereof is offset many times over by tourist revenue and returns from the salmon industry.

When the time comes that the interests of the state at large will be best served by restoration to appropriation of some part of the waters by these bills sought to be reserved, organized sportsmen will be the first to ask for such restoration.

That these measures will be bitterly opposed by selfish and grasping power groups and public utilities is certain. They have much at stake in the way of personal and private gain. They will make much of the bugaboo of "hindered progress." They have too long been parties of privilege not to keenly resent any interference with their rights to help themselves to whatever they want, wherever they want it, and without the consent of any representative of the public. The state engineer can now deny their applications only where the project is shown to be in conflict "with determined rights, or is a menace to the safety or welfare of the public." The methods of propaganda of these interests, and the measure of their domination of the press of the country is now a national scandal.

It is therefore of interest to note in the editorial column of a recent issue of one of their leading publications (The Electrical World) that "Ardent conservationists as well as some others who espouse the cause of natural resource development because they think it popular, have a distorted sense of the value of water power. * * * Here are millions of horsepower running to waste, they reason, which someone, if not private enterprise then the government, ought to harness for the sake of humanity. What they do not comprehend because of lack of experience is that humanity will be better served by permitting these water-power sites to remain scenery."

OREGON GAME PROTECTIVE ASSOCIATION,

E. K. PIASECKI, President,
Dallas, Oregon.

C. B. PHILLIPS, Secretary,
Salem, Oregon.

(On Official Ballot, Nos. 308 and 309; 310 and 311; 312 and 313; 314 and 315)

ARGUMENT (Negative)

Submitted by the Bend Chamber of Commerce; the Grants Pass Chamber of Commerce; the Josephine County Chapter Izaak Walton League of America; the City of Grants Pass; C. G. Gillette, County Judge of Josephine County; the City of McMinville Water and Light Commission; the City of McMinville; the City of Eugene; the Eugene Water Board; the Eugene Chamber of Commerce; the Lane County Chamber of Commerce; the Legislative Committee, Corvallis Chamber of Commerce, and the Albany Chamber of Commerce, opposing the **Deschutes River Water and Fish Bill**, the **Rogue River Water and Fish Bill**, the **Umpqua River Water and Fish Bill**, and the **McKenzie River Water and Fish Bill**.

Four separate bills are offered to close the Deschutes, the Rogue, the Umpqua and the McKenzie rivers to all except fishing and recreational use and if these bills are enacted into laws they will prevent the use or diversion of the waters of these four rivers for any purpose whatsoever, except for navigation purposes, under authority of the United States, or in connection with fish hatchery and propagation work of the Oregon state fish and game commission.

The opponents of these measures hold that such legislation is not needed as there is ample authority under the present laws for full protection of fish life and of the fishing interests. Industrial development of our streams may go hand in hand with the development of fish propagation. There are no engineering or other problems of an unusual nature involved in the proper provision in connection with dams for the passage of fish over these structures.

These measures will, if adopted, prevent the use of the waters of any of these rivers or their tributaries for domestic water supplies for Oregon cities and towns. This fact alone will indicate the unreasonable and drastic nature of the bills. It is stated that the money value of the state's recreational facilities "is as yet scarcely guessed at and less appreciated." The same may be said of its mineral resources. Much of the mineral wealth of Oregon is in the watersheds of these four streams, and mining is undergoing a revival in Oregon, and will continue to develop as confidence is re-

stored in Oregon's mineral possibilities. The "no diversion for any purpose whatsoever" clause is a killing blow to the expansion of this industry in Southwestern Oregon, since mining is absolutely dependent on a nearby water supply.

The proponents of the measures state that they seek to save to all the people of Oregon the unappropriated waters of these four streams. The waters are not being saved to the people, but are being taken away from them, as no city or other political subdivision, or even the state itself, can use these waters for either power, irrigation or for domestic supply without first repealing or amending these laws.

The drainage areas of the four streams involved constitute approximately one-fourth the area of the entire state. We residents of Oregon realize the retarding effect to state development occasioned by the setting aside of large tracts of land for reserves for one purpose or another. These measures will undoubtedly arrest very largely the industrial growth of the territory adjacent to these rivers and involving as they do such a large percentage of the state's area will seriously hamper the industrial and business development of the entire state.

Oregon is still preponderantly an agricultural state, and her best possibilities for immediate development of population and industry is in agricultural expansion. Irrigation is the controlling factor in the commercial life of much of the territory affected by these bills. Prevent the expansion of irrigation and corporate and business growth stops.

We realize the value to the state of the recreational and scenic resources involved in these streams; but we need not sacrifice these values in order, at the same time, to have the benefit of the commercial values potentially present. Those who will benefit by the passage of the proposed measures are a few wealthy sportsmen, relatively small in number, non-residents of the areas involved who wish to retain twenty-five per cent of the state's area in an undeveloped condition for their personal use during a short annual vacation.

If these measures are approved, we say, in effect, to industries seeking new locations, to capital seeking investment, to settlers who wish to live in Oregon and at the same time find means of livelihood that they are not wanted, as we wish to preserve our state with one of its important natural resources untouched.

It is pointed out these measures are not intended to withdraw these waters for all time, but they may be amended "in proper circumstances" at any session of the legislature. The proponents of the measure overlook the "circumstance" that there is on the ballot a bill, by an equally powerful group, that will, if passed, prevent the legislature from amending any measure made a law through exercise of the initiative. This combination of proposals makes the four bills initiated by the sportsmen the most destructive and detrimental that the people of Oregon are called upon to decide.

The measures are unnecessary, because present laws provide ample protection. They are too drastic, because, save for fishing, they forbid the use of these streams for "any purpose whatsoever," except by riparian owners. They even include all tributaries of these rivers. They are unfair because they restrict development in certain sections of the state. They are ill-advised because they tend to undo the efforts of years in trying to attract industry, commerce and population to Oregon.

By the same line of reasoning, we should stop the lumber industry from cutting any more timber that the deer hunters might improve their sport and let a large part of the state revert to an Indian paradise. These bills benefit no one. Even the sportsman must earn a livelihood be-

fore he can enjoy his sport. These measures are a "bread and butter" proposition for Oregon, and the safety of the State's agricultural and industrial future demands their defeat.

BEND CHAMBER OF COMMERCE,
By E. P. MAHAFFEY, President,
By L. K. CRAMB, Secretary.

GRANTS PASS CHAMBER OF
COMMERCE,
By SAM H. BAKER, President.

JOSEPHINE COUNTY CHAPTER
IZAAB WALTON LEAGUE OF
AMERICA,
By FRANK WASHBURN, Vice
President.

CITY OF GRANTS PASS,
By GEO. J. FOX, Mayor.

C. G. GILLETTE,
County Judge of Josephine County.

CITY OF McMinnville, WATER
AND LIGHT COMMISSION,
By GORDON BAKER, Chairman.

CITY OF McMinnville, OREGON,
By GORDON BAKER, Mayor.

CITY OF EUGENE, OREGON,
By GEO. A. GILMORE, Recorder,
As authorized by the Common
Council.

EUGENE WATER BOARD,
By W. P. FELL, President,
By C. A. McCLAIN, Secretary.

EUGENE CHAMBER OF COM-
MERCE,
By J. E. SHELTON, President.

LANE COUNTY CHAMBER OF
COMMERCE,
By T. J. FLIPPIN, JR., Secretary.

LEGISLATIVE COMMITTEE, COR-
VALLIS CHAMBER OF COM-
MERCE,
By C. E. INGALLS, Chairman,

GEO. W. DENMAN,
PAUL V. MARIS.

ALBANY CHAMBER OF COM-
MERCE,
By M. SENDERS, President,
By LEONARD GILKEY, Secretary.

INDEX

	Page
ACTS PROPOSED—	
Bill for Reduction of Motor Vehicle License Fees	6, 7
Deschutes River Water and Fish Bill	30, 31
Five Cent Gasoline Tax Bill	3, 4
Income Tax Bill	11-21
McKenzie River Water and Fish Bill	39, 40
Rogue River Water and Fish Bill	35, 36
Umpqua River Water and Fish Bill	37, 38
AMENDMENT LIMITING POWER OF LEGISLATURE OVER LAWS	
APPROVED BY THE PEOPLE	26, 27
Affirmative Argument	28
Negative Argument	29
AMENDMENTS, PROPOSED CONSTITUTIONAL—	
Limiting Power of Legislature Over Laws Approved by the People	26, 27
ARGUMENTS, AFFIRMATIVE—	
Amendment Limiting Power of Legislature Over Laws Approved by the	
People	28
Bill for Reduction of Motor Vehicle License Fees	8
Deschutes River Water and Fish Bill	41
Five Cent Gasoline Tax Bill	8
Income Tax Bill	22
McKenzie River Water and Fish Bill	41
Rogue River Water and Fish Bill	41
Umpqua River Water and Fish Bill	41
ARGUMENTS, NEGATIVE—	
Amendment Limiting Power of Legislature Over Laws Approved by the People....	29
Bill for Reduction of Motor Vehicle License Fees	9, 10
Deschutes River Water and Fish Bill	32-34, 42, 43
Five Cent Gasoline Tax Bill	5
Income Tax Bill	23, 24, 25
McKenzie River Water and Fish Bill	42, 43
Rogue River Water and Fish Bill	42, 43
Umpqua River Water and Fish Bill	42, 43
BALLOT, HOW MEASURES WILL APPEAR ON	45-47
BILL FOR REDUCTION OF MOTOR VEHICLE LICENSE FEES	6, 7
Affirmative Argument	8
Negative Argument	9, 10
CONSTITUTIONAL AMENDMENTS—see Amendments, Proposed	
Constitutional—	
DESCHUTES RIVER WATER AND FISH BILL	30, 31
Affirmative Argument	41
Negative Argument	32-34, 42, 43
FISH BILL—see Water and Fish Bill—	
FIVE CENT GASOLINE TAX BILL	3, 4
Affirmative Argument	8
Negative Argument	5
GASOLINE TAX BILL, FIVE CENT	3, 4
INCOME TAX BILL	11-21
Affirmative Argument	22
Negative Argument	23, 24, 25
LAW AUTHORIZING THIS PUBLICATION	2
LAWS APPROVED BY THE PEOPLE, LIMITING POWER OF LEGISLATURE	
OVER	26, 27
LAWS PROPOSED—See Acts Proposed.	
LIMITING POWER OF LEGISLATURE OVER LAWS APPROVED BY THE	
PEOPLE	26, 27
Affirmative Argument	28
Negative Argument	29
McKENZIE RIVER WATER AND FISH BILL	39, 40
Affirmative Argument	41
Negative Argument	42, 43
MOTOR VEHICLE LICENSE FEES, BILL FOR REDUCTION OF	6, 7
ROGUE RIVER WATER AND FISH BILL	35, 36
Affirmative Argument	41
Negative Argument	42, 43
UMPQUA RIVER WATER AND FISH BILL	37, 38
Affirmative Argument	41
Negative Argument	42, 43
WATER AND FISH BILL, DESCHUTES RIVER	30, 31
WATER AND FISH BILL, MCKENZIE RIVER	39, 40
WATER AND FISH BILL, ROGUE RIVER	35, 36
WATER AND FISH BILL, UMPQUA RIVER	37, 38

**THIS IS THE WAY THE PROPOSED CONSTITUTIONAL
AMENDMENTS AND MEASURES WILL APPEAR
ON THE OFFICIAL BALLOT**

NOTE—The following list of ballot titles and numbers has been compiled for the convenience of the voters, so that if desired they may prepare in advance marked lists of all measures in order to expedite the marking of their ballots while at the polls.—**SECRETARY OF STATE.**

PROPOSED BY INITIATIVE PETITION

Vote YES or NO

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**FIVE CENT GASOLINE TAX BILL**—Purpose: To increase the tax on gasoline to five cents per gallon instead of three cents, and to authorize the state highway commission to use not more than one-fifth of the proceeds of such tax in assisting the various counties in the construction of state market roads.

300 Yes. I vote for the amendment.

301 No. I vote against the amendment.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**FIVE CENT GASOLINE TAX BILL**—Purpose: Increasing gasoline tax to five cents per gallon; authorizing state highway commission to use one-fifth of proceeds in assisting counties in constructing state market roads.

300 Yes. I vote for the amendment.

301 No. I vote against the amendment.

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**BILL FOR REDUCTION OF MOTOR VEHICLE LICENSE FEES**—Purpose: To reduce motor vehicle license fees; all license fees to be based on the weight of vehicles; solid tire trucks to pay one-fourth additional; abolishing all operating fees of motor carriers, and all other fees and taxes of every kind on motor vehicles, and substituting a fee of \$15 for common carrier motor vehicles, not over \$45,000 of which to apply on expenses of supervision of such motor transportation by public service commission; one-half of the remaining money collected under this act, after paying expenses, to be credited to state highway fund, the other half to the counties.

302 Yes. I vote for the proposed law.

303 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiated by Joe E. Dunne, 507 E. 50th St. North, Portland, Oregon—**BILL FOR REDUCTION OF MOTOR VEHICLE LICENSE FEES**—Purpose: Reducing motor vehicle license fees, abolishing motor carrier's operating fees, etc., substituting \$15 fee; proceeds except \$45,000 going to the state highway fund and counties equally.

302 Yes. I vote for the proposed law.

303 No. I vote against the proposed law.

Initiated by Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Oregon State Federation of Labor: William Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor temple, Portland, Oregon. Farmers Union of Oregon: H. R. Richards, president, The Dalles, Oregon; Mrs. G. B. Jones, secretary, Monmouth, Oregon. Order of Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**INCOME TAX BILL**—Purpose: To levy annually a progressive state income tax upon net incomes of persons and corporations resident and non-resident in the state, from every source within the state; exempting from net income of a single person, \$1,500; married person, head of family, or husband and wife together, \$3,000, and for each child or dependent under certain conditions, \$400; corporations, \$2,000 each; and providing that the estimated amount of income taxes for each year be deducted from the total amount of revenue required for state purposes, and only the balance of such required amount be levied as direct taxes on property.

304 Yes. I vote for the proposed law.

305 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiated by Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Oregon State Federation of Labor: William Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor temple, Portland, Oregon. Farmers Union of Oregon: H. R. Richards, president, The Dalles, Oregon; Mrs. G. B. Jones, secretary, Monmouth, Oregon. Order of Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**INCOME TAX BILL**—Purpose: Levying a progressive income tax upon net incomes of persons and corporations, and deducting amount of such tax from property tax levied for state purposes.

304 Yes. I vote for the proposed law.

305 No. I vote against the proposed law.

Initiated by Oregon State Federation of Labor: Wm. Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor temple, Portland, Oregon. Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Order Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**LIMITING POWER OF LEGISLATURE OVER LAWS APPROVED BY THE PEOPLE**—Purpose: To amend section 1 of article IV of the state constitution so as to forbid the legislature declaring an emergency and thus preventing the reference to the people by referendum petition of any legislative act which amends any law which has been approved by the people; also to forbid the legislature repealing any law which has been approved by the people without referring the repealing act to the people for their approval or rejection.

306 Yes. I vote for the foregoing amendment to the constitution.

307 No. I vote against the foregoing amendment to the constitution.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

Initiated by Oregon State Federation of Labor: Wm. Cooper, president, Labor temple, Portland, Oregon; Ben T. Osborne, executive secretary, Labor Temple, Portland, Oregon. Oregon State Grange: Geo. A. Palmiter, master, Hood River, Oregon; Bertha J. Beck, secretary, route 3, Albany, Oregon. Order Railway Conductors: E. J. Ellingson, state legislative representative, Eugene, Oregon—**LIMITING POWER OF LEGISLATURE OVER LAWS APPROVED BY THE PEOPLE**—Purpose: Amending state constitution prohibiting legislature from declaring emergency in an act amending law approved by people, and from repealing such law without referendum to people.

306 Yes. I vote for the foregoing amendment to the constitution.

307 No. I vote against the foregoing amendment to the constitution.

DESCHUTES RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of Deschutes river and its tributaries, except White river, in its natural condition free from commercial encroachments for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and rights of riparian owners for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow except for improvements for navigation under authority of the United States or for fish hatchery and propagation work by the state.

308 Yes. I vote for the proposed law.

309 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

DESCHUTES RIVER WATER AND FISH BILL—Purpose: To withdraw waters of Deschutes river and tributaries, except White river, from further appropriation, diversion or interruption; maintaining them for fish propagation and recreational purposes.

308 Yes. I vote for the proposed law.

309 No. I vote against the proposed law.

ROGUE RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of Rogue river and its tributaries in its natural condition free from commercial encroachments for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and rights of riparian owners for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow for any purpose except for improvements for navigation under authority of the United States or for fish hatchery and propagation work by the state.

310 Yes. I vote for the proposed law.

311 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

ROGUE RIVER WATER AND FISH BILL—Purpose: To withdraw waters of Rogue river and tributaries from further appropriation, diversion or interruption, and maintain them for fish propagation and recreational purposes.

310 Yes. I vote for the proposed law.

311 No. I vote against the proposed law.

UMPQUA RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of North fork of the Umpqua river, and its tributaries, and the Umpqua river from the junction of the North and South forks to its mouth, in its natural condition free from commercial encroachment for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and riparian rights for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow except for navigation improvements or fish propagation.

312 Yes. I vote for the proposed law.

313 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

UMPQUA RIVER WATER AND FISH BILL—Purpose: To withdraw waters of North fork of Umpqua river and tributaries and combined Umpqua river from further appropriation; maintaining them for fish propagation and recreational purposes.

312 Yes. I vote for the proposed law.

313 No. I vote against the proposed law.

McKENZIE RIVER WATER AND FISH BILL—Purpose: To declare the maintenance of McKenzie river and its tributaries in its natural condition free from commercial encroachments for food and game fish propagation and recreational purposes, a beneficial use of its waters, and, subject to vested rights and rights of riparian owners for required domestic use, to withdraw from appropriation or condemnation all waters of said river and tributaries not already appropriated to beneficial use, and prohibiting diversion or interruption of their natural flow for any purpose except for improvements for navigation under authority of the United States or for fish hatchery and propagation work by the state.

314 Yes. I vote for the proposed law.

315 No. I vote against the proposed law.

The following is the 25-word ballot title of the proposed measure as prepared by the attorney general to be used in connection with voting machines:

McKENZIE RIVER WATER AND FISH BILL—Purpose: To withdraw waters of McKenzie river and tributaries from further appropriation, diversion or interruption, and maintain them for fish propagation and recreational purposes.

314 Yes. I vote for the proposed law.

315 No. I vote against the proposed law.